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Contents

II *Non-legislative acts*

REGULATIONS

- ★ **Commission Delegated Regulation (EU) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States ⁽¹⁾ 1**
- ★ **Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services ⁽¹⁾ 9**
- ★ **Commission Delegated Regulation (EU) 2017/391 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards further specifying the content of the reporting on internalised settlements ⁽¹⁾ 44**
- ★ **Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories ⁽¹⁾ 48**
- ★ **Commission Implementing Regulation (EU) 2017/393 of 11 November 2016 laying down implementing technical standards with regard to the templates and procedures for the reporting and transmission of information on internalised settlements in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council ⁽¹⁾ 116**

⁽¹⁾ Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

- ★ **Commission Implementing Regulation (EU) 2017/394 of 11 November 2016 laying down implementing technical standards with regard to standard forms, templates and procedures for authorisation, review and evaluation of central securities depositories, for the cooperation between authorities of the home Member State and the host Member State, for the consultation of authorities involved in the authorisation to provide banking-type ancillary services, for access involving central securities depositories, and with regard to the format of the records to be maintained by central securities depositories in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council ⁽¹⁾ 145**

⁽¹⁾ Text with EEA relevance.

II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2017/389

of 11 November 2016

supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾, and in particular Article 7(14) and Article 24(7) thereof,

Whereas:

- (1) The provisions of this Regulation are closely linked since they deal with the elements required for the implementation of the measures laid down in Regulation (EU) No 909/2014. To ensure coherence between those measures and to facilitate a comprehensive view and easy access by persons that are subject to these provisions, it is desirable to include all these elements concerning measures under Regulation (EU) No 909/2014 in a single Regulation.
- (2) Regulation (EU) No 909/2014 requires that central securities depositories (CSDs) impose cash penalties on participants to their securities settlement systems that cause settlement fails (failing participants).
- (3) To ensure that cash penalties imposed on failing participants act as an effective deterrent, the parameters for the calculation of the level of cash penalties should be closely related to the value of financial instruments that fail to be delivered, and to which appropriate penalty rates should be applied. The value of the financial instruments underlying the transaction should also be the basis for the calculation of the level of cash penalty where the settlement fail is due to a lack of cash. The level of cash penalties should provide incentives to failing participants to promptly settle transactions that failed to be settled. In order to ensure the effective achievement of the objectives pursued by the imposition of cash penalties, the adequacy of the parameters for their calculation should be monitored on an ongoing basis and adjusted, as necessary, on the basis of the impact of those penalties on the market.
- (4) In view of the considerable price differences of financial instruments in the multiple underlying transactions and in order to facilitate the calculation of cash penalties, the value of financial instruments should be based on

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

a single reference price. The same reference price should be used by CSDs on a given day for calculating cash penalties for settlement fails concerning identical financial instruments. Cash penalties should be therefore the result of multiplying the number of financial instruments underlying the transaction that failed to settle by the relevant reference price. The establishment of reference prices should be based on objective and reliable data and methodologies.

- (5) Taking into account that the automation of calculations of cash penalties should ensure their effective application by CSDs, appropriate penalty rates should be based on a single table of values that should be easy to automate and apply. Penalty rates for different types of financial instruments should be set at levels that would result in cash penalties that fulfil the conditions of Regulation (EU) No 909/2014.
- (6) Settlement of transactions in shares is usually highly standardised. Where shares have a liquid market and could therefore be bought easily, settlement fails should be subject to the highest penalty rate in order to provide incentives to failing participants to settle failed transactions in a timely manner. Shares that do not have a liquid market should be subject to a lower penalty rate given that a lower penalty rate should still have a deterrent effect without affecting the smooth and orderly functioning of the markets concerned.
- (7) The level of cash penalties for settlement fails of transactions in debt instruments issued by sovereign issuers should take into account the typically large size of these transactions and their importance for the smooth and orderly functioning of the financial markets. Settlement fails should therefore be subject to the lowest penalty rate. Such a penalty rate should nevertheless have a deterrent effect and provide an incentive for timely settlement.
- (8) Debt instruments that are not issued by sovereign issuers have less liquid markets and the size of transactions in such instruments is smaller. Such debt instruments also affect the smooth and orderly functioning of the financial markets less than debt instruments issued by sovereign issuers. The penalty rate for settlement fails should therefore be higher than for debt instruments issued by sovereign issuers.
- (9) Settlement fails of transactions in debt instruments should be subject to lower penalty rates than settlement fails of transactions in other financial instruments in view of their overall larger size, non-standardised settlement, greater cross-border dimension and importance for the smooth and orderly functioning of the financial markets. Such lower penalty rate should nevertheless have a deterrent effect and provide an incentive for timely settlement.
- (10) Financial instruments other than shares and debt instruments that fall within the scope of Regulation (EU) No 909/2014, such as depository receipts, emission allowances and exchange-traded funds, do not usually have a highly standardised settlement and liquid markets. They are also often traded over-the-counter (OTC). In view of the limited volume and size of transactions and in order to reflect their non-standardised trading and settlement, settlement fails should be subject to a similar penalty rate to the one for shares that do not have a liquid market.
- (11) The parameters for calculating cash penalties should be adapted to the specificities of certain trading venues, such as SME growth markets as defined in Directive 2014/65/EU of the European Parliament and of the Council⁽¹⁾. Cash penalties for settlement fails should not hinder access by small and medium enterprises (SMEs) to capital markets as an alternative to bank lending. In addition, Regulation (EU) No 909/2014 allows SME growth markets the flexibility not to apply the buy-in process to settlement fails until up to 15 days after the intended settlement date. Consequently, cash penalties for settlement fails in financial instruments traded on SME growth markets may apply during a longer period of time than for other financial instruments. Given the length of application of cash penalties, lower liquidity and specificities of SME growth markets, the penalty rate for settlement fails of transactions in financial instruments traded on such trading venues should be set at a specific rate that should provide incentives for timely settlement but should not affect their smooth and orderly functioning. It is also appropriate to ensure that settlement fails of transactions in certain financial instruments, such as debt instruments traded on such venues, are subject to a lower penalty rate than similar debt instruments traded on other markets.

⁽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 (OJ L 173, 12.6.2014, p. 349).

- (12) Settlement fails due to a lack of cash should be subject to a single penalty rate for all transactions given that such a situation is independent from the asset type and liquidity of the financial instrument concerned or the type of transaction. In order to ensure a deterrent effect and incentivise timely settlement by failing participants through cash borrowing, it is appropriate to use the costs of borrowing cash as a basis for the penalty rate. The most appropriate penalty rate should be the official interest rate of the central bank issuing the settlement currency that should evidence the borrowing costs for that currency.
- (13) Regulation (EU) No 909/2014 allows CSDs to provide their services in the Union under the supervision of competent authorities of their home Member States. To ensure an appropriate level of safety in the provision of services by CSDs in host Member States, Regulation (EU) No 909/2014 requires the competent and relevant authorities of home Member States and host Member States to establish cooperation arrangements for the supervision of the activities of CSDs in the host Member State when their operations become of a substantial importance for the functioning of the securities markets and the protection of investors in the host Member States concerned.
- (14) To comprehensively establish whether the operations of CSDs have become of substantial importance for the functioning of the securities markets and the protection of investors in host Member States, it is appropriate to ensure that assessment criteria consider the core services provided by CSDs in host Member States as specified in Section A of the Annex to Regulation (EU) No 909/2014 given that such core services are provided by CSDs in their capacity as financial market infrastructures.
- (15) For the purposes of assessing the importance of the operations of CSDs in host Member States, the assessment criteria should consider the size of the core services provided by CSDs to users from host Member States, including to issuers, participants in securities settlement systems or other holders of securities accounts maintained by CSDs. Where the size of core services provided by CSDs to users from host Member States is sufficiently large, the operations of CSDs in such host Member States should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors given that any failures or deficiencies in the operations of such CSDs may affect the smooth functioning of securities markets and the protection of investors in the host Member States concerned. In order to ensure a comprehensive assessment, it is appropriate to apply assessment criteria which consider independently the size of each core service provided by CSDs to users from host Member States.
- (16) Where CSDs issue or centrally maintain large parts of securities for issuers established in host Member States or where they centrally maintain large parts of securities accounts for participants of their securities settlement systems or other account holders established in host Member States, their operations should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member States concerned.
- (17) Where CSDs settle large values of transactions in securities issued by issuers established in host Member States or where they settle large values of settlement instructions from participants and other holders of securities accounts established in host Member States, their operations should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member States concerned.
- (18) Directive 98/26/EC of the European Parliament and of the Council ⁽¹⁾ allows Member States to designate securities settlement systems governed by their laws for the purposes of application of that Directive when Member States consider that such designation is warranted on grounds of systemic risk. When CSDs operate securities settlement systems designated by host Member States in accordance with Directive 98/26/EC, their operations should therefore be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in those host Member States.
- (19) Assessments of operations of CSDs should be conducted with sufficient frequency in order to allow the authorities concerned to establish without undue delay cooperation arrangements from the moment when the operations of relevant CSDs become of substantial importance for the functioning of the securities markets and the protection of investors in host Member States.

⁽¹⁾ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45).

- (20) When the operations of CSDs become of substantial importance for the functioning of the securities markets and the protection of investors in a host Member State, they should be deemed to be of substantial importance for a sufficiently long period of time to allow the authorities concerned to establish effective and efficient cooperation arrangements in accordance with Regulation (EU) No 909/2014.
- (21) Calculations related to assessments under this Regulation should be based on objective and reliable data and methodologies. Given that certain calculations required under this Regulation are based on the rules laid down in Regulation (EU) No 600/2014 of the European Parliament and of the Council⁽¹⁾, such calculations should only be undertaken when Regulation (EU) No 600/2014 is applicable.
- (22) Given that the measures to address settlement fails related to the calculation of cash penalties and certain measures for the establishing of substantial importance may require significant information technology system changes, market testing and adjustments to legal arrangements between the parties concerned, including CSDs and other market participants, sufficient time should be allowed for the application of the relevant measures to ensure that the CSDs and other parties concerned meet the necessary requirements,

HAS ADOPTED THIS REGULATION:

Article 1

Definitions

For the purposes of this Regulation, 'settlement instruction' means a transfer order as defined in Article 2(i) of Directive 98/26/EC.

Article 2

Calculation of cash penalties

The level of cash penalties referred to in the third subparagraph of Article 7(2) of Regulation (EU) No 909/2014 for settlement fails of transactions in a given financial instrument shall be calculated by applying the relevant penalty rate set out in the Annex to this Regulation to the reference price of the transaction determined in accordance with Article 3 of this Regulation.

Article 3

Reference price of the transaction

1. The reference price referred to in Article 2 shall be equal to the aggregated market value of the financial instruments determined in accordance with Article 7 for each business day that the transaction fails to be settled.
2. The reference price referred to in paragraph 1 shall be used to calculate the level of cash penalties for all settlement fails, irrespective of whether the settlement fail is due to a lack of securities or cash.

Article 4

Criteria for establishing the substantial importance of a CSD

The operations of a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member State where at least one of the criteria specified in Articles 5 and 6 is fulfilled.

⁽¹⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

*Article 5***Criteria for establishing the substantial importance of notary and central maintenance services**

1. The provision of notary and central maintenance services, as referred to in points 1 and 2 of Section A of the Annex to Regulation (EU) No 909/2014, by a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State where any of the following criteria is fulfilled:
 - (a) the aggregated market value of financial instruments issued by issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least 15 % of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the Union;
 - (b) the aggregated market value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least 15 % of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the Union for all participants and other holders of securities accounts from the host Member State.
2. For the purposes of paragraph 1, the market value of financial instruments shall be determined in accordance with Article 7.
3. Where any of the criteria set out in paragraph 1 is fulfilled, the operations of that CSD in a host Member State shall be considered of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State for renewable periods of three calendar years from the 30 April of the calendar year following the fulfilment of any of those criteria.

*Article 6***Criteria for establishing the substantial importance of settlement services**

1. The provision of settlement services as referred to in point 3 of Section A of the Annex to Regulation (EU) No 909/2014 by a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member State where any of the following criteria is fulfilled:
 - (a) the annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least 15 % of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union;
 - (b) the annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least 15 % of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State;
 - (c) the CSD operates a securities settlement system governed by the law of the host Member State and has been notified to the European Securities and Markets Authority (ESMA).
2. For the purposes of points (a) and (b) of paragraph 1, the value of a settlement instruction shall be:
 - (a) for a settlement instruction against payment, the value of the corresponding transaction in financial instruments as entered into the securities settlement system;
 - (b) for free-of-payment (FOP) settlement instructions, the aggregated market value of the relevant financial instruments as determined in accordance with Article 7.

3. Where any of the criteria set out in paragraph 1 is fulfilled, the operations of that CSD in a host Member State shall be considered of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State for renewable periods of three calendar years from the 30 April of the calendar year following the fulfilment of any of those criteria.

Article 7

Determination of market values

The market value of financial instruments referred to in Articles 3, 5 and 6 of this Regulation shall be determined as follows:

- (a) for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 admitted to trading on a trading venue within the Union, the market value of the relevant financial instrument shall be the closing price of the most relevant market in terms of liquidity referred to in Article 4(1)(a) of Regulation (EU) No 600/2014;
- (b) for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the market value shall be the closing price derived from the trading venue within the Union with the highest turnover;
- (c) for financial instruments other than those referred to in points (a) and (b), the market value shall be determined on the basis of a predetermined methodology approved by the competent authority of the relevant CSD that refers to criteria related to reliable market data, such as market prices available across trading venues or investment firms.

Article 8

Transitional provisions

1. The criteria referred to in Article 5(1)(a) and Article 6(1)(c) shall be applied for the first time within four months from the date of entry into force of this Regulation and shall be based on the values of financial instruments initially recorded or centrally maintained in securities accounts by the CSD on 31 December of the previous calendar year.
2. The criteria referred to in Article 5(1)(b) and in Article 6(1)(a) and (b) shall be applied for the first time within four months from the date of application referred to in Article 9(2) and shall be based on the values of financial instruments centrally maintained in securities accounts by the CSD on 31 December of the previous calendar year.
3. For the period commencing on the date of entry into force of this Regulation and ending on the date of application referred to in the second paragraph of Article 55 of Regulation (EU) No 600/2014, the following shall apply:
 - (a) by way of derogation from Article 5(2), the market value of financial instruments shall be the nominal value of those instruments;
 - (b) by way of derogation from Article 6(2)(b), the market values of the relevant financial instruments shall be the nominal value of those financial instruments.

Article 9

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 10 March 2019.

By way of derogation from the second paragraph:

- (a) Articles 2 and 3 shall apply from the date of entry into force of the delegated act adopted by the Commission pursuant to Article 7(15) of Regulation (EU) No 909/2014.
- (b) Article 7 shall apply from the date referred to in the second paragraph of Article 55 of Regulation (EU) No 600/2014;
- (c) Article 8 shall apply from the date of entry into force of this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

Penalty rates applicable to settlement fails

Type of fail	Rate
1. Settlement fail due to a lack of shares that have a liquid market within the meaning of point (b) of Article 2(1)(17) of Regulation (EU) No 600/2014, excluding shares referred to in point 3	1,0 basis point
2. Settlement fail due to a lack of shares that do not have a liquid market within the meaning of point (b) of Article 2(1)(17) of Regulation (EU) No 600/2014, excluding shares referred to in point 3	0,5 basis point
3. Settlement fail due to a lack of financial instruments traded on SME growth markets, excluding debt instruments referred to in point 6	0,25 basis point
4. Settlement fail due to a lack of debt instruments issued or guaranteed by: <ul style="list-style-type: none"> (a) a sovereign issuer as defined in Article 4(1)(60) of Directive 2014/65/EU; (b) a third country sovereign issuer; (c) a local government authority; (d) a central bank; (e) any multilateral development bank referred to in the second subparagraph of Article 117(1) and in Article 117(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽¹⁾; (f) the European Financial Stability Facility or the European Stability Mechanism. 	0,10 basis point
5. Settlement fail due to a lack of debt instruments other than those referred to in points 4 and 6	0,20 basis point
6. Settlement fail due to a lack of debt instruments traded on SME growth markets	0,15 basis point
7. Settlement fail due to a lack of all other financial instruments not covered in points 1 to 6	0,5 basis point
8. Settlement fail due to a lack of cash	Official interest rate for overnight credit charged by the central bank issuing the settlement currency with a floor of 0

⁽¹⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

COMMISSION DELEGATED REGULATION (EU) 2017/390**of 11 November 2016****supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾, and in particular the third subparagraph of Article 47(3), the third subparagraph of Article 54(8) and the third subparagraph of Article 59(5) thereof,

Whereas:

- (1) Regulation (EU) No 909/2014 establishes prudential requirements for central securities depositories (CSDs) to ensure that they are safe and sound and comply at all times with capital requirements. Such capital requirements ensure that a CSD is at all times adequately capitalised against the risks to which it is exposed and that it is able to conduct an orderly winding-down or restructuring of its activities if necessary.
- (2) Given that the provisions of Regulation (EU) No 909/2014 concerning credit and liquidity risks relating to CSDs and designated credit institutions explicitly require that their internal rules and procedures allow them to monitor, measure and manage exposures and liquidity needs not only with respect to the individual participants but also with respect to participants that belong to the same group and who are counterparties of the CSD, such provisions should apply to groups of undertakings consisting of a parent undertaking and its subsidiaries.
- (3) For the purposes of this Regulation, the relevant recommendations of the Principles for Financial Market Infrastructures issued by the Committee on Payment and Settlement Systems and the International Organization of Securities Commissions ('CPSS-IOSCO Principles') ⁽²⁾ have been taken into account. The treatment of capital of credit institutions under Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽³⁾ has also been taken into account given that CSDs are to a certain extent exposed to risks that are similar to the risks incurred by credit institutions.
- (4) It is appropriate for the definition of capital in this Regulation to mirror the definition of capital laid down in Regulation (EU) No 648/2012 of the European Parliament and of the Council ⁽⁴⁾ (EMIR). Such a definition is the most suitable in relation to the regulatory requirements given that the definition of capital in Regulation (EU) No 648/2012 was specifically designed for market infrastructures. CSDs authorised to provide banking-type ancillary services under Regulation (EU) No 909/2014 are required to meet capital requirements under this Regulation and own funds requirements under Regulation (EU) No 575/2013 simultaneously. They are required to meet the own funds requirements laid down in Regulation (EU) No 575/2013 with instruments that meet the conditions of that Regulation. In order to avoid conflicting or duplicative requirements and considering that the

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

⁽²⁾ Principles for Financial Market Infrastructures, Committee on Payment and Settlement Systems — Bank for International Settlements, and Technical Committee of the International Organisation of Securities Commissions, April 2012.

⁽³⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

⁽⁴⁾ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

methodologies used for the calculation of the additional capital surcharge for CSDs under Regulation (EU) No 909/2014 are closely related to the ones provided in Regulation (EU) No 575/2013, CSDs offering banking-type ancillary services should be allowed to meet the additional capital requirements of this Regulation with the same instruments meeting the requirements laid down in either Regulation (EU) No 575/2013 or Regulation (EU) No 909/2014.

- (5) In order to ensure that, if required, a CSD would be able to organise the restructuring of its activities or an orderly winding-down, a CSD should hold capital together with retained earnings and reserves that are sufficient, at all times, to withstand operational expenses over a period of time during which the CSD is able to reorganise its critical operations, including by recapitalising, replacing management, revising its business strategies, revising cost or fee structures and restructuring the services that it provides. Given that during the winding-down or restructuring of its activities, a CSD still needs to continue its usual operations and even though the actual expenses during a wind-down or restructuring of the operations of a CSD may be significantly higher than the gross annual operational expenses because of the restructuring or wind-down costs, the use of gross annual operational expenses as a benchmark for calculating the capital required should be an appropriate approximation of the actual expenses during the winding-down or restructuring of the operations of a CSD.
- (6) Similarly to point (a) of Article 36(1) of Regulation (EU) No 575/2013, which requires institutions to deduct losses for the current financial year from the Common Equity Tier 1 capital, the role of net income in covering or absorbing the risks arising from adverse changes in the business conditions should also be recognised in this Regulation. Therefore, only in cases where the net income is insufficient to cover losses arising from the crystallisation of business risk, those losses have to be covered by own funds. Expected figures for the current year to take into account new circumstances should also be considered where data from the previous year are not available, such as in the case of newly established CSDs. In line with similar provisions in Commission Delegated Regulation (EU) No 152/2013 ⁽¹⁾, CSDs should be required to hold a minimum prudential amount of capital against business risk in order to guarantee a minimum prudential treatment.
- (7) In accordance with the CPSS-IOSCO Principles, tangible and intangible assets' amortisation and depreciation costs can be deducted from gross operational expenses for the calculation of the capital requirements. Since those costs do not generate actual cash flows that need to be backed by capital, such deductions should be applicable to the capital requirements for business risk and to those covering winding-down or restructuring.
- (8) Since the time necessary for an orderly winding-down or restructuring strictly depends on the services provided by any individual CSD and on the market environment in which it operates, in particular on the possibility that another CSD can take on part or all of its services, the number of months required for restructuring of its activities or winding-down should be based on the CSD's own estimate. However, this period of time should not be less than the minimum number of months required for restructuring or winding-down provided for in Article 47 of Regulation (EU) No 909/2014 in order to ensure a prudent level of capital requirements.
- (9) A CSD should design scenarios for restructuring of its activities or winding-down that are adapted to its business model. However, in order to obtain a harmonised application of the requirements on restructuring or winding-down in the Union and to ensure that prudentially sound requirements are satisfied, the discretion on the design of such scenarios should be limited by well-defined criteria.
- (10) Regulation (EU) No 575/2013 is the relevant benchmark for the purpose of establishing the capital requirements for CSDs. In order to ensure consistency with that Regulation, the methodologies for the calculation of operational risk laid down in this Regulation should also be understood as covering legal risk for the purposes of this Regulation.
- (11) Where there is a failure in the safekeeping of securities on behalf of a participant, such a failure would materialise as either a cost to the participant or as a cost for the CSD that would face legal claims. Therefore, rules for the calculation of the regulatory capital for operational risk already take into account the custody risk. For the same

⁽¹⁾ Commission Delegated Regulation (EU) No 152/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on capital requirements for central counterparties (OJ L 52, 23.2.2013, p. 37).

reasons, custody risk for securities held through a link with another CSD should not be subject to any additional regulatory capital charge but should be considered as part of the regulatory capital for operational risk. Similarly, custody risk faced by a CSD on own assets held by a custodian bank or other CSDs should not be double-counted and no additional regulatory capital should be required.

- (12) A CSD may also face investment risks with regard to the assets that it owns or with regard to the investments that it makes using collateral, participants' deposits, loans to the participants or any other exposure under the allowed banking-type ancillary services. Investment risk is the risk of loss faced by a CSD when it invests its own or its participants' resources, such as collateral. Provisions set out in Directive 2013/36/EU of the European Parliament and of the Council ⁽¹⁾, Regulation (EU) No 575/2013 and Delegated Regulation (EU) No 152/2013 are the appropriate benchmark for the purpose of establishing capital requirements to cover credit risk, counterparty credit risk and market risks that may arise from the investments of a CSD.
- (13) Given the nature of the activities of CSDs, a CSD assumes business risk due to potential changes in general business conditions that are likely to impair its financial position following a decline in its revenues or an increase in its expenses and that result in a loss that should be charged against its capital. Given that the level of business risk is highly dependent on the individual situation of each CSD and it can be caused by various factors, the capital requirements of this Regulation should be based on a CSD's own estimate and the methodology used by a CSD for such an estimate should be proportional to the scale and complexity of the CSD's activities. A CSD should develop its own estimate of the capital required against business risk under a set of stress scenarios in order to cover the risks that are not already captured by the methodology used for operational risk. In order to ensure a prudent level of the capital requirements for business risk when making a calculation based on self-designed scenarios, a minimum level of capital, should be introduced in the form of a prudential floor. The minimum level of required capital for business risk should be aligned to similar requirements for other market infrastructures in related Union Acts such as Commission Delegated Regulation on capital requirements for central counterparties ('CCPs').
- (14) The additional capital surcharge for risks related to banking-type ancillary services should cover all the risks related to the provision of intraday credit to participants or other CSD users. Where overnight or longer credit exposures result from the provision of intraday credit, the corresponding risks should be measured and addressed by using the methodologies already laid down in Part Three, Title II, Chapter 2, for the Standardised Approach, and Chapter 3, for the Internal Ratings Based Approach (IRB Approach), of Regulation (EU) No 575/2013, given that that Regulation provides prudential rules for measurement of credit risk resulting from overnight or longer credit exposures. Intraday credit risks, however, require special treatment since the methodology for their measurement is not explicitly provided for in Regulation (EU) No 575/2013 or other applicable Union legislation. As a result, the methodology that specifically addresses intraday credit risk should be sufficiently risk-sensitive to take into account the quality of the collateral, the credit quality assessment of the participants and the actual observed intraday exposures. At the same time, the methodology should provide proper incentives to the providers of banking-type ancillary services, including the incentive to collect the highest quality of collateral and select creditworthy counterparties. Although providers of banking-type ancillary services have the obligation to properly assess and test the level and value of collateral and haircuts, the methodology used to determine the additional capital surcharge for intraday credit risk should nevertheless cater to and provide enough capital for the case where a sudden decrease in the value of the collateral exceeds estimates and results in partially uncollateralised residual credit exposures.
- (15) The calculation of the capital surcharge for risks arising from providing banking-type ancillary services requires taking into account past information on intraday credit exposures. As a result, in order to be able to calculate that capital surcharge, entities that provide banking-type ancillary services to users of CSD services in accordance with Article 54(2) of Regulation (EU) No 909/2014 ('CSD-banking service providers') should record at least one year of data concerning their intraday credit exposures. Otherwise they are not able to identify the relevant exposures based on which the calculation is done. Consequently, CSD-banking service providers should not be required to meet the own funds requirement corresponding to the capital surcharge until after they are able to collect all the information necessary to perform the calculation of the surcharge.

⁽¹⁾ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of 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 (OJ L 176, 27.6.2013, p. 338).

- (16) Article 54(8) of Regulation (EU) No 909/2014 requires the development of rules to determine the additional capital surcharge referred to in point (d) of Article 54(3) and point (e) of Article 54(4) of that Regulation. Further, Article 54 of that Regulation requires that additional surcharge reflects the intra-day credit risk resulting from the activities under Section C of the Annex to Regulation (EU) No 909/2014, and in particular the provisions of intraday credit to participants in a securities settlement system or other users of CSD services. Therefore, intraday credit risk exposure should also include the loss that a CSD-banking service provider would face if a borrowing participant were to default.
- (17) Point (d) of Article 59(3) of Regulation (EU) No 909/2014 relating to the credit risk of a CSD-banking service provider requires the collection of 'highly liquid collateral with minimal credit and market risk'. Point (d) of Article 59(4) of Regulation (EU) No 909/2014 relating to the liquidity risk of a CSD-banking service provider, requires availability of 'qualifying liquid resources'. One such qualifying liquid resource is 'highly liquid collateral'. While it is understandable that the terminology used in each of the two cases is different, given the different nature of the risks involved and the correspondence to different concepts in the regulation of credit and liquidity risk, they both relate to a similarly high quality of providers or assets. Therefore, it would be appropriate to require that the same conditions are met before a collateral or a liquidity resource in the form of collateral can qualify as pertaining to either the 'highly liquid collateral with minimal credit and market risk' category, or to the 'qualifying liquid resources' category, respectively.
- (18) Point (d) of Article 59(3) of Regulation (EU) No 909/2014 requires that a CSD-banking service provider accepts highly liquid collateral with minimal credit and market risk to manage its corresponding credit risk. The same allows for other types of collateral than highly liquid collateral with minimal credit and market risk to be used in specific situations, with the application of an appropriate haircut. To facilitate this, a clear hierarchy of the collateral quality should be set in order to distinguish which collateral should be acceptable to fully cover credit risk exposures, which collateral is acceptable as liquidity resource and which collateral, although remaining acceptable for mitigating credit risk, requires qualifying liquidity sources. Collateral providers should not be impeded from freely substituting collateral depending on their availability of resources or their asset-liability management strategies. Thus, common collateral practices, such as the reliance on participants' pledge accounts, where the collateral is deposited by the participant in its pledged accounts in order to fully cover any credit exposure should be allowed to be used for substituting collateral as long as the quality and liquidity of the collateral is monitored and complies with the requirements of this Regulation. Under such pledge account arrangements, the collateral is deposited by the participant in his pledged accounts in order to fully cover any credit exposure. In addition, a CSD-banking service provider should accept collateral taking into account the hierarchy specified, but may perform the liquidation of the accepted collateral, where necessary, in the most efficient way following a participant's default. However, from a prudential viewpoint, a CSD-banking service provider should be able to monitor the availability of collateral, its quality and its liquidity on an ongoing basis to fully cover credit exposures. It should also have arrangements in place with the borrowing participants to ensure that all the collateral requirements of this Regulation are met at all times.
- (19) For the purposes of measuring intraday credit risk, CSD-banking service providers should be in a position to anticipate peak exposures for the day. This should not require a forecast of the exact number but should identify trends in those intraday exposures. This is further supported by the reference to 'anticipate peak exposures' also in Basel Committee on Banking Supervision standards ⁽¹⁾.
- (20) Title II of Part Three of Regulation (EU) No 575/2013 establishes the risk weights to be applied to credit exposures to the European Central Bank and other exempted entities. When measuring credit risk for regulatory purposes, such risk weights are widely understood as the best available reference. Therefore, the same methodology may be applied to intraday credit exposures. However, in order to guarantee the conceptual soundness of that approach, some correction is needed, in particular, when carrying out the computations using the credit risk framework of Part Three, Title II, Chapter 2 for the Standardised Approach, and Chapter 3 for the IRB Approach, of Regulation (EU) No 575/2013, the intraday exposures should be considered as end-of-day exposures as this is the assumption of that Regulation.

⁽¹⁾ Basel Committee on Banking Supervision 'Monitoring tools for intraday liquidity management' April 2013

- (21) In accordance with Article 59(5) of Regulation (EU) No 909/2014, which includes an explicit reference to Article 46(3) of Regulation (EU) No 648/2012, bank guarantees or letters of credit, where appropriate, should be aligned to the CPSS-IOSCO Principles and meet similar requirements as those laid down in Regulation (EU) No 648/2012. These include the requirement that bank guarantees and letters of credit are fully collateralised by the guarantors. In order to preserve the efficiency of security settlement within the Union, however, when bank guarantees or letters of credit are used in relation to credit exposures that may arise from interoperable CSD links, appropriate alternative risk mitigants should be allowed to be considered as long as they provide an equal or higher level of protection than the provisions laid out in Regulation (EU) No 648/2012. This special treatment should only apply to bank guarantees or letters of credit protecting an interoperable CSD link and should cover exclusively the credit exposure between the two linked CSDs. Since the bank guarantee or the letter of credit protects the non-defaulting CSDs against credit losses, the liquidity needs of the non-defaulting CSDs should also be addressed by either a timely settlement of the guarantors' obligations, or alternatively, by holding qualifying liquidity resources.
- (22) Point (d) of Article 59(4) of Regulation (EU) No 909/2014 requires that CSD-banking service providers mitigate liquidity risks with qualifying liquid resources in each currency. As a result, non-qualifying liquid resources cannot be used to meet the requirements set out in that Article. Nevertheless, nothing precludes non-qualifying liquid resources, such as currency swaps, from being used in the daily liquidity management in addition to the qualifying liquid resources. This is also consistent with international standards reflected in CPSS-IOSCO Principles. Non-qualifying liquid resources should therefore be measured and monitored for that purpose.
- (23) Liquidity risk can potentially arise from any of the banking-type ancillary services performed by the CSD. The management framework for liquidity risks should identify the risks arising from the different banking-type ancillary services, including securities lending and distinguish their management as appropriate.
- (24) In order to cover all of the liquidity needs, including the intraday liquidity needs of a CSD-banking service provider, CSD's liquidity risk management framework should ensure that the payment and settlement obligations are effected as they fall due, including intraday obligations, in all settlement currencies of the securities settlement system operated by a CSD.
- (25) Given that all liquidity risks, except intraday, are already covered by Directive 2013/36/EU and Regulation (EU) No 575/2013, this Regulation should focus on intraday risks.
- (26) Given that CSD-banking service providers are systemically-important market infrastructures, it is essential to ensure that a CSD-banking service provider manages its credit and liquidity risks in a conservative manner. As a result, a CSD-banking service provider should be permitted to grant only uncommitted credit lines to borrowing participants in the course of the provision of banking-type ancillary services as referred to in Regulation (EU) No 909/2014.
- (27) In order to ensure that the risk management procedures of a CSD-banking service provider are sufficiently sound even in adverse conditions, the stress testing of the CSD-banking service provider's liquid financial resources should be rigorous and forward looking. For the same reason, tests should consider a range of extreme but plausible scenarios and be conducted for each relevant currency offered by the CSD-banking service provider taking into account the possible failure of one of the prearranged funding arrangements. Scenarios should include but not be limited to the default of two of the CSD-banking service provider's largest participants in that currency. This is necessary in order to establish a rule that is on the one hand prudent, as it takes into account the fact that other participants are also capable of generating liquidity risk, besides the largest one; and, on the other hand, a rule that is also proportionate to the objective, as it does not take into account those other participants that present a lesser potential for generating liquidity risk.
- (28) Point (c) of Article 59(4) of Regulation (EU) No 909/2014 requires CSD-banking service providers to ensure sufficient liquid resources in all relevant currencies under a wide range of potential stress scenarios. Therefore, rules specifying the frameworks and tools for the managing of liquidity risk in stress scenarios, should prescribe a methodology for the identification of currencies that are relevant for the management of liquidity risk. The identification of relevant currencies should be based on materiality considerations, rely on the net cumulative liquidity exposure identified and based on data collected over an extended and well-defined period of time. In addition, in order to maintain a coherent regulatory framework in the Union, the most relevant Union currencies

identified under the Commission Delegated Regulation (EU) 2017/392 ⁽¹⁾ under Article 12 of Regulation (EU) No 909/2014 should be included by default as relevant currencies.

- (29) The collection of sufficient data for identifying all other currencies than the most relevant Union currencies requires a minimum time period to elapse from the date of authorisation of the CSD-banking service providers until the end of that time period. Therefore, the use of alternative methods to identify all other currencies than the most relevant Union currencies should be allowed for the first year following the authorisation of CSD-banking service providers under the new regulatory framework established by Regulation (EU) No 909/2014 for those CSD-banking service providers that already provide banking-type ancillary services at the date of entry into force of the technical standards referred to in Article 69 of Regulation (EU) No 909/2014. This transitional arrangement should not affect the requirement for CSD-banking service providers to ensure sufficient liquid resources as such, but only the identification of those currencies that are subject to stress testing for the purpose of liquidity management.
- (30) Point (d) of Article 59(4) of Regulation (EU) No 909/2014 requires the CSD-banking service providers to have prearranged and highly reliable funding arrangements in place to ensure that collateral that is provided by a defaulting client can be converted into cash even in extreme but plausible market conditions. The same Regulation requires the CSD-banking service provider to mitigate intraday risks with highly liquid collateral with minimal credit and market risk. Given that liquidity has to be readily available, a CSD-banking service provider should be able to address any liquidity need on a same day basis. Given that CSD-banking service providers may operate in multiple time-zones, the provision of converting collateral into cash via prearranged funding arrangements on the same-day basis should be applied in consideration of the opening hours of the local payment systems of each individual currency it applies to.
- (31) The provisions in this Regulation are closely linked, since they deal with the prudential requirements for CSDs. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, it is desirable to include all of the regulatory technical standards required by Regulation (EU) No 909/2014 into a single Regulation.
- (32) This Regulation is based on the draft regulatory technical standards submitted by the European Banking Authority to the Commission.
- (33) The European Banking Authority has worked in close cooperation with the European System of Central Banks (ESCB) and the European Securities and Markets Authority (ESMA) before submitting the draft technical standards on which this Regulation is based. It has also conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and Council ⁽²⁾.

HAS ADOPTED THIS REGULATION:

TITLE I

CAPITAL REQUIREMENTS FOR ALL CSDS REFERRED TO IN ARTICLE 47 OF REGULATION (EU) No 909/2014

Article 1

Overview of requirements regarding the capital of a CSD

1. For the purposes of Article 47(1) of Regulation (EU) No 909/2014, a central securities depository ('CSD') shall hold at all times, together with retained earnings and reserves, the amount of capital specified in Article 3 of this Regulation.

⁽¹⁾ Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories (see page 48 of this Official Journal).

⁽²⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

2. The capital requirements referred to in Article 3 shall be met with capital instruments that meet the conditions set out in Article 2 of this Regulation.

Article 2

Conditions regarding capital instruments

1. For the purposes of Article 1, a CSD shall hold capital instruments that meet all of the following conditions:

- (a) they are subscribed capital within the meaning of Article 22 of Council Directive 86/635/EEC ⁽¹⁾;
- (b) they have been paid up, including the related share premium accounts;
- (c) they fully absorb losses in going concern situations;
- (d) in the event of bankruptcy or liquidation, they rank after all other claims in insolvency actions or under the applicable insolvency law.

2. In addition to the capital instruments that meet the conditions in paragraph 1, a CSD authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services may, in order to meet the requirements in Article 1, use capital instruments that:

- (a) meet the conditions in paragraph 1;
- (b) are 'own funds instruments' as defined in point 119 of Article 4(1) of Regulation (EU) No 575/2013;
- (c) are subject to the provisions of Regulation (EU) No 575/2013.

Article 3

Level of capital requirements for a CSD

1. A CSD shall hold capital, together with retained earnings and reserves, which shall be at all times more than or equal to the sum of:

- (a) the CSD's capital requirements for operational, legal and custody risks, referred to in point (a) of Article 47(1) of Regulation (EU) No 909/2014, calculated in accordance with Article 4;
- (b) the CSD's capital requirements for investment risks, referred to in point (a) of Article 47(1) of Regulation (EU) No 909/2014, calculated in accordance with Article 5;
- (c) the CSD's capital requirements for business risks, referred to in point (a) of Article 47(1) of Regulation (EU) No 909/2014, calculated in accordance with Article 6;
- (d) the CSD's capital requirements for winding-down or restructuring its activities, referred to in point (b) of Article 47(1) of Regulation (EU) No 909/2014, calculated in accordance with Article 7.

2. A CSD shall have procedures in place to identify all sources of the risks referred to in paragraph 1.

Article 4

Level of capital requirements for operational, legal and custody risks

1. A CSD authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services and with permission to use the Advanced Measurement Approaches ('AMA') referred to in Articles 321 to 324 of Regulation (EU) No 575/2013, shall calculate its capital requirements for operational, legal and custody risks in accordance with Articles 231 to 234 of Regulation (EU) No 575/2013.

⁽¹⁾ Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

2. A CSD authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services and using the Standardised Approach for operational risk as referred to in Articles 317 to 320 of Regulation (EU) No 575/2013, shall calculate its capital requirements for operational, legal and custody risks in accordance with the provisions of that Regulation applicable to the Standardised Approach for operational risk referred to in Articles 317 to 320 thereof.

3. A CSD that satisfies any the following conditions shall calculate its capital requirements for operational, legal and custody risks in accordance with the provisions of the Basic Indicator Approach referred to in Articles 315 and 316 of Regulation (EU) No 575/2013:

- (a) A CSD that is not authorised in accordance with Article 54(2) of Regulation (EU) No 909/2014;
- (b) a CSD that is authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 but which does not have permission to use the AMA referred to in Articles 321 to 324 of Regulation (EU) No 575/2013;
- (c) A CSD that is authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 but which does not have permission to use the Standardised approach referred to in Articles 317 to 320 of Regulation (EU) No 575/2013.

Article 5

Level of capital requirements for investment risk

1. A CSD shall calculate its capital requirements for investment risk as the sum of the following:

- (a) 8 % of the CSD's risk-weighted exposure amounts relating to both of the following:
 - (i) credit risk in accordance with paragraph 2;
 - (ii) counterparty credit risk in accordance with paragraph 3;
- (b) the CSD's capital requirements for market risk in accordance with paragraphs 4 and 5.

2. For the calculation of a CSD's risk-weighted exposure amounts for credit risk, the following shall apply:

- (a) where the CSD is not authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services, the CSD shall apply the Standardised Approach for credit risk referred to in Articles 107 to 141 of Regulation (EU) No 575/2013 in combination with Article 192 to 241 of that Regulation on credit risk mitigation;
- (b) where a CSD is authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services but does not have permission to use the Internal Ratings Based Approach (IRB Approach) set out in Articles 142 to 191 of Regulation (EU) No 575/2013, the CSD shall apply the Standardised Approach for credit risk set out in Articles 107 to 141 of Regulation (EU) No 575/2013 in combination with the provisions on credit risk mitigation set out in Articles 192 to 241 of Regulation (EU) No 575/2013;
- (c) where a CSD is authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services and has permission to use the IRB Approach, the CSD shall apply the IRB Approach for credit risk provided for in Articles 142 to 191 of Regulation (EU) No 575/2013 in combination with the provisions on credit risk mitigation set out in Articles 192 to 241 of Regulation (EU) No 575/2013.

3. For the calculation of a CSD's risk-weighted exposure amounts for counterparty credit risk, a CSD shall use both of the following:

- (a) one of the methods set out in Articles 271 to 282 of Regulation (EU) No 575/2013;
- (b) the Financial Collateral Comprehensive Method applying the volatility adjustments provided for in Articles 220 to 227 of Regulation (EU) No 575/2013.

4. A CSD that satisfies any of the following conditions shall calculate its capital requirements for market risk, in accordance with the provisions of Articles 102 to 106 and 325 to 361 of Regulation (EU) No 575/2013, including through the use of derogation for small trading book business provided in Article 94 of that Regulation:

- (a) a CSD that is not authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014;
- (b) a CSD that is authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 but is not permitted to use internal models to calculate own funds requirements for market risk.

5. A CSD authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 to provide banking-type ancillary services and permitted to use internal models to calculate own funds requirements for market risk, shall calculate its capital requirements for market risk in accordance with Articles 102 to 106 and 362 to 376 of Regulation (EU) No 575/2013.

Article 6

Capital requirements for business risk

1. The capital requirements of a CSD for business risk shall be whichever of the following is higher:

- (a) the estimate resulting from the application of paragraph 2, minus whichever of the following is the lowest:
 - (i) the net income after tax of the last audited financial year;
 - (ii) the expected net income after tax for the current financial year;
 - (iii) the expected net income after tax for the most past financial year where audited results are not yet available;
- (b) 25 % of the CSD's annual gross operational expenses referred to in paragraph 3.

2. For the purposes of point (a) of paragraph 1, a CSD shall apply all of the following:

- (a) estimate the capital necessary to cover losses resulting from business risk on reasonably foreseeable adverse scenarios relevant to its business model;
- (b) document the assumptions and the methodologies used to estimate the expected losses referred to in point (a);
- (c) review and update the scenarios referred to in point (a) at least annually.

3. For the calculation of a CSD's annual gross operational expenses, the following shall apply:

- (a) the CSD's annual gross operational expenses shall consist of at least the following:
 - (i) total personnel expenses including wages, salaries, bonuses and social costs;
 - (ii) total general administrative expenses, and, in particular, marketing and representation expenses;
 - (iii) insurance expenses;
 - (iv) other employees' expenses and travelling;
 - (v) real estate expenses;
 - (vi) IT support expenses;
 - (vii) telecommunications expenses;
 - (viii) postage and data transfer expenses;
 - (ix) external consultancy expenses;
 - (x) tangible and intangible assets' depreciation and amortisation;
 - (xi) impairment and disposal of fixed assets;

- (b) the CSD's annual gross operational expenses shall be determined in accordance with one of the following:
- (i) International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council ⁽¹⁾;
 - (ii) Council Directives 78/660/EEC ⁽²⁾, 83/349/EEC ⁽³⁾ and 86/635/EEC;
 - (iii) generally accepted accounting principles of a third country determined to be equivalent to IFRS in accordance with Commission Regulation (EC) No 1569/2007 ⁽⁴⁾ or accounting standards of a third country the use of which is permitted in accordance with Article 4 of that Regulation;
- (c) the CSD may deduct tangible and intangible assets' depreciation and amortisation from annual gross operational expenses;
- (d) the CSD shall use the most recent audited information from their annual financial statement;
- (e) where the CSD has not completed business for one year from the date it starts its operations, it shall apply the gross operational expenses projected in its business plan.

Article 7

Capital requirements for winding-down or restructuring

A CSD shall calculate its capital requirements for winding down or restructuring by applying the following steps in sequence:

- (a) estimate the time span required for winding-down or restructuring for all of the stress scenarios referred to in the Annex consistently with the plan referred to in Article 47(2) of Regulation (EU) No 909/2014;
- (b) divide the CSD's annual gross operational expenses determined in accordance with Article 6(3) by twelve ('monthly gross operational expenses');
- (c) multiply the monthly gross operational expenses referred to in point (b) by the longer of the following points:
 - (i) the time span referred to in point (a);
 - (ii) six months.

TITLE II

CAPITAL SURCHARGE FOR CSDS AUTHORISED TO OFFER BANKING-TYPE ANCILLARY SERVICES AND FOR DESIGNATED CREDIT INSTITUTIONS, AS REFERRED TO IN ARTICLE 54 OF REGULATION (EU) No 909/2014

Article 8

Capital surcharge resulting from the provision of intraday credit

1. For the purposes of calculating the additional capital surcharge resulting from the provision of intra-day credit, as set out in point (d) of Article 54(3) of Regulation (EU) No 909/2014, and in point (e) of Article 54(4) of that Regulation, CSD-banking service provider shall apply the following steps in sequence:

- (a) it shall calculate, over the most recent calendar year, the average of the five highest intraday credit exposures ('peak exposures') resulting from providing the services set out in Section C of the Annex to Regulation (EU) No 909/2014;

⁽¹⁾ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

⁽²⁾ Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (OJ L 222, 14.8.1978, p. 11).

⁽³⁾ Seventh Council Directive 83/349/EEC of 13 June 1983 based on the Article 54(3)(g) of the Treaty on consolidated accounts (OJ L 193, 18.7.1983, p. 1).

⁽⁴⁾ Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council (OJ L 340, 22.12.2007, p. 66).

- (b) it shall apply haircuts to all the collateral collected in relation to the peak exposures, and shall assume that, after the application of haircuts in accordance with Articles 222 to 227 of Regulation (EU) No 575/2013, collateral loses 5 % of its market value;
- (c) it shall calculate the average of the own funds requirements with regard to the peak exposures calculated in accordance with paragraph 2 considering those exposures as end-of-the-day exposures ('capital surcharge').
2. For the calculation of the capital surcharge referred to in paragraph 1, institutions shall apply one of the following approaches:
- (a) the Standardised Approach for credit risk referred to in Articles 107 to 141 of Regulation (EU) No 575/2013, where they do not have permission to use the IRB Approach;
- (b) the IRB Approach and the requirements of Articles 142 to 191 of Regulation (EU) No 575/2013, where they have permission to use the IRB approach.
3. Where institutions apply the Standardised Approach for credit risk, in accordance with paragraph 2(a), the amount of each of the five peak exposures referred to in paragraph 1(a) shall be considered an exposure value within the meaning of Article 111 of Regulation (EU) No 575/2013 for the purpose of paragraph 1(b). The requirements of Chapter 4 of Title II of Part Three of Regulation (EU) No 575/2013 that relate to Article 111 of that Regulation shall also apply.
4. Where institutions apply the IRB Approach for credit risk in accordance with paragraph 2(b), the outstanding amount of each of the five peak exposures referred to in paragraph 1(a) shall be considered an exposure value in the meaning of Article 166 of Regulation (EU) No 575/2013 for the purpose of paragraph 1(b). The requirements of Chapter 4 of Title II of Part Three of Regulation (EU) No 575/2013 that relate to Article 166 of that Regulation, shall also apply.
5. The capital requirements of this Article shall apply 12 months after obtaining the authorisation to provide banking-type ancillary services pursuant to Article 55 of Regulation (EU) No 909/2014.

TITLE III

PRUDENTIAL REQUIREMENTS APPLICABLE TO CREDIT INSTITUTIONS OR CSDS AUTHORISED TO PROVIDE BANKING-TYPE ANCILLARY SERVICES, AS REFERRED TO IN ARTICLE 59 OF REGULATION (EU) No 909/2014

CHAPTER I

COLLATERAL AND OTHER EQUIVALENT FINANCIAL RESOURCES FOR CREDIT AND LIQUIDITY RISKS

Article 9

General rules on collateral and other equivalent financial resources

1. A CSD-banking service provider shall fulfil the following conditions with regard to collateral:
- (a) it shall clearly distinguish the collateral from the other securities of the borrowing participant;
- (b) it shall accept collateral that meets the conditions of Article 10, or other types of collateral that meet the requirements of Article 11 in the following hierarchy:
- (i) firstly accept as collateral all the securities in the account of the borrowing participant that meet the requirements of Article 10 and only those;
- (ii) secondly accept as collateral all the securities in the account of the borrowing participant that meet the requirements set out in Article 11(1) and only those;

- (iii) finally accept as collateral all the securities in the account of the borrowing participant that meet the requirements set out in Article 11(2), within the limits of available qualifying liquid resources referred to in Article 34 with the view to meeting the minimum liquid resources requirement referred to in Article 35(3);
 - (c) it shall monitor on at least a daily basis the credit quality, market liquidity and price volatility of each security accepted as collateral and value it in accordance with Article 12;
 - (d) it shall specify methodologies related to the haircuts applied to the collateral value in accordance with Article 13;
 - (e) it shall ensure that the collateral remains sufficiently diversified to allow its liquidation within the periods referred to in Articles 10 and 11 without a significant market impact, in accordance with Article 14.
2. Collateral shall be provided by the counterparties under a security financial collateral arrangement as defined in point (c) of Article 2(1) of Directive 2002/47/EC of the European Parliament and of the Council ⁽¹⁾ or under a title transfer financial collateral arrangement as defined in point (b) of Article 2(1) of that Directive.
3. A CSD-banking service provider shall fulfil the conditions of Article 15 and 16 with regard to other equivalent financial resources.

Article 10

Collateral for the purposes of point (d) of Article 59(3), and point (d) of Article 59(4) of Regulation (EU) No 909/2014

1. In order for collateral to be considered of the best quality for the purposes of point (d) of Article 59(3), and point (d) of Article 59(4) of Regulation (EU) No 909/2014, it shall consist of debt instruments that meet all of the following conditions:
- (a) they are issued or explicitly guaranteed by one of the following:
 - (i) a government;
 - (ii) a central bank;
 - (iii) one of the multilateral development banks listed in Article 117 of Regulation (EU) No 575/2013;
 - (iv) the European Financial Stability Facility or the European Stability Mechanism;
 - (b) the CSD can demonstrate that they have low credit and market risk based upon its own internal assessment employing a defined and objective methodology that does not exclusively rely on external opinions and that takes into consideration the country risk of the particular country where the issuer is established;
 - (c) they are denominated in a currency the risks of which the CSD-banking service provider is able to manage;
 - (d) they are freely transferable without any legal constraint or third party claims that impair their liquidation;
 - (e) they fulfil one of the following requirements:
 - (i) they have an active outright sale or repurchase agreement market, with a diverse group of buyers and sellers, including in stressed conditions and to which the CSD-banking service provider has reliable access;
 - (ii) they can be liquidated by the CSD-banking service provider through a prearranged and highly reliable funding arrangement as referred to in point (e) of Article 59(4) of Regulation (EU) No 909/2014 and specified in Article 38 of this Regulation;

⁽¹⁾ Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (OJ L 168, 27.6.2002, p. 43).

- (f) reliable price data on such debt instruments are published on at least a daily basis;
- (g) they are readily available and convertible into cash on a same-day basis.

2. In order for collateral, to be considered of a lower quality than that referred to in paragraph 1 for the purposes of point (d) of Article 59(3), and point (d) of Article 59(4) of Regulation (EU) No 909/2014, it shall consist of transferable securities and money market instruments that meet all of the following conditions:

- (a) the financial instruments have been issued by an issuer that has low credit risk based on an adequate internal assessment by the CSD-banking service provider, employing a defined and objective methodology that does not exclusively rely on external opinions and that takes into consideration the risk arising from the establishment of the issuer in a particular country;
- (b) the financial instruments have a low market risk based on an adequate internal assessment by the CSD-banking service provider, employing a defined and objective methodology that does not exclusively rely on external opinions;
- (c) they are denominated in a currency the risks of which the CSD-banking service provider is able to manage;
- (d) they are freely transferable and without any legal constraint or third party claims that impair their liquidation;
- (e) they fulfil one of the following requirements:
 - (i) they have an active outright sale or repurchase agreement market, with a diverse group of buyers and sellers, to which the CSD-banking service provider can demonstrate reliable access, including in stressed conditions;
 - (ii) they can be liquidated by the CSD-banking service provider through a prearranged and highly reliable funding arrangement as referred to in point (e) of Article 59(4) of Regulation (EU) No 909/2014 and specified in Article 38 of this Regulation;
- (f) they can be liquidated on a same-day basis;
- (g) price data on these instruments are publicly available on a close to real-time basis;
- (h) they are not issued by any of the following:
 - (i) the participant providing the collateral, or by an entity that is part of the same group as the participant, except in the case of a covered bond and only where the assets backing that bond are appropriately segregated within a robust legal framework and satisfy the requirements set out in this Article;
 - (ii) a CSD-banking service provider or an entity that is part of the same group as the CSD-banking service provider;
 - (iii) an entity whose business involves providing services critical to the functioning of the CSD-banking service provider, unless that entity is a Union central bank or a central bank that issues a currency in which the CSD-banking service provider has exposures;
- (i) they are not otherwise subject to significant wrong-way risk in the meaning of Article 291 of Regulation (EU) No 575/2013.

Article 11

Other collateral

1. Other types of collateral to be used by a CSD-banking service provider shall consist of financial instruments that meet all of the following conditions:

- (a) they are freely transferable without any legal constraint or third party claims that impair their liquidation;
- (b) they are eligible at a central bank of the Union, where the CSD-banking service provider has access to regular, non-occasional credit ('routine credit') at that central bank;

- (c) they are denominated in a currency the risk of which the CSD-banking service provider is able to manage;
 - (d) the CSD-banking service provider has a prearranged funding arrangement with the type of creditworthy financial institution referred to in point (e) of Article 59(4) of Regulation (EU) No 909/2014 and specified in Article 38 of this Regulation, which provides for the conversion of these instruments into cash on a same-day basis.
2. For the purposes of (c) of Article 59(3) of Regulation (EU) No 909/2014, other type of collateral to be used by a CSD-banking service provider shall be financial instruments that meet the following conditions:
- (a) they are freely transferable without any legal constraint or third party claims that impair their liquidation;
 - (b) they are denominated in a currency the risk of which the CSD-banking service provider is able to manage;
 - (c) the CSD-banking service provider has both of the following:
 - (i) a prearranged funding arrangement in accordance with point (e) of Article 59(4) of Regulation (EU) No 909/2014 and specified in Article 38 of this Regulation, so that these instruments can be liquidated within five business days;
 - (ii) qualifying liquid resources in accordance with Article 34 to a sufficient amount to ensure that it covers the time gap for liquidating such collateral in case of default of the participant.

Article 12

Collateral valuation

1. A CSD-banking service provider shall establish collateral valuation policies and procedures that ensure the following:
- (a) that the financial instruments referred to in Article 10 are valued mark-to-market on at least a daily basis;
 - (b) that the financial instruments referred to in Article 11(1) are valued on at least a daily basis, and, where such daily valuation is not possible, that they are valued on a mark-to-model basis;
 - (c) that the financial instruments referred to in Article 11(2) are valued on at least a daily basis, and where such daily valuation is not possible, that they are valued on a mark-to-model basis.
2. The methodologies for the mark-to-model valuation referred to in points (b) and (c) of paragraph 1 shall be fully documented.
3. A CSD-banking service provider shall review the adequacy of its valuation policies and procedures in all of the following cases:
- (a) on a regular basis which shall be at least annually;
 - (b) where a material change affects the valuation policies and procedures.

Article 13

Haircuts

1. A CSD-banking service provider shall set the level of haircuts as follows:
- (a) where collateral is eligible at the central bank to which the CSD-banking service provider has access to routine credit, the haircuts applied to that type of collateral by the central bank may be considered as the minimum haircut floor;

- (b) where collateral is not eligible at the central bank to which the CSD-banking service provider has access to routine credit, the haircuts applied by the central bank issuing the currency in which the financial instrument is denominated shall be considered as the minimum haircut floor.
2. The CSD-banking service provider shall ensure that its policies and procedures to determine haircuts take into account the possibility that the collateral may need to be liquidated in stressed market conditions and the time required to liquidate it.
3. The haircuts shall be determined taking into consideration the relevant criteria, including all of the following:
- (a) the type of asset;
 - (b) the level of credit risk associated with the financial instrument;
 - (c) the country of issuance of the asset;
 - (d) the maturity of the asset;
 - (e) the historical and hypothetical future price volatility of the asset in stressed market conditions;
 - (f) the liquidity of the underlying market, including bid-ask spreads;
 - (g) the foreign exchange risk, where applicable;
 - (h) the wrong-way risk in the meaning of Article 291 of Regulation (EU) No 575/2013, where applicable.
4. The criteria referred to in point (b) of paragraph 3 shall be determined by an internal assessment of the CSD-banking service provider, based on a defined and objective methodology that does not exclusively rely on external opinions.
5. No collateral value shall be assigned to securities provided by an entity that belongs to the same group as the borrower.
6. The CSD-banking service provider shall ensure that the haircuts are calculated in a conservative manner to limit pro-cyclicality as far as possible.
7. The CSD-banking service provider shall ensure that its policies and procedures on haircuts are validated at least annually by an independent unit of the CSD-banking service provider and applicable haircuts are benchmarked with the central bank issuing the relevant currency and, where the central bank benchmark is not available, other relevant sources.
8. The haircuts applied shall be reviewed by the CSD-banking service provider on at least a daily basis.

Article 14

Collateral concentration limits

1. A CSD-banking service provider shall have policies and procedures on collateral concentration limits in place that include the following:
- (a) policies and procedures to be followed where any breach of the concentration limits occurs;
 - (b) the risk mitigation measures to be applied where the concentration limits defined in the policies are exceeded;
 - (c) the timing of the expected implementation of measures under point (b).

2. The concentration limits within the total amount of collateral collected ('collateral portfolio') shall be set by taking into account all of the following criteria:

- (a) individual issuers considering their group structure;
- (b) country of the issuer;
- (c) type of issuer;
- (d) type of asset;
- (e) settlement currency;
- (f) collateral with credit, liquidity and market risk above minimum levels;
- (g) the eligibility of the collateral for the CSD-banking service provider to have access to routine credit at the central bank of issue;
- (h) each borrowing participant;
- (i) all borrowing participants;
- (j) financial instruments issued by issuers of the same type in terms of economic sector, activity, geographic region;
- (k) the level of credit risk of the financial instrument or of the issuer determined by an internal assessment by the CSD-banking service provider, based on a defined and objective methodology that does not exclusively rely on external opinions and that takes into consideration the risk arising from the establishment of the issuer in a particular country;
- (l) the liquidity and the price volatility of the financial instruments.

3. A CSD-banking service provider shall ensure that no more than 10 % of its intraday credit exposure is guaranteed by any of the following:

- (a) a single credit institution;
- (b) a third country financial institution that is subject to and complies with prudential rules that are at least as stringent as those provided in Directive 2013/36/EU and Regulation (EU) No 575/2013, in accordance with Article 114(7) of that Regulation;
- (c) a commercial entity that is part of the same group as the institution referred to in either point (a) or (b).

4. Where calculating the collateral concentration limits referred to in paragraph 2, a CSD-banking service provider shall aggregate its total exposure to a single counterparty resulting from the amount of the cumulative credit lines, deposit accounts, current accounts, money-market instruments, and reverse repurchase facilities utilised by the CSD-banking service provider.

5. Where determining the collateral concentration limit for a CSD-banking service provider's exposure to an individual issuer, the CSD-banking service provider shall aggregate and treat as a single risk its exposure to all financial instruments issued by the issuer or by a group entity, explicitly guaranteed by the issuer or by a group entity.

6. A CSD-banking service provider shall ensure the adequacy of its collateral concentration limit policies and procedures at all times. It shall review its collateral concentration limits at least annually and whenever a material change occurs that affects the CSD-banking service provider's risk exposure.

7. A CSD-banking service provider shall inform the borrowing participants of the applicable collateral concentration limits and of any amendment to those limits pursuant to paragraph 6.

Article 15

Other equivalent financial resources

1. Other equivalent financial resources shall consist only of the financial resources or the credit protection referred to in paragraphs 2 to 4 and those referred to in Article 16.
2. Other equivalent financial resources may include commercial bank guarantees provided by a creditworthy financial institution that fulfils the requirements set out in Article 38(1) or a syndicate of such financial institutions that meet all of the following conditions:
 - (a) they are issued by an issuer that has low credit risk based on an adequate internal assessment by the CSD-banking service provider, employing a defined and objective methodology that does not exclusively rely on external opinions and that takes into consideration the risk arising from the establishment of the issuer in a particular country;
 - (b) they are denominated in a currency the risk of which the CSD-banking service provider is able to adequately manage;
 - (c) they are irrevocable, unconditional and there is no legal or contractual exemption or option allowing the issuer to oppose the payment of the guarantee;
 - (d) they can be honoured, on demand, within one business day, during the period of liquidation of the portfolio of the defaulting borrowing participant free of any regulatory, legal or operational constraint;
 - (e) they are not issued by an entity that is part of the same group as the borrowing participant covered by the guarantee, or by an entity whose business involves providing services critical to the functioning of the CSD-banking service provider, unless that entity is an European Economic Area central bank or a central bank issuing a currency in which the CSD-banking service provider has exposures;
 - (f) they are not subject to significant wrong-way risk within the meaning of Article 291 of Regulation (EU) No 575/2013;
 - (g) they are fully guaranteed by collateral that meets the following conditions:
 - (i) it is not subject to wrong way risk within the meaning of Article 291 of Regulation (EU) No 575/2013 based on a correlation with the credit standing of the guarantor or the borrowing participant, unless that wrong way risk has been adequately mitigated by a haircut applied to the collateral;
 - (ii) the CSD-banking service provider has prompt access to the collateral and it is bankruptcy remote in case of the simultaneous default of the borrowing participant and the guarantor;
 - (iii) the suitability of the guarantor has been ratified by the management body of the CSD-banking service provider after a full assessment of the issuer and of the legal, contractual and operational framework of the guarantee in order to have a high level of comfort on the effectiveness of the guarantee, and notified to the relevant competent authority in accordance with Article 60(1) of Regulation (EU) No 909/2014.
3. Other equivalent financial resources may include bank guarantees issued by a central bank that meet all of the following conditions:
 - (a) they are issued by a Union central bank or a central bank issuing a currency in which the CSD-banking service provider has exposures;
 - (b) they are denominated in a currency the risk of which the CSD-banking service provider is able to adequately manage;
 - (c) they are irrevocable, unconditional and the issuing central bank cannot rely on any legal or contractual exemption or option allowing the issuer to oppose the payment of the guarantee;
 - (d) they are honoured within one business day.

4. Other equivalent financial resources may include capital, after deducting the capital requirements of Articles 1 to 8, but only for the purposes of covering exposures to central banks, multilateral development banks and international organisations that are not exempted in accordance with Article 23(2).

Article 16

Other equivalent financial resources for exposures in interoperable links

Other equivalent financial resources may include bank guarantees and letters of credit, used to secure credit exposures created between CSDs that establish interoperable links, that meet all of the following conditions:

- (a) they cover only the credit exposures between the two linked CSDs;
- (b) they have been issued by a consortium of creditworthy financial institutions that fulfil the requirements set out in Article 38(1), in which each of those financial institutions is obliged to pay the part of the total amount that has been contractually agreed upon;
- (c) they are denominated in a currency the risk of which the CSD-banking service provider is able to adequately manage;
- (d) they are irrevocable, unconditional and the issuing institutions cannot rely on any legal or contractual exemption or option allowing the issuer to oppose the payment of the letter of credit;
- (e) they can be honoured, on demand, free of any regulatory, legal or operational constraint;
- (f) they are not issued by:
 - (i) an entity that is part of the same group as the borrowing CSD or a CSD with an exposure covered by the bank guarantee and letters of credit;
 - (ii) an entity whose business involves providing services critical to the functioning of the CSD-banking service provider;
- (g) they are not subject to significant wrong-way risk within the meaning of Article 291 of Regulation (EU) No 575/2013;
- (h) the CSD-banking service provider monitors the creditworthiness of the issuing financial institutions on a regular basis by independently assessing the creditworthiness of those institutions and by assigning and regularly reviewing internal credit ratings for each financial institution;
- (i) they can be honoured during the period of liquidation within three business days from the moment when the defaulting CSD-banking service provider fails to meet its payment obligations when they are due;
- (j) qualifying liquid resources referred to in Article 34 are available to a sufficient amount that covers the time gap until the time at which the bank guarantee and letters of credit has to be honoured in case of default of one of the linked CSDs;
- (k) the risk of not having the full amount of the bank guarantee and letters of credit being paid by the consortium is mitigated by:
 - (i) establishing appropriate concentration limits ensuring that no financial institution, including its parent undertaking and subsidiaries, is part of the consortium guarantees for more than 10 % of the total amount of the letter of credit;
 - (ii) limiting the credit exposure that is covered using the bank guarantee and letters of credit to the total amount of the bank guarantee minus either 10 % of the total amount, or the amount guaranteed by the two credit institutions with the largest share of the total amount whichever is lower;
 - (iii) implementing additional risk mitigation measures such as a loss-sharing arrangements that are effective and have clearly defined rules and procedures;
- (l) the arrangements are periodically tested and reviewed pursuant to Article 41(3) of Regulation (EU) No 909/2014.

CHAPTER II

PRUDENTIAL FRAMEWORK FOR CREDIT AND LIQUIDITY RISK*Article 17***General provisions**

1. For the purposes of the prudential requirements relating to the credit risk arising from the provision of banking-type ancillary services by a CSD-banking service provider in respect of each securities settlement system, as referred to in Article 59(3) and (5) of Regulation (EU) No 909/2014, a CSD-banking service provider shall comply with all requirements set out in this Chapter on monitoring, measuring, management, reporting and public disclosure of credit risk with regard to the following:

- (a) intraday credit risk and overnight credit risk;
- (b) relevant collateral and other equivalent financial resources used in relation to the risks referred to in point (a);
- (c) potential residual credit exposures;
- (d) reimbursement procedures and sanctioning rates.

2. For the purposes of the prudential requirements relating to the liquidity risk arising from the provision of banking-type ancillary services by a CSD-banking service provider in respect of each securities settlement system as referred to in Article 59(4) of Regulation (EU) No 909/2014, a CSD-banking service provider shall comply with all of the following:

- (a) the requirements of Section 2 for the monitoring, measuring, management, reporting and public disclosure of liquidity risks;
- (b) the requirements of Regulation (EU) No 575/2013 on monitoring, measuring, management, reporting and public disclosure of other liquidity risks than those covered by point (a).

SECTION 1

Credit risk*Article 18***Credit risk management framework**

1. For the purposes of point (a) of Article 17(1), a CSD-banking service provider shall design and implement policies and procedures that comply with the following requirements:

- (a) measure intraday and overnight credit risk in accordance with Sub-section 1;
- (b) monitor intraday and overnight credit risk in accordance with Sub-section 2;
- (c) manage intraday and overnight credit risk in accordance with Sub-section 3;
- (d) measure, monitor and manage the collateral and other equivalent financial resources, as referred to in points (c) and (d) of Article 59(3) of Regulation (EU) No 909/2014, in accordance with Chapter I of this Regulation;
- (e) analyses and plans how to address any potential residual credit exposures, in accordance with Sub-section 4;
- (f) manage its reimbursement procedures and sanctioning rates, in accordance with Sub-section 5;
- (g) report its credit risks in accordance with Sub-section 6;
- (h) publicly disclose its credit risks in accordance with Sub-section 7.

2. The CSD-banking service provider shall review the policies and procedures referred to in paragraph 1 at least annually.
3. The CSD-banking service provider shall also review those policies and procedures whenever either of the following occurs and where either of the changes referred to in points (a) or (b) affects the risk exposure of the CSD-banking service provider:
 - (a) the policies and procedures are subject to a material change;
 - (b) where the CSD-banking service provider voluntarily carries out a change following the assessment referred to in Article 19.
4. The policies and procedures referred to in paragraph 1 shall include the preparation and update of a report relating to credit risks. That report shall include the following:
 - (a) the metrics referred to in Article 19;
 - (b) haircuts applied in accordance with Article 13, reported per type of collateral;
 - (c) changes to the policies or procedures referred to in paragraph 3.
5. The report referred to in paragraph 4 shall be subject to monthly review by the relevant committees established by the management body of the CSD-banking service provider. Where the CSD-banking service provider is a credit institution designated by the CSD in accordance with point (b) of Article 54(2) of Regulation (EU) No 909/2014, the report referred to in paragraph 4 shall also be made available to the risk committee established under Article 48 of the Delegated Regulation (EU) 2017/392 of the CSD with the same monthly frequency.
6. Where the CSD-banking service provider breaches one or more of the concentration limits referred to in Article 14, it shall immediately report this to its relevant committee in charge of risk control, and, where it is a credit institution referred to in paragraph 5 of this Article, it shall immediately report to the risk committee of the CSD.

Sub Section 1

Measurement of Credit Risks

Article 19

Measurement of intraday credit risk

1. A CSD-banking service provider shall identify and measure intraday credit risk exposures and anticipate peak intraday credit exposures by way of operational and analytical tools that identify and measure intraday credit exposures, and that record, in particular, all of the following metrics for each counterparty:
 - (a) peak and average intraday credit exposures for banking-type ancillary services set out in Section C of the Annex to Regulation (EU) No 909/2014;
 - (b) peak and average intraday credit exposures per borrowing participant, and further breakdown of collateral covering these credit exposures;
 - (c) peak and average intraday credit exposures to other counterparties and, if it is secured by collateral, further breakdown of collateral covering these intraday credit exposures;
 - (d) total value of intraday credit lines extended to participants;
 - (e) further breakdown of credit exposures referred to in points (b) and (c) shall cover the following:
 - (i) collateral that meets the requirements of Article 10;
 - (ii) other collateral in accordance with Article 11(1);

- (iii) other collateral in accordance with Article 11(2);
- (iv) other equivalent financial resources in accordance with Article 15 and 16.

2. A CSD-banking service provider shall carry out the measurement referred to in paragraph 1 on an ongoing basis.

Where ongoing identification and measurement of intraday credit risk is not possible due to the dependency on the availability of external data, the CSD-banking service provider shall measure intraday credit exposures on the highest frequency possible and on at least a daily basis.

Article 20

Measurement of overnight credit exposures

A CSD-banking service provider shall measure the overnight credit exposures for banking-type ancillary services set out in Section C of the Annex to Regulation (EU) No 909/2014 by recording the outstanding credit exposures from the previous day on a daily basis, at the end of the business day.

Sub-Section 2

Monitoring Credit Risks

Article 21

Monitoring intraday credit exposures

For the purposes of monitoring intraday credit risk, a CSD- banking service provider shall, in particular:

- (a) monitor on an ongoing basis, through an automatic reporting system, the intraday credit exposures arising from the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014;
- (b) maintain, for a period of at least 10 years, a record of the daily intraday peak and average intraday credit exposures arising from banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014;
- (c) record the intraday credit exposures stemming from each entity on which intraday credit exposures are incurred, including the following:
 - (i) issuers;
 - (ii) participants to the securities settlement system operated by a CSD, at entity and group levels;
 - (iii) CSDs with interoperable links;
 - (iv) banks and other financial institutions used to make or receive payments;
- (d) fully describe how the credit risk management framework takes into account the interdependencies and the multiple relationships that a CSD-banking service provider may have with each of the entities referred to in point (c);
- (e) specify, for each counterparty, how the CSD-banking service provider monitors the concentration of its intraday credit exposures, including its exposures to the entities of the groups comprising the entities listed in point (c);
- (f) specify how the CSD-banking service provider assesses the adequacy of the haircuts applied to the collateral collected;
- (g) specify how the CSD-banking service provider monitors the collateral coverage of the credit exposures and the coverage of credit exposures with other equivalent financial resources.

*Article 22***Monitoring overnight credit risk**

For the purposes of monitoring overnight credit exposures, a CSD-banking service provider shall, in relation to the overnight credit:

- (a) maintain a record of the sum of the actual end of day credit exposures, for a period of at least 10 years;
- (b) record the information referred to in point (a) on a daily basis.

*Sub-Section 3***Management of Intraday Credit Risks***Article 23***General requirements for the management of intraday credit risk**

1. For the purposes of management of intraday credit risk, a CSD-banking service provider shall:
 - (a) specify how it assesses the design and operation of its credit risk management framework relating to all the activities listed in Section C of the Annex to Regulation (EU) No 909/2014;
 - (b) only grant credit lines that are unconditionally cancellable at any time by the CSD-banking service provider and without prior notice to the borrowing participants of the securities settlement system operated by the CSD;
 - (c) where a bank guarantee referred to in Article 16 is used in interoperable links, a CSD-banking service provider shall assess and analyse the interconnectedness that may arise from having the same participants providing that bank guarantee.
2. The following exposures are exempt from the application of Articles 9 to 15 and 24:
 - (a) exposures to the members of the European System of Central Banks and other Member States' bodies performing similar functions and other Union public bodies charged with or intervening in the management of the public debt;
 - (b) exposures to one of the multilateral development banks listed in Article 117(2) of Regulation (EU) No 575/2013;
 - (c) exposures to one of the international organisations listed in Article 118 of Regulation (EU) No 575/2013;
 - (d) exposures to public sector entities within the meaning of Article 4(8) of Regulation (EU) No 575/2013 where they are owned by central governments and have explicit arrangements provided by central governments guaranteeing their credit exposures;
 - (e) exposures to third country central banks that are denominated in the domestic currency of that central bank provided that the Commission has adopted an implementing act in accordance with Article 114(7) of Regulation (EU) No 575/2013 confirming that this third country is considered as applying supervisory and regulatory arrangements at least equivalent to those applied in the Union.

*Article 24***Credit limits**

For the purposes of managing intraday credit risk, and where setting the credit limits to an individual borrowing participant at the group level, a CSD-banking service provider shall comply with all of the following:

- (a) assess the creditworthiness of the borrowing participant based on a methodology that does not exclusively rely on external opinions;

- (b) verify the compliance of collateral and other equivalent financial resources provided by a participant to cover intraday credit exposures, with the requirements set out in Articles 9 and 15, respectively;
- (c) set the credit limits to a borrowing participant based on the multiple relationships that the CSD-banking service provider has with the borrowing participant, including where the CSD-banking service provider provides more than one banking-type ancillary service among those referred to in Section C of the Annex to Regulation (EU) No 909/2014 to the same participant;
- (d) take into account the level of qualifying liquid resources in accordance with Article 34;
- (e) review the credit limits to a borrowing participant with the view to ensuring both of the following:
 - (i) where the creditworthiness of a borrowing participant decreases, that the credit limits are reviewed or reduced;
 - (ii) where the value of collateral provided by a borrowing participant decreases, that the credit availability is reduced.
- (f) review the credit lines granted to borrowing participants at least annually based on their actual usage of credit;
- (g) ensure that the amount of overnight credit exposures is integrated in the usage of the credit limit granted to the participant;
- (h) ensure that the amount of overnight credit not yet reimbursed is included in the intraday exposures of the next day and is capped by the credit limit.

Sub-Section 4

Potential residual credit exposures

Article 25

Potential residual credit exposures

1. The policies and procedures referred to in Article 18(1) shall ensure that any potential residual credit exposures are managed, including in the situations where the post-liquidation value of the collateral and other equivalent financial resources are not sufficient to cover the credit exposures of the CSD-banking service provider.
2. Such policies and procedures shall:
 - (a) specify how potentially uncovered credit losses are allocated, including repayment of any funds that a CSD-banking service provider may borrow from liquidity providers to cover liquidity gaps related to such losses;
 - (b) include an ongoing assessment of evolving market conditions related to the post-liquidation value of the collateral or of other equivalent financial resources that may develop into a potential residual credit exposure;
 - (c) specify that the assessment referred to in point (b) shall be accompanied by a procedure setting out:
 - (i) the measures that shall be taken to address the market conditions referred to in point (b);
 - (ii) the timing of the measures referred to in point (i);
 - (iii) any updates of the credit risk management framework as a result of those market conditions referred to in point (b).
3. The risk committee of the CSD-banking service provider and, where relevant, the risk committee of the CSD shall be informed of any risks that may cause potential residual credit exposures and the competent authority referred to in Article 60(1) of Regulation (EU) No 909/2014 shall be promptly informed of such risks.

4. The market and activity developments affecting intraday credit risk exposures shall be analysed and reviewed every six months and reported to the risk committee of the CSD-banking service provider and, where relevant, to the risk committee of the CSD.

Sub-Section 5

Reimbursement procedures and sanctioning rates

Article 26

Reimbursement procedures of intraday credit

1. A CSD-banking service provider shall have effective reimbursement procedures of intraday credit, which comply with the requirements in paragraphs 2 and 3.
2. The reimbursement procedures of intraday credit shall provide for sanctioning rates acting as an effective deterrent to discourage overnight credit exposures, and, in particular, that they shall meet both of the following conditions:
 - (a) they are higher than the interbank money-market overnight collateralised market rate and the marginal lending rate of a central bank of issue of the currency of the credit exposure;
 - (b) they take into consideration the funding costs of the currency of the credit exposure and the creditworthiness of the participant that has an overnight credit exposure.

Sub-Section 6

Reporting of credit risk

Article 27

Reporting to authorities on intraday risk management

1. A CSD-banking service provider shall report to the relevant competent authority referred to in Article 60(1) of Regulation (EU) No 909/2014.
2. A CSD-banking service provider shall comply with all of the following reporting requirements:
 - (a) it shall submit a qualitative statement that specifies the actions taken regarding how credit risks, including intraday credit risks are measured, monitored and managed, with at least an annual frequency;
 - (b) it shall notify any material changes to the actions taken in accordance with point (a), immediately after such material changes take place;
 - (c) it shall submit the metrics referred to in Article 19 on a monthly basis.
3. Where the CSD-banking service provider is in breach of, or risks breaching the requirements of this Regulation, including during times of stress, it shall immediately notify this to the relevant competent authority and it shall submit without undue delay to that competent authority a detailed plan for the timely return to compliance.
4. Until compliance with the requirements of this Regulation and of Regulation (EU) No 909/2014 is restored, the CSD-banking service provider shall report the items referred to in paragraph 2, as appropriate, daily by the end of each business day unless the relevant competent authority authorises a lower reporting frequency and a longer reporting delay by taking into account the individual situation of the CSD-banking service provider and the scale and complexity of its activities.

Sub-Section 7

Public disclosure*Article 28***Public Disclosure**

For the purposes of point (h) of Article 18(1), the CSD-banking service provider shall publicly disclose annually a comprehensive qualitative statement that specifies how credit risks, including intraday credit risks are measured, monitored and managed.

SECTION 2

Liquidity risk*Article 29***General rules on liquidity risk**

1. For the purposes of point (a) of Article 17(2), a CSD-banking service provider shall design and implement policies and procedures that:

- (a) measure intraday and overnight liquidity risk, in accordance with Sub-section 1;
- (b) monitor intraday and overnight liquidity risk, in accordance with Sub-section 2;
- (c) manage liquidity risk, in accordance with Sub-section 3;
- (d) report intraday and overnight liquidity risk, in accordance with Sub-section 4;
- (e) disclose the framework and tools for the monitoring, measuring, management, and the reporting on liquidity risk, in accordance with Sub-section 5.

2. Any changes to the overall liquidity risk framework shall be reported to the management body of the CSD-banking service provider.

Sub-Section 1

Measurement of intraday liquidity risks*Article 30***Measurement of intraday liquidity risks**

1. A CSD-banking service provider shall put in place effective operational and analytical tools to measure, on an ongoing basis, the following metrics on a currency by currency basis:

- (a) maximum intraday liquidity usage, calculated using the largest positive net cumulative position and the largest negative net cumulative position;
- (b) total available intraday liquid resources at the start of the business day, broken down into all of the following:
 - (i) qualifying liquid resources as specified in Article 34:
 - cash deposited at a central bank of issue;
 - available cash deposited at other creditworthy financial institutions referred to in Article 38(1);
 - committed lines of credit or similar arrangements;

- assets that fulfil the requirements of Article 10 and 11(1) of this Regulation applicable to collateral, or financial instruments compliant with the requirements set out in the Delegated Regulation (EU) 2017/392, that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, as referred to in Article 38;
 - the collateral referred to in Article 10 and Article 11(1);
- (ii) other than qualifying liquid resources, including uncommitted credit lines;
- (c) total value of all of the following:
- (i) intraday liquidity outflows, including those for which there is a time specific intraday deadline;
 - (ii) cash settlement obligations in other securities settlement systems where the CSD for which the CSD-banking service provider acts as settlement agent has to settle positions;
 - (iii) obligations related to the CSD-banking service provider's market activities, such as the delivery or return of money market transactions or margin payments;
 - (iv) other payments critical to the reputation of the CSD and the CSD-banking service provider.
2. For each currency of the securities settlement systems for which a CSD-banking service provider acts as settlement agent, the CSD-banking service provider shall monitor the liquidity needs stemming from each entity towards which the CSD-banking service provider has a liquidity exposure.

Article 31

Measurement of overnight liquidity risks

In relation to overnight liquidity risks, the CSD-banking service provider shall compare on an ongoing basis, its liquid resources to its liquidity needs, where such needs result from the use of overnight credit, for each settlement currency of the securities settlement systems for which the CSD-banking service provider acts as settlement agent.

Sub-Section 2

Monitoring of intraday liquidity risks

Article 32

Monitoring intraday liquidity risks

1. The CSD-banking service provider shall establish and maintain a report on the intraday liquidity risk that it assumes. Such report shall include, at least:
- (a) the metrics referred to in Article 30(1);
 - (b) the risk appetite of the CSD-banking service provider;
 - (c) a contingency funding plan describing the remedies to be applied where the risk appetite is breached.

The report referred to in the first subparagraph shall be reviewed monthly by the risk committee of the CSD-banking service provider and by the risk committee of the CSD.

2. For each settlement currency of the securities settlement system for which the CSD-banking service provider acts as settlement agent, it shall have effective operational and analytical tools to monitor on a near to real-time basis its intraday liquidity positions against its expected activities and available resources based on balances and remaining intraday liquidity capacity. The CSD-banking service provider shall:
- (a) maintain, for a period of at least 10 years, a record of the daily largest positive net cumulative intraday position and the largest negative net cumulative intraday position for each settlement currency of the securities settlement system for which it acts as settlement agent;

- (b) monitor its intraday liquidity exposures on an ongoing basis against the maximum intraday liquidity exposure that has been historically recorded.

Article 33

Monitoring overnight liquidity risks

In relation to overnight liquidity risks, the CSD-banking service provider shall apply both of the following:

- (a) maintain, for a period of at least 10 years, a record of the liquidity risks created by the use of overnight credit for each currency of the securities settlement system for which it acts as settlement agent;
- (b) monitor the liquidity risk created by the overnight credit extended against the maximum liquidity exposure created by the overnight credit extended, historically recorded.

Sub-Section 3

Managing Liquidity Risks

Article 34

Qualifying liquid resources

A CSD-banking service provider shall mitigate corresponding liquidity risks, including intraday liquidity risks, in each currency by using any of the following qualifying liquid resources:

- (a) cash deposited at a central bank of issue;
- (b) available cash deposited at one of the creditworthy financial institutions identified in Article 38(1);
- (c) committed lines of credit or similar agreements;
- (d) assets that fulfil the requirements of Article 10 and Article 11(1) of this Regulation applicable to collateral, or financial instruments compliant with the Delegated Regulation (EU) 2017/392, that are readily available and convertible into cash with prearranged and highly reliable funding arrangements in accordance with Article 38 of this Regulation;
- (e) the collateral referred to in Article 10 and Article 11(1).

Article 35

Managing intraday liquidity risk

1. For each currency of any of the securities settlement systems for which it acts as settlement agent, the CSD-banking service provider shall:

- (a) estimate the intraday liquidity inflows and outflows for all the banking-type ancillary services provided;
- (b) anticipate the intraday timing of those flows;
- (c) forecast the intraday liquidity needs that may arise at different periods during the day.

2. For each currency of any of the securities settlement systems for which it acts as settlement agent, the CSD-banking service provider shall:

- (a) arrange to acquire sufficient intraday funding to meet its intraday objectives as they result from the analysis referred to in paragraph 1;

- (b) manage and be ready to convert into cash the collateral necessary to obtain intraday funds in stress situations, taking into account haircuts in accordance with Article 13 and concentration limits in accordance with Article 14;
- (c) manage the timing of its liquidity outflows in line with its intraday objectives;
- (d) have arrangements in place to deal with unexpected disruptions to its intraday liquidity flows.

3. For the purpose of meeting its minimum qualifying liquid resource requirement, a CSD-banking service provider shall identify and manage the risks to which it would be exposed following the default of at least two participants, including their parent undertaking and subsidiaries, to which it has the largest liquidity exposure.

4. For the risk of unexpected disruptions to its intraday liquidity flows, referred to in paragraph 2(d), the CSD-banking service provider shall specify extreme but plausible scenarios, including those identified in Article 36(7) where relevant, and based at least on one of the following:

- (a) a range of historical scenarios, including periods of extreme market movements observed over the past 30 years, or as long as reliable data have been available, that would have exposed the CSD-banking service provider to the greatest financial risk, unless the CSD-banking service provider proves that recurrence of a historical instance of large price movements is not plausible;
- (b) a range of potential future scenarios that fulfil the following conditions:
 - (i) they are founded on consistent assumptions regarding market volatility and price correlation across markets and financial instruments;
 - (ii) they are based on both quantitative and qualitative assessments of potential market conditions, including disruptions and dislocations or irregularities of accessibility to markets, as well as declines in the liquidation value of collateral, and reduced market liquidity where non-cash assets have been accepted as collateral.

5. For the purposes of paragraph 2, the CSD-banking service provider shall also take into account the following:

- (a) the design and operations of the CSD-banking service provider, including in relation to the entities referred to in Article 30(2) and linked financial markets infrastructures or other entities that may pose material liquidity risk to the CSD-banking service provider, and, where applicable, cover a multiday period;
- (b) any strong relationships or similar exposures between the participants of the CSD-banking service provider, including between the participants and their parent undertaking and subsidiaries;
- (c) an assessment of the probability of multiple defaults of participants and the effects among the participants that such defaults may cause;
- (d) the impact of multiple defaults referred to in point (c) on the CSD-banking service provider's cash-flows and on its counterbalancing capacity and survival horizon;
- (e) whether the modelling reflects the different impacts that an economic stress may have both on the CSD-banking service provider's assets and its liquidity inflows and outflows.

6. The set of historical and hypothetical scenarios used to identify extreme but plausible market conditions shall be reviewed by the CSD-banking service provider, and, where relevant in consultation with the risk committee of the CSD, at least annually. Such scenarios shall be reviewed more frequently where market developments or the operations of the CSD-banking service provider affect the assumptions underlying the scenarios in a way that requires adjustments to such scenarios.

7. The liquidity risk framework shall consider, quantitatively and qualitatively, the extent to which extreme price movements in the collateral or assets could occur simultaneously in multiple identified markets. The framework shall recognise that historical price correlations may no longer be applicable in extreme but plausible market conditions. A CSD-banking service provider shall also take into account any of its external dependencies in its stress testing, referred to in this Article.

8. The CSD-banking service provider shall identify how the intraday monitoring metrics referred to in Article 30(1) are used to calculate the appropriate value of intraday funding required. It shall develop an internal framework to assess a prudent value of liquid assets which are deemed sufficient for its intraday exposure, including, in particular, all of the following:

- (a) the timely monitoring of liquid assets, including the quality of the assets, their concentration and their immediate availability;
- (b) appropriate policy on monitoring market conditions that can affect the liquidity of the intraday qualifying liquid resources;
- (c) the value of the intraday qualifying liquid resources, valued and calibrated under stressed market conditions, including the scenarios referred to in Article 36(7).

9. The CSD-banking service provider shall ensure that its liquid assets are under the control of a specific liquidity management function.

10. The liquidity risk framework of the CSD-banking service provider shall include appropriate governance arrangements relating to the amount and form of total qualifying liquid resources that the CSD-banking service provider maintains, as well as relevant adequate documentation and, in particular one of the following:

- (a) placement of its liquid assets in a separate account under the direct management of the liquidity management function, which may only be used as a source of contingent funds during stress periods;
- (b) establishment of internal systems and controls to give the liquidity management function effective operational control to carry out both of the following:
 - (i) convert into cash the holdings of liquid assets at any point in the stress period;
 - (ii) access the contingent funds without directly conflicting with any existing business or risk management strategies, so that no assets are included in the liquidity buffer where their sale without replacement throughout the stress period would create an open risk position in excess of the internal limits of the CSD-banking service provider;
- (c) a combination of the requirements set out in points (a) and (b), where such a combination ensures a comparable result.

11. The requirements of this Article regarding the liquidity risk framework of the CSD-banking service provider shall apply also to cross-border and cross-currency exposures where relevant.

12. The CSD-banking service provider shall review the procedures referred to in paragraphs 2, 3 and 11 at least annually, taking into account all relevant market developments as well as the scale and concentration of exposures.

Article 36

Stress testing the sufficiency of liquid financial resources

1. A CSD-banking service provider shall determine and test the sufficiency of its liquidity resources at relevant currency level by regular and rigorous stress testing that meets all of the following requirements:

- (a) it is conducted on the basis of the factors referred to in paragraphs 4 and 5, as well as the specific scenarios referred to in paragraph 6;
- (b) it includes regular testing of the CSD-banking service provider's procedures for accessing its qualifying liquid resources from a liquidity provider using intraday scenarios;
- (c) it complies with the requirements of paragraphs 2 to 6.

2. The CSD-banking service provider shall ensure, at least through rigorous due diligence and stress testing that each liquidity provider of its minimum required qualifying liquid resources established in accordance with Article 34, has sufficient information to understand and manage its associated liquidity risk, and is able to comply with the conditions of a prearranged and highly reliable funding arrangement set out in points (d) and (e) of Article 59(4) of Regulation (EU) No 909/2014.
3. The CSD-banking service provider shall have rules and procedures in place to address the insufficiency of qualifying liquid financial resources highlighted by its stress tests.
4. Where the stress tests result in breaches to the agreed risk appetite referred to in point (b) of Article 32(1), the CSD-banking service provider shall:
 - (a) report to both its own risk committee and, where relevant, to the risk committee of the CSD the results of the stress tests;
 - (b) review and adjust its contingency plan referred to in point (c) of Article 32(1) where breaches cannot be restored by the end of the day;
 - (c) have rules and procedures to evaluate and adjust the adequacy of its liquidity risk management framework and liquidity providers in accordance with the results and analysis of its stress tests.
5. The stress testing scenarios used in the stress testing of liquid financial resources shall be designed taking into account the design and operation of the CSD-banking service provider, and include all entities that may pose material liquidity risk to it.
6. The stress testing scenarios used in the stress testing of the qualifying liquid financial resources shall be designed taking into account the default, in isolation or combined, of at least two participants of the CSD-banking service provider, including their parent undertaking and subsidiaries, to which the CSD-banking service provider has the largest liquidity exposure.
7. The scenarios used in the stress testing of liquid financial resources shall be designed taking into account a wide range of relevant extreme but plausible scenarios, covering short-term and prolonged stress, and institution specific and market-wide stress, including:
 - (a) the missed receipt of payments from participants on a timely basis;
 - (b) the temporary failure or inability of one of the CSD-banking service provider's liquidity providers to provide liquidity, including those referred to in point (e) of Article 59(4) of Regulation (EU) No 909/2014, custodian banks, nostro agents, or any related infrastructure, including interoperable CSDs;
 - (c) simultaneous pressures in funding and asset markets, including a decrease in the value of the qualifying liquid resources;
 - (d) stress in foreign exchange convertibility and access to foreign exchange markets;
 - (e) adverse changes in the reputation of a CSD-banking services provider that cause certain liquidity providers to withdraw liquidity;
 - (f) relevant peak historic price volatilities of collateral or assets as recurrent events;
 - (g) changes in the credit availability in the market.
8. The CSD-banking service provider shall determine the relevant currencies referred to in point (c) of Article 59(4) of Regulation (EU) No 909/2014 by applying the following steps in sequence:
 - (a) rank the currencies from highest to lowest based on the average of the three largest daily negative net cumulative positions, converted into euro, within a period of 12 months;
 - (b) consider as relevant:
 - (i) the most relevant Union currencies that meet the conditions specified in the Delegated Regulation (EU) 2017/392;

(ii) all remaining currencies until the corresponding aggregated amount of the average largest net negative cumulative positions measured according to (a) is equal to or exceeds 95 % for all currencies.

9. The CSD-banking service provider shall identify and update relevant currencies referred to in paragraph 8 regularly but at least on a monthly basis. It shall provide in its rules that, under stress situations, the provisional settlement services in non-relevant currencies could be executed for their equivalent value in a relevant currency.

Article 37

Unforeseen and potentially uncovered liquidity shortfalls

1. The CSD-banking service provider shall establish rules and procedures to effect intraday and multiday timely settlement of payment obligations following any individual or combined default among its participants. Those rules and procedures shall provide for any unforeseen and potentially uncovered liquidity shortfall resulting from such default with the view to avoiding unwinding, revoking, or delaying the same-day settlement of payment obligations.

2. The rules and procedures referred to in paragraph 1 shall ensure that the CSD-banking service provider has access to cash deposits or overnight investments of cash deposits, and has a process in place in order to replenish any liquidity resources that it may employ during a stress event, so that it can continue to operate in a safe and sound manner.

3. The rules and procedures referred to in paragraph 1 shall include requirements for both of the following:

(a) an ongoing analysis of evolving liquidity needs to allow the identification of events that may develop into unforeseen and potentially uncovered liquidity shortfalls, including a plan for the renewal of funding arrangements in advance of their expiry;

(b) a regular practical testing of the rules and procedures themselves.

4. The rules and procedures referred to in paragraph 1 shall be accompanied by a procedure setting out how the identified potential liquidity shortfalls shall be addressed without undue delay, including, where necessary, by updating the liquidity risk management framework.

5. The rules and procedures referred to in paragraph 1 shall also detail all of the following:

(a) how a CSD-banking service provider shall access cash deposits or overnight investments of cash deposits;

(b) how a CSD-banking service provider shall execute same-day market transactions;

(c) how a CSD-banking service provider shall draw on prearranged liquidity lines.

6. The rules and procedures referred to in paragraph 1 shall include a requirement for the CSD-banking service provider to report any liquidity risk that has the potential to cause previously unforeseen and potentially uncovered liquidity shortfalls to:

(a) the risk committee of the CSD-banking service provider and, where relevant, to the risk committee of the CSD;

(b) the relevant competent authority referred to in Article 60(1) of Regulation (EU) No 909/2014, in the manner set out in Article 39 of this Regulation.

Article 38

Arrangements in order to convert collateral or investment into cash using prearranged and highly reliable funding arrangements

1. For the purposes of point (e) of Article 59(4) of Regulation (EU) No 909/2014 creditworthy financial institutions shall include one of the following:

(a) a credit institution authorised in accordance with Article 8 of Directive 2013/36/EU that the CSD-banking service provider can demonstrate to have low credit risk based on an internal assessment, employing a defined and objective methodology that does not exclusively rely on external opinions;

- (b) a third country financial institution that meets all of the following requirements:
- (i) it is subject to and complies with prudential rules considered to be at least as stringent as those set out in Directive 2013/36/EU and Regulation (EU) No 575/2013;
 - (ii) it has robust accounting practices, safekeeping procedures, and internal controls;
 - (iii) it has low credit risk based on an internal assessment carried out by the CSD-banking service provider, employing a defined and objective methodology that does not exclusively rely on external opinions;
 - (iv) it takes into consideration the risks arising from the establishment of that third country financial institution in a particular country.

2. Where a CSD-banking service provider plans to establish a prearranged and highly reliable funding arrangement with a creditworthy financial institution as referred to in paragraph 1, it shall use only those financial institutions that at least have access to credit from the central bank issuing the currency used within the prearranged funding arrangements, either directly or through entities of the same group.

3. After a prearranged and highly reliable funding arrangement has been established with one of the institutions referred to in paragraph 1, the CSD-banking service provider shall monitor the creditworthiness of these financial institutions on an ongoing basis by applying both of the following:

- (a) subjecting those institutions to regular and independent assessments of their creditworthiness;
- (b) assigning and regularly reviewing internal credit ratings for each financial institution with which the CSD has established a prearranged and highly reliable funding arrangement.

4. The CSD-banking service provider shall closely monitor and control the concentration of its liquidity risk exposure to each financial institution involved in a prearranged and highly reliable funding arrangement, including its parent undertaking and subsidiaries.

5. The CSD-banking service provider's liquidity risk management framework shall include a requirement to establish concentration limits, providing the following:

- (a) that the concentration limits are established by currency;
- (b) that at least two arrangements for each major currency are put in place;
- (c) that the CSD-banking service provider is not overly reliant on any individual financial institution, when all currencies are taken into account.

For the purposes of point (b) major currencies shall be considered to be at least the top 50 % of the most relevant currencies as determined in accordance with Article 36(8). Where a currency has been determined as a major currency, it shall continue to be considered as major for a period of three calendar years from the date of its determination as major currency.

6. A CSD-banking service provider which has access to routine credit at the central bank of issue shall be considered to fulfil the requirements of point (b) in paragraph 5 to the extent it has collateral that is eligible for pledging to the relevant central bank.

7. The CSD-banking service provider shall continuously monitor and control its concentration limits towards its liquidity providers, with the exception of those referred to in paragraph 6, and it shall implement policies and procedures to ensure its overall risk exposure to any individual financial institution remains within the concentration limits determined in accordance with paragraph 5.

8. The CSD-banking service provider shall review its policies and procedures concerning applicable concentration limits towards its liquidity providers, with the exception of those referred to in paragraph 6, at least annually and whenever a material change occurs and affects its risk exposure to any individual financial institution.

9. In the context of its reporting to the relevant competent authority in accordance with Article 39, the CSD-banking service provider shall inform the competent authority of both of the following:

- (a) any significant changes to the policies and procedures concerning concentration limits towards its liquidity providers determined in accordance with this Article;
- (b) cases where it exceeds a concentration limit towards its liquidity providers set out in its policies and procedures, as referred to in paragraph 5.

10. Where a concentration limit towards its liquidity providers is exceeded, the CSD-banking service provider shall remedy the excess without undue delay following the risk mitigation measures referred to in paragraph 7.

11. The CSD-banking service provider shall ensure that the collateral agreement allows it to have prompt access to its collateral in the event of the default of a client, taking into account at least the nature, size, quality, maturity, and location of the assets provided by the client as collateral.

12. Where assets used as collateral by the CSD-banking service provider are in the securities accounts maintained by another third party entity, the CSD-banking service provider shall ensure that all of the following conditions are met:

- (a) it has real-time visibility of the assets identified as collateral;
- (b) the collateral is segregated from the other securities of the borrowing participant;
- (c) the arrangements with that third party entity prevent any losses of assets to the CSD-banking service provider.

13. The CSD-banking service provider shall take all necessary steps in advance to establish the enforceability of its claim to financial instruments provided as collateral.

14. The CSD-banking service provider shall be capable of accessing and converting non-cash assets referred to in Article 10 and Article 11(1) into cash on a same-day basis through pre-arranged and highly reliable arrangements established in accordance with point (d) of Article 59(4) of Regulation (EU) No 909/2014.

Sub-Section 4

Reporting of Liquidity Risks

Article 39

Reporting to competent authorities on intraday risk management

1. A CSD-banking service provider shall report to the relevant competent authority referred to in Article 60(1) of Regulation (EU) No 909/2014.

2. A CSD-banking service provider shall comply with all of the following reporting requirements:

- (a) it shall submit a qualitative statement that specifies all actions taken regarding how liquidity risks, including intraday are measured, monitored and managed, with at least an annual frequency;
- (b) it shall notify any material changes to the actions taken, referred to in point (a), immediately after such material changes take place;
- (c) it shall submit the metrics referred to in Article 30(1) on a monthly basis.

3. Where the CSD-banking service provider is in breach of, or risks breaching the requirements of this Regulation, including during times of stress, it shall immediately notify this to the relevant competent authority and it shall submit without undue delay to that relevant competent authority a detailed plan for the timely return to compliance.

4. Until compliance with the requirements of this Regulation and Regulation (EU) No 909/2014 is restored, the CSD-banking service provider shall report the items referred to in paragraph 2, as appropriate, at least daily, by the end of each business day unless the relevant competent authority authorise a lower reporting frequency and a longer reporting delay, by taking into account the individual situation of the CSD-banking service provider and the scale and complexity of its activities.

Sub-Section 5

Public disclosure

Article 40

Public Disclosure

A CSD-banking service provider shall publicly disclose a comprehensive qualitative statement that specifies how liquidity risks, including intraday liquidity risks are measured, monitored and managed on an annual basis.

Sub-Section 6

Final provisions

Article 41

Transitional provisions

1. CSD-banking service providers shall identify the relevant currencies under point (ii) of Article 36(8)(b) 12 months after obtaining the authorisation to provide banking-type ancillary services.
2. During the transitional period of 12 months referred to in paragraph 1, the CSD-banking service providers referred to in that subparagraph shall identify the relevant currencies under point (ii) of Article 36(8)(b) by taking into account both of the following:
 - (a) a sufficiently large relative share of each currency in the total value of settlement by a CSD of settlement instructions, against payment calculated over a period of one year;
 - (b) the impact of the non-availability of each currency on the smooth functioning of the operations of CSD-banking service providers under a wide range of potential stress scenarios referred to in Article 36.

Article 42

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

Winding-down or restructuring scenarios

1. A scenario where the CSD is unable to raise new capital to comply with the requirements laid down in Article 47(1) of Regulation (EU) No 909/2014 shall be considered as triggering the restructuring of a CSD ('restructuring') where the events described in the scenario would still lead the CSD to continue to operate a securities settlement system as referred to in point (3) of Section A of the Annex to Regulation (EU) No 909/2014 and to provide at least one other core service listed in Section A of the Annex to Regulation (EU) No 909/2014.
 2. A scenario where the CSD is unable to raise new capital to comply with requirements laid down in Article 47(1) of Regulation (EU) No 909/2014 shall be considered as triggering the winding-down of its operations ('winding down') where the events described in the scenario would render the CSD unable to meet the definition of Article 2(1) of the Regulation (EU) No 909/2014.
 3. The scenarios referred to in Article 7(a) shall include the following assessments:
 - (a) in the case of a restructuring, the CSD shall assess the expected number of months needed for ensuring the orderly restructuring of its operations;
 - (b) in the case of a winding-down, the expected number of months needed for the winding-down.
 4. The scenarios shall be commensurate with the nature of the business of the CSD, its size, its interconnectedness to other institutions and to the financial system, its business and funding model, its activities and structure, and any identified vulnerabilities or weaknesses of the CSD. The scenarios shall be based on events that are exceptional but plausible.
 5. When designing the scenarios, a CSD shall meet each of the following requirements:
 - (a) the events foreseen in the scenario would threaten to cause the restructuring of the CSD operations;
 - (b) the events foreseen in the scenario would threaten to cause the winding-down of the CSD operations.
 6. The plan ensuring an orderly restructuring or winding-down of the CSD's activities referred to in point (b) of Article 47(2) of Regulation (EU) No 909/2014 shall include all the following scenarios ('idiosyncratic events'):
 - (a) the failure of significant counterparties;
 - (b) damage to the institution's or group's reputation;
 - (c) a severe outflow of liquidity;
 - (d) adverse movements in the prices of assets to which the institution or group is predominantly exposed;
 - (e) severe credit losses;
 - (f) a severe operational risk loss.
 7. The plan ensuring an orderly restructuring or winding down of the CSD's activities referred to in point (b) of Article 47(2) of Regulation (EU) No 909/2014 shall include all the following scenarios ('system-wide events'):
 - (a) the failure of significant counterparties affecting financial stability;
 - (b) a decrease in liquidity available in the interbank lending market;
 - (c) increased country risk and generalised capital outflow from a significant country of operation of the institution or the group;
 - (d) adverse movements in the price of assets in one or several markets;
 - (e) a macroeconomic downturn.
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COMMISSION DELEGATED REGULATION (EU) 2017/391**of 11 November 2016****supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards further specifying the content of the reporting on internalised settlements****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾, and in particular the second subparagraph of Article 9(2) thereof,

Whereas:

- (1) The European Securities and Markets Authority (ESMA) has considered the 'Report on the outcome of the Committee of European Banking Supervisors call for evidence on custodian banks' internalisation of settlement and Central Counterparties-like activities' of 17 April 2009, which showcases considerable differences regarding the rules and monitoring procedures at the level of settlement internalisers across Member States, as well as regarding the understanding of the concept of internalised settlement.
- (2) In accordance with Regulation (EU) No 909/2014, settlement internalisers are to report on settlements that they internalise. In order to provide a good overview of the scope and of the extent of internalised settlements it is necessary to specify further the content of such reporting. The reports on internalised settlement should provide detailed information on the aggregated volume and value of settlement instructions settled by settlement internalisers outside securities settlement systems specifying asset class, type of securities transactions, type of clients, and issuer central securities depository (CSD).

A settlement internaliser should only report internalised settlements where it has executed a settlement instruction by a client of the settlement internaliser in its own books. A settlement internaliser should not report subsequent alignments of book-entry positions to reflect the settlement of instructions by other entities in the holding chain of securities, as these do not qualify as internalised settlement. Similarly, a settlement internaliser should not report transactions executed on a trading venue and transferred by the trading venue to a central counterparty (CCP) for clearing or to a CSD for settlement.
- (3) In order to facilitate data comparability across settlement internalisers, calculations related to the value of internalised settlement instructions under this Regulation should be based on objective and reliable data and methodologies.
- (4) The reporting requirements set out in this Regulation may require significant IT system changes, market testing and adjustments to legal arrangements of the institutions concerned. It is therefore necessary to give those institutions sufficient time to prepare for the application of those requirements.
- (5) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission.
- (6) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽²⁾.

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

⁽²⁾ 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 (OJ L 331, 15.12.2010, p. 84).

- (7) In accordance with Article 9(2) of Regulation (EU) No 909/2014, in developing the draft regulatory technical standards on which this Regulation is based, ESMA has worked in close cooperation with the members of the European System of Central Banks,

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of this Regulation the following definitions apply:

- (1) 'Internalised settlement instruction' means an instruction by a client of the settlement internaliser to place at the disposal of the recipient an amount of money or to transfer the title to, or interest in, a security or securities by means of a book entry on a register, or otherwise, which is settled by the settlement internaliser in its own books and not through a securities settlement system.
- (2) 'Failed internalised settlement instruction' means non-occurrence of settlement, or partial settlement, of a securities transaction at the date agreed by the parties concerned due to a lack of securities or cash, regardless of the underlying cause.

Article 2

1. The reports referred to in the first subparagraph of Article 9(1) of Regulation (EU) No 909/2014 shall include the following information:

- (a) country code of the place of establishment of the settlement internaliser;
- (b) reporting timestamp;
- (c) period covered by the report;
- (d) identifier of the settlement internaliser;
- (e) contact details of the settlement internaliser;
- (f) the aggregated volume and value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser during the period covered by the report;
- (g) the aggregated volume and value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser during the period covered by the report, for each of the following types of financial instruments:
- (i) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU of the European Parliament and of the Council ⁽¹⁾;
- (ii) sovereign debt referred to in point (61) of Article 4(1) of Directive 2014/65/EU;
- (iii) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than those referred to in point (ii) of point (g) of this subparagraph;
- (iv) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU;
- (v) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU;
- (vi) units in collective investment undertakings, other than exchange-traded funds;
- (vii) money-market instruments, other than those referred to in point (ii);

⁽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 (OJ L 173, 12.6.2014, p. 349).

- (viii) emission allowances;
- (ix) other financial instruments;
- (h) the aggregated volume and value, expressed in euros, of all internalised settlement instructions, for each of the following types of securities transactions settled by the settlement internaliser during the period covered by the report:
 - (i) purchase or sale of securities;
 - (ii) collateral management operations;
 - (iii) securities lending or securities borrowing;
 - (iv) repurchase transactions;
 - (v) other securities transactions;
- (i) the aggregated volume and value, expressed in euros, of all internalised settlement instructions, settled by the settlement internaliser during the period covered by the report, covering the following types of clients:
 - (i) professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU;
 - (ii) retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU;
- (j) the aggregated volume and value, expressed in euros, of all internalised settlement instructions referring to cash transfers settled by the settlement internaliser during the period covered by the report;
- (k) the aggregated volume and value, expressed in euros, of all internalised settlement instructions settled by the settlement internaliser during the period covered by the report, per each CSD that provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014 in relation to the underlying securities;
- (l) the aggregated volume and value, expressed in euros, of all internalised settlement instructions referred to in points (g) to (j), per each CSD that provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014 in relation to the underlying securities;
- (m) the aggregated volume and value, expressed in euros, of failed internalised settlement instructions referred to in points (f) to (l) that fail to be settled as during the period covered by the report;
- (n) the rates of internalised settlement instructions referred to in points (f) to (l) that fail to be settled as compared to the following:
 - (i) the aggregated value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions;
 - (ii) the aggregated volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions.

For the purposes of points (k) and (l) of the first subparagraph, if the information on the CSD that provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014 in relation to the underlying securities issue is not available, the ISIN of the securities shall be used as a proxy, by splitting the data by the first two characters of the ISIN codes.

2. Where available, the exchange rate of the European Central Bank on the last day of the period covered by the reports shall be used for the conversion of other currencies into euros.

3. The aggregated value of internalised settlement instructions referred to in paragraph 1 shall be calculated as follows:

- (a) in the case of internalised settlement instructions against payment, the settlement amount of the cash leg;
- (b) in the case of internalised settlement instructions free of payment, the market value of the securities or, if not available, the nominal value of the securities.

The market value referred to in point (b) of the first subparagraph shall be calculated as follows:

- (a) for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council ⁽¹⁾ admitted to trading on a trading venue within the Union, the value determined on the basis of the closing price of the most relevant market in terms of liquidity referred to in Article 4(6)(b) of that Regulation;
- (b) for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the value determined on the basis of the closing price of the trading venue within the Union with the highest turnover;
- (c) for financial instruments other than those referred to in points (a) and (b) the value determined on the basis of a price calculated using a pre-determined methodology, approved by the competent authority, that refers to criteria related to market data, such as market prices available across trading venues or investment firms.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 10 March 2019

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

⁽¹⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

COMMISSION DELEGATED REGULATION (EU) 2017/392**of 11 November 2016****supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾, and in particular Article 12(3), Article 17(9), Article 22(10), Article 25(12), Article 55(7), Article 18(4), Article 26(8), Article 29(3), Article 37(4), Article 45(7), Article 46(6), Article 33(5), Article 48(10), Article 49(5), Article 52(3), and Article 53(4) thereof,

Whereas:

- (1) The provisions in this Regulation are closely linked, since they all deal with the supervisory requirements applicable to central securities depositories (CSDs). To ensure coherence between these provisions, which should enter into force at the same time, and to facilitate a comprehensive view and easy access by persons that are subject to these provisions, it is desirable to include all the regulatory technical standards concerning the supervisory requirements under Regulation (EU) No 909/2014 in a single Regulation.
- (2) In view of the global nature of financial markets and given the commitments undertaken by the Union in this field, due regard should be had to the Principles for Financial Market Infrastructures issued by the Committee on Payment and Settlement Systems and the International Organisation of Securities Commissions (CPSS-IOSCO Principles) in April 2012.
- (3) In order to ensure consistent application of rules concerning improving securities settlement in the Union, certain technical terms should be clearly defined.
- (4) It is important to ensure appropriate authorisation and supervision of a CSD. As such, a list of the relevant authorities issuing the most relevant Union currencies in which settlement takes place to be involved in the process of authorisation and supervision of a CSD should be defined. This should be based on the share of the currencies that those authorities issue in the total value of settlement instructions against payment settled annually by a CSD and on the share of settlement instructions against payment settled by a CSD in a Union currency compared to the total value of settlement instructions against payment settled in that currency across all CSDs in the Union.
- (5) In order to allow competent authorities to perform a thorough assessment, a CSD applying for authorisation should provide information on the structure of its internal controls and the independence of its governing bodies to enable the competent authority to assess whether the corporate governance structure ensures the independence of the CSD and whether that structure and its reporting lines, as well as the mechanisms adopted for managing possible conflicts of interest are adequate.
- (6) To enable the competent authority to assess the good reputation and the experience and skills of the CSD's senior management and members of the management body, an applicant CSD should provide all relevant information to perform that assessment.
- (7) Information on a CSD's branches and subsidiaries is necessary to enable the competent authority to clearly understand the CSD's organisational structure and evaluate any potential risk to the CSD due to the activity of those branches and subsidiaries.

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

- (8) A CSD applying for authorisation should provide the competent authority with the relevant information to demonstrate that it has the necessary financial resources at its disposal and adequate business continuity arrangements for the performance of its functions on an ongoing basis.
- (9) In addition to receiving information on the core activities, it is important for the competent authority to receive information on the ancillary services that the CSD applying for authorisation intends to offer to enable the competent authority to have a complete overview of the applicant CSD's services.
- (10) In order for the competent authority to assess the continuity and orderly functioning of technological systems of an applicant CSD, that CSD should provide the competent authority with descriptions of the relevant technological systems and how they are managed, including if they are outsourced.
- (11) Information concerning the fees associated with the core services provided by CSDs is important and should form part of the application for authorisation of a CSD in order to enable the competent authorities to verify whether those fees are proportionate, non-discriminatory and not bundled with the costs of other services.
- (12) In order to ensure that the investors' rights are protected, and that conflict of laws issues are adequately managed, when assessing the measures that a CSD intends to take to allow its users to comply with the national laws referred to in Article 49(1) of Regulation (EU) No 909/2014, the CSD should take into account both issuers and participants, as appropriate, in accordance with the respective national laws.
- (13) In order to secure fair and non-discriminatory access to the notary, central maintenance and securities settlement services within the financial market, issuers, other CSDs and other market infrastructures have been granted access to a CSD in accordance with Regulation (EU) No 909/2014. An applicant CSD should, therefore, provide the competent authority with information about its access policies and procedures.
- (14) In order to carry out its authorisation duties effectively, the competent authority should receive all information from CSDs applying for authorisation and related third parties, including third parties to whom applicant CSDs have outsourced operational functions and activities.
- (15) To ensure general transparency of governance rules of a CSD applying for authorisation, the competent authority should be provided with documents confirming that the applicant CSD has adopted the necessary arrangements for a non-discriminatory establishment of an independent user committee for each securities settlement system that it operates.
- (16) To secure the orderly functioning of core infrastructure services within the financial market, a CSD applying for authorisation should provide the competent authority with all necessary information to demonstrate that it has adequate policies and procedures for ensuring reliable record-keeping systems as well as effective mechanisms for CSD services, including in particular the measures for preventing and addressing settlements fails, and the rules concerning the integrity of the issue, the protection of securities of participants and those of their clients, settlement finality, participant default and transfer of participants and clients' assets in case of a withdrawal of authorisation.
- (17) The risk-management models associated with the services provided by an applicant CSD are a necessary item in its application for authorisation so as to enable the competent authority to evaluate the reliability and integrity of the adopted procedures and help market participants make an informed choice.
- (18) In order to verify the safety of the link arrangements of the CSD applying for authorisation, to assess the rules applied in the linked systems and evaluate the risks stemming from those links, the competent authority should receive from an applicant CSD any relevant information for the analysis, together with the CSD assessment of the link arrangements.
- (19) When granting the approval of a CSD's participation in the capital of another entity, the competent authority of the CSD should take into consideration the criteria that ensure that the participation does not increase significantly the CSD's risk profile. In order to ensure its safety and continuity of its services, a CSD should not assume unlimited financial liabilities as a result of its participation in the capital of legal persons other than those providing the services set out in Regulation (EU) No 909/2014. A CSD should fully capitalise the risks resulting from any participation in the capital of another entity.

- (20) In order for a CSD not to be dependent on other shareholders of the entities in which it holds a participation, including with regard to the risk-management policies, it should have full control of those entities. This requirement should also facilitate the exercise of supervisory and oversight functions by competent authorities and relevant authorities by allowing easy access to relevant information.
- (21) A CSD should have a clear strategic rationale for the participation beyond mere profit making, taking into account the interests of the issuers of securities issued with the CSD; its participants and its clients.
- (22) In order to properly quantify and outline the risks stemming from its participation in the capital of another legal person, a CSD should provide independent risk analyses, approved by an internal or external auditor, for the financial risks and liabilities of the CSD resulting from that participation.
- (23) Following the experience of the financial crisis, authorities should focus on ongoing rather than *ex post* supervision. It is, therefore, necessary to ensure that for each review and evaluation under Regulation (EU) No 909/2014, the competent authority has sufficient access to information on a continuous basis. In order to determine the scope of information to be delivered for each review and evaluation, the provisions of this Regulation should follow the requirements for authorisation with which a CSD has to comply under Regulation (EU) No 909/2014. This includes substantive changes to elements already submitted during the process of authorisation, information relating to periodic events and statistical data.
- (24) To promote an effective bilateral and multilateral exchange of information between competent authorities, the results of the review and evaluation by one authority of the activities of a CSD should be shared with other competent authorities where this information is likely to facilitate their tasks, without prejudice to confidentiality and data protection requirements and in addition to any cooperation arrangements provided in Regulation (EU) No 909/2014. An additional exchange of information among competent authorities and relevant authorities or authorities in charge of markets in financial instruments should be organised allowing for a sharing of the findings of the competent authority in the course of the process of review and evaluation.
- (25) Taking into account the possible burden of gathering and processing a vast amount of information related to the operation of a CSD, and in order to avoid duplications, only relevant modified documents should be provided in the context of the review and evaluation. Those documents should be delivered in a manner that enables the competent authority to identify all the relevant changes made to the arrangements, strategies, processes and mechanisms implemented by the CSD since authorisation or since the completion of the last review and evaluation.
- (26) Another category of information that is useful for the competent authority to have in order to be able to perform the review and evaluation refers to events that by nature occur on a periodic basis and which are related to the operation of the CSD and the provision of its services.
- (27) To carry out a comprehensive risk evaluation of a CSD, the competent authority will need to request statistical data on the scope of the CSD's business activities in order to evaluate the risks related to CSDs operation and to the smooth operation of securities markets. In addition, statistical data enable the competent authority to monitor the size and importance of securities transactions and settlements within the financial markets as well as to assess the ongoing and potential impact of a given CSD on the securities market as a whole.
- (28) For the competent authority to monitor and evaluate the risks to which the CSD is or may be exposed to and which may arise for the smooth functioning of securities markets, it should be able to request additional information on the risks and activities of a CSD. The competent authority should therefore be able to define and request on its own initiative, or following a request submitted to it by another authority, any additional information which it considers necessary for each review and evaluation of the activities of a CSD.
- (29) It is important to ensure that third-country CSDs that intend to provide the services pursuant to Regulation (EU) No 909/2014 do not disrupt the orderly functioning of Union markets.
- (30) The ongoing assessment of the full compliance of a third-country CSD with the prudential requirements of a third country is the duty of the third country competent authority. The information to be provided to the European Securities and Markets Authority (ESMA) by an applicant CSD should not have the objective of replicating the assessment of the third country competent authority, but ensuring that the applicant is subject to effective supervision and enforcement in that third country, thus guaranteeing a high degree of investor protection.

- (31) To allow ESMA to perform a complete assessment of the application for recognition, the information provided by the applicant should be complemented by the necessary information to assess the effectiveness of the ongoing supervision, enforcement powers and actions taken by the third country competent authority. That information should be provided under a cooperation arrangement established in accordance with Regulation (EU) No 909/2014. The cooperation arrangement should ensure that ESMA is informed in a timely manner of any supervisory or enforcement action against the third-country CSD applying for recognition and any change of the conditions under which authorisation was granted to the relevant CSD and on any relevant update of the information originally provided by the CSD under the recognition process.
- (32) In order to ensure that investors' rights are protected, and that conflict of laws issues are adequately managed, when assessing the measures that a third-country CSD intends to take to allow its users to comply with the national laws referred to in Article 49(1) of Regulation (EU) No 909/2014, that third-country CSD should take into account both issuers and participants, as appropriate, in accordance with the respective national laws referred to in Article 49(1) of that Regulation.
- (33) To establish a sound risk-management framework, a CSD should take an integrated and comprehensive view of all relevant risks. This should include the risks that the CSD bears from any other entities and the risks that it poses to third parties, including its users and to the extent practicable their clients, as well as linked CSDs, central counterparties, trading venues, payment systems, settlement banks, liquidity providers and investors.
- (34) To ensure that CSDs operate with the necessary level of human resources to meet all of their obligations and to ensure that competent authorities have the relevant contact points within the CSDs that they supervise, CSDs should have key dedicated staff that should be accountable for the CSD and their own individual performance, particularly at the level of senior management and management body.
- (35) To ensure an adequate control of the activities performed by CSDs, independent audits covering the operations of the CSD, risk-management processes, compliance and internal control mechanisms should be put in place and performed regularly. The independence of audits should not necessarily require the involvement of an external auditor, provided that the CSD demonstrates to the competent authority that the independence of its internal auditor is properly ensured. In order to ensure the independence of its internal audit function, the CSD should also establish an audit committee.
- (36) A CSD should set up a risk committee in order to ensure that the management body of the CSD is advised at the highest technical level on its overall current and future risk tolerance and strategy. To ensure its independence from the CSD's executive management and a high degree of competence, the risk committee should be composed of a majority of non-executive members and it should be chaired by a person with an appropriate experience on risk management.
- (37) When assessing potential conflicts of interest, a CSD should not only examine the members of the management body, senior management or staff of the CSD but also any person directly or indirectly linked to those individuals or to the CSD, whether it is a natural or legal person.
- (38) A CSD should have a chief risk officer, a chief compliance officer, a chief technology officer, as well as a risk-management function, a technology function, a compliance and internal control function, and internal audit function. A CSD should in any case be able to organise the internal structure of those functions according to its needs. Different persons should fulfil the roles of chief risk officer, chief compliance officer and chief technology officer given that those functions are usually fulfilled by persons with different academic and professional profiles. In this respect, the provisions set out in this Regulation closely follow the system established by Regulation (EU) No 648/2012 of the European Parliament and the Council ⁽¹⁾ for other market infrastructures.
- (39) Records kept by a CSD should be structured and allow for easy access to the data stored by the competent authorities involved in the supervision of CSDs. A CSD should ensure that the data records it keeps, including the complete accounting of the securities it maintains, are accurate and up-to-date in order to serve as a reliable data source for supervision purposes.

⁽¹⁾ Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

- (40) To facilitate the reporting and recording of a consistent set of information under different requirements, records kept by CSDs should cover each individual service provided by the CSD in accordance with Regulation (EU) No 909/2014, and should include at least all the details to be reported under the rules on settlement discipline provided in that Regulation.
- (41) The preservation of the rights of issuers and investors is essential for the orderly functioning of a securities market. A CSD should therefore employ appropriate rules, procedures and controls to prevent the unauthorised creation or deletion of securities. It should also conduct at least daily reconciliation of the securities accounts that it maintains.
- (42) A CSD should maintain robust accounting practices and perform audits to verify that its records of securities are accurate and that its measures ensuring the integrity of securities issues are adequate.
- (43) In order to effectively ensure the integrity of the issue, the reconciliation measures provided in Regulation (EU) No 909/2014 should apply to all CSDs regardless of whether or not they provide the notary service or central maintenance service referred to in that Regulation in relation to a securities issue.
- (44) With regard to other entities involved in the reconciliation process, several scenarios should be distinguished depending on the role of those entities. The reconciliation measures should reflect the specific roles of those entities. According to the registrar model, the registrar maintains records of securities which are also recorded in a CSD. According to the transfer agent model, the fund manager or transfer agent is responsible for an account that maintains a part of a securities issue recorded in a CSD. According to the common depository model, the common depository is used by CSDs that establish an interoperable link and the common depository should be responsible for the overall integrity of the securities issues initially recorded or centrally maintained by the CSDs that have established an interoperable link.
- (45) In order to mitigate operational risks, which comprise the risks caused by deficiencies in information systems, internal processes, and personnel performance or disruptions caused by external events which result in the reduction, deterioration or breakdown of services provided by a CSD, CSDs should identify all risks and monitor their evolution, irrespective of their origin that may include, for instance, their users, providers of services to CSDs and other market infrastructures, including other CSDs. Operational risks should be managed in accordance to a well-documented and robust framework with clearly assigned roles and responsibilities. That framework should include operational targets, tracing features, assessment mechanisms and it should be integrated in the risk-management system of the CSD. In this context, a CSD chief risk officer should be responsible for the operational risk-management framework. CSDs should manage their risk internally. Where internal controls are insufficient or where eliminating certain risks is not a reasonably feasible option, a CSD should be able to take a financial coverage of those risks through insurance.
- (46) CSDs should not enter into investments that may affect their risk profile. CSDs should only enter into derivatives contracts if they are required to hedge a risk that they cannot reduce otherwise. The hedging should be subject to certain strict conditions that ensure that the derivatives are not used for purposes other than for covering risks and are not used for a realisation of profits.
- (47) The assets of CSDs should be held safely, be easily accessible and able to be liquidated promptly. A CSD should therefore ensure that its policies and procedures concerning prompt access to its own assets are based at least on the nature, size, quality, maturity and location of the assets. A CSD should also ensure that prompt access to its assets is not negatively affected by the outsourcing of custody or investment functions to a third party entity.
- (48) To manage its liquidity needs, a CSD should be able to access its cash assets immediately and also be able to access any securities that it holds under its own name on the same business day when a decision to liquidate the assets is taken.
- (49) To ensure a greater degree of protection of the assets of a CSD from the default of the intermediary, a CSD that accesses another CSD through a CSD link should maintain those assets in a segregated account at the linked CSD. This level of segregation should ensure that the assets of a CSD are segregated from those of other entities and protected appropriately. It is however necessary to allow the establishment of links with third-country CSDs

even where individually segregated accounts are not available at the third-country CSD provided that assets of the requesting CSD are in any case adequately protected and competent authorities are informed of the risks resulting from the unavailability of individually segregated accounts and the adequate mitigation of such risks.

- (50) In order to ensure that a CSD invests its financial resources in highly liquid instruments with minimal market and credit risks and for these investments to be liquidated rapidly with minimal price effect, it should diversify its portfolio and establish appropriate concentration limits with respect to the issuers of the instruments in which it invests its resources.
- (51) In order to ensure the safety and efficiency of the link arrangement of a CSD with another CSD, a CSD should identify, monitor, and manage all potential sources of risk arising from the link arrangement. A CSD link should have a well-founded legal basis, in all relevant jurisdictions, that supports its design and provides adequate protection to the CSDs involved in the link. Linked CSDs should measure, monitor, and manage the credit and liquidity risks arising from each other.
- (52) A requesting CSD that uses an indirect CSD link or an intermediary to operate a CSD link with a receiving CSD should measure, monitor, and manage the additional risks, including custody, credit, legal, and operational risks, arising from the use of the intermediary in order to ensure the safety and the efficiency of the link arrangement.
- (53) In order to ensure the integrity of the issue, where securities are maintained in several CSDs through CSD links, CSDs should apply specific reconciliation measures and coordinate their actions.
- (54) CSDs should provide fair and open access to their services with due regard to the risks to financial stability and the orderliness of the market. They should control the risks arising from their participants and other users by setting risk-related criteria for the provision of their services. CSDs should ensure that their users, such as participants, any other CSDs, central counterparties (CCPs), trading venues or issuers that are granted access to their services meet the criteria and have the required operational capacity, financial resources, legal powers, and risk-management expertise in order to prevent the occurrence of risks for CSDs and other users.
- (55) In order to ensure the safety and efficiency of its securities settlement system, a CSD should monitor compliance with its access requirements on an ongoing basis and have clearly defined and publicly disclosed procedures for facilitating the suspension and orderly exit of a requesting party that breaches, or no longer meets, the access requirements.
- (56) For the purpose of the authorisation to provide banking-type ancillary services, a CSD should submit an application to the competent authority including all necessary elements to ensure that the provision of the banking-type ancillary services do not affect the smooth provision of core services of a CSD. Entities already authorised as CSDs should not be required to submit again any elements that were already submitted in the course of the process of application for being authorised as a CSD under Regulation (EU) No 909/2014.
- (57) With a view to ensuring legal certainty and a consistent application of the law, certain requirements provided for in this Regulation concerning settlement discipline measures should start to apply from the date of entry into force of those measures.
- (58) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission.
- (59) In drawing up the technical standards contained in this Regulation, ESMA has worked in close cooperation with the members of the European System of Central Banks and the European Banking Authority.
- (60) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽¹⁾,

⁽¹⁾ Regulation (EU) No 1095/2010 of 24 November 2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

HAS ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Regulation, the following definitions apply:

- (a) 'review period' means the period under review beginning on the day following the end of the previous review and evaluation period;
- (b) 'settlement instruction' means a transfer order as defined in point (i) of Article 2 of Directive 98/26/EC of the European Parliament and of the Council ⁽¹⁾;
- (c) 'settlement restriction' means the blocking, reservation or earmarking of securities that make them unavailable for settlement, or the blocking or reservation of cash that make it unavailable for settlement;
- (d) 'exchange-traded fund' (ETF) means a fund as defined in point (46) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council ⁽²⁾;
- (e) 'issuer CSD' means a CSD which provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014 in relation to a securities issue;
- (f) 'investor CSD' means a CSD that either is a participant in the securities settlement system operated by another CSD or that uses a third party or an intermediary that is a participant in the securities settlement system operated by another CSD in relation to a securities issue;
- (g) 'durable medium' means any instrument which enables the storage of information in a way that is accessible for future reference for a period of time adequate for the purposes of the information, and allows the unchanged reproduction of the information stored.

CHAPTER II

DETERMINATION OF THE MOST RELEVANT CURRENCIES AND PRACTICAL ARRANGEMENTS FOR THE CONSULTATION OF THE RELEVANT COMPETENT AUTHORITIES

(Article 12(1)(b) and (c) of Regulation (EU) No 909/2014)

Article 2

Determination of most relevant currencies

1. The most relevant currencies referred to in point (b) of Article 12(1) of Regulation (EU) No 909/2014 shall be identified according to either of the following calculations:
 - (a) the relative share of each Union currency in the total value of the settlement by a CSD of settlement instructions against payment, calculated over a period of one year, provided that each individual share exceeds 1 %;
 - (b) the relative share of settlement instructions against payment settled by a CSD in a Union currency compared to the total value of settlement instructions against payment settled in that currency across all CSDs in the Union, calculated over a period of one year, provided that each individual share exceeds 10 %.

⁽¹⁾ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45).

⁽²⁾ 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 (OJ L 173, 12.6.2014, p. 349).

2. The calculations referred to in paragraph 1 shall be done on an annual basis by the competent authority of each CSD.

Article 3

Practical arrangements for the consultation of the relevant authorities referred to in Article 12(1) (b) and (c) of Regulation (EU) No 909/2014

1. Where one of the most relevant currencies determined in accordance with Article 2 of this Regulation is issued by more than one central bank, those central banks shall determine a single representative as the relevant authority for that currency referred to in point (b) of Article 12(1) of Regulation (EU) No 909/2014.
2. Where the cash leg of securities transactions is settled in accordance with Article 40(1) of Regulation (EU) No 909/2014 through accounts opened with several central banks that issue the same currency, those central banks shall determine a single representative as a relevant authority referred to in point (c) of Article 12(1) of that Regulation.

CHAPTER III

AUTHORISATION OF CSDs

(Article 17 of Regulation (EU) No 909/2014)

SECTION 1

General information on applicant CSDs

Article 4

Identification and legal status of applicant CSDs

1. An application for authorisation shall clearly identify the applicant CSD and the activities and services that it intends to carry out.
2. The application for authorisation shall include the following information:
 - (a) contact details of the person responsible for the application;
 - (b) contact details of the person or persons in charge of the applicant CSD's compliance and internal control function;
 - (c) the corporate name of the applicant CSD, its Legal Entity Identifier (LEI) and registered address in the Union;
 - (d) the memorandum and articles of association or other constitutional and statutory documentation of the applicant CSD;
 - (e) an excerpt from the relevant commercial or court register, or other forms of certified evidence of the registered address and business activity of the applicant CSD that is valid at the date of the application;
 - (f) the identification of the securities settlement systems that the applicant CSD operates or intends to operate;
 - (g) a copy of the decision of the management body regarding the application and the minutes of the meeting in which the management body approved the application file and its submission;
 - (h) a chart showing the ownership links between the parent undertaking, subsidiaries and any other associated entities or branches, wherein the entities shown in the chart are identified by their full corporate name, legal status, registered address, and tax numbers or company registration numbers;
 - (i) a description of the business activities of the applicant CSD's subsidiaries and other legal persons in which the applicant CSD holds a participation, including information on the level of participation;

- (j) a list including:
 - (i) the name of each person or entity who, directly or indirectly, holds 5 % or more of the applicant CSD's capital or voting rights;
 - (ii) the name of each person or entity that could exercise a significant influence over the applicant CSD's management due to its holding in the applicant CSD's capital;
 - (k) a list including:
 - (i) the name of each entity in which the applicant CSD holds 5 % or more of the entity's capital and voting rights;
 - (ii) the name of each entity over whose management the applicant CSD exercises significant influence;
 - (l) a list of core services listed in Section A of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide;
 - (m) a list of ancillary services explicitly specified in Section B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide;
 - (n) a list of any other ancillary services permitted under, but not explicitly specified under Section B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide;
 - (o) a list of the investment services subject to Directive 2014/65/EU referred to in point (n);
 - (p) a list of services and activities that the applicant CSD outsources or intends to outsource to a third party in accordance with Article 30 of Regulation (EU) No 909/2014;
 - (q) the currency or currencies that the applicant CSD processes, or intends to process in connection with services that the applicant CSD provides, irrespective of whether cash is settled on a central bank account, a CSD account, or an account at a designated credit institution;
 - (r) information on any pending and final judicial, administrative, arbitration or any other legal proceedings to which the applicant CSD is a party and which may cause it financial or other costs.
3. Where the applicant CSD intends to provide core services or to set up a branch in accordance with Article 23(2) of Regulation (EU) No 909/2014, the application for authorisation shall also include the following information:
- (a) the Member State or Member States in which the applicant CSD intends to operate;
 - (b) a programme of operations stating in particular the services which the applicant CSD provides or intends to provide in the host Member State;
 - (c) the currency or currencies that the applicant CSD processes or intends to process in the host Member State;
 - (d) where the services are provided or intended to be provided through a branch, the organisational structure of the branch and the names of the persons responsible for its management;
 - (e) where relevant, an assessment of the measures that the applicant CSD intends to take to allow its users to comply with the national laws referred to in Article 49(1) of Regulation (EU) No 909/2014.

Article 5

General information concerning policies and procedures

1. An application for authorisation shall specify the following information on the policies and procedures of the applicant CSD referred to in this Chapter:
- (a) the job titles of the persons responsible for the approval and implementation of the policies and procedures;
 - (b) a description of the measures implementing and monitoring the compliance with the policies and procedures.

2. An application for authorisation shall include a description of the procedures put in place by the applicant CSD pursuant to Article 65(3) of Regulation (EU) No 909/2014.

Article 6

Information concerning services and activities of the CSD

The applicant CSD shall include the following in the application for authorisation:

- (a) a detailed description of the services referred to in points (l) to (p) of Article 4(2);
- (b) the procedures to be applied in the provision of the services referred to in point (a).

Article 7

Information concerning groups

1. Where the applicant CSD is part of a group of undertakings that includes other CSDs or credit institutions referred to in point (b) of Article 54(2) of Regulation (EU) No 909/2014, the application for authorisation shall include the following:

- (a) the policies and procedures referred to in Article 26(7) of Regulation (EU) No 909/2014;
- (b) information on the composition of the senior management, the management body, and the shareholders structure of the parent undertaking and of the other undertakings in the group;
- (c) the services and key individuals other than senior management that the applicant CSD shares with other undertakings in the group.

2. Where the applicant CSD has a parent undertaking, the application for authorisation shall provide the following information:

- (a) the registered address of the parent undertaking of the applicant CSD;
- (b) where the parent undertaking is an entity authorised or registered and subject to supervision under Union or third country legislation, any relevant authorisation or registration number and the name of the authority or authorities competent for the supervision of the parent undertaking.

3. Where the applicant CSD has outsourced services or activities to an undertaking within the group in accordance with Article 30 of Regulation (EU) No 909/2014, the application shall include a summary and a copy of the outsourcing agreement.

SECTION 2

Financial resources for the provision of services by the applicant CSD

Article 8

Financial reports, business plan, and recovery plan

1. An application for authorisation shall include the following financial and business information to enable the competent authority to assess compliance of the applicant CSD with Articles 44, 46 and 47 of Regulation (EU) No 909/2014:

- (a) financial reports including a complete set of financial statements for the preceding three years, and the statutory audit report on the annual and consolidated financial statements within the meaning of Directive 2006/43/EC of the European Parliament and of the Council ⁽¹⁾, for the preceding three years;

⁽¹⁾ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

- (b) where the applicant CSD is audited by an external auditor, the name and the national registration number of the external auditor;
- (c) a business plan, including a financial plan and an estimated budget that foresees various business scenarios for the services provided by the applicant CSD, over a reference period of at least three years;
- (d) any plan for the establishment of subsidiaries and branches and their location;
- (e) a description of the business activities that the applicant CSD plans to carry out, including the business activities of any subsidiaries or branches of the applicant CSD.

2. Where historical financial information referred to in point (a) of paragraph 1 is not available, an application for authorisation shall include the following information about the applicant CSD:

- (a) evidence that demonstrates sufficient financial resources during six months after the granting of an authorisation;
- (b) an interim financial report;
- (c) statements concerning the financial situation of the applicant CSD, including a balance sheet, income statement, changes in equity and in cash flows and a summary of accounting policies and other relevant explanatory notes;
- (d) audited annual financial statements of any parent undertaking for the three financial years preceding the date of the application.

3. The application shall include a description of an adequate recovery plan to ensure continuity of the applicant CSD's critical operations referred to in Article 22(2) of Regulation (EU) No 909/2014 including:

- (a) a summary that provides an overview of the plan and its implementation;
- (b) the identification of the critical operations of the applicant CSD, stress scenarios and events triggering recovery, and a description of recovery tools to be used by the applicant CSD;
- (c) an assessment of any impact of the recovery plan on stakeholders that are likely to be affected by its implementation;
- (d) an assessment of the legal enforceability of the recovery plan that takes account of any legal constraints imposed by Union, national or third country legislation.

SECTION 3

Organisational requirements

Article 9

Organisational chart

An application for authorisation shall include an organisational chart that describes the organisational structure of the applicant CSD. The chart shall include the following:

- (a) the identity and tasks of the persons responsible for the following positions:
 - (i) senior management;
 - (ii) managers in charge of the operational functions referred to in Article 47(3);
 - (iii) managers in charge of the activities of any branches of the applicant CSD;
 - (iv) other significant roles in the operations of the applicant CSD;
- (b) the number of staff members in each division and operational unit.

*Article 10***Staffing policies and procedures**

An application for authorisation shall include the following information on the applicant CSD's policies and procedures related to staff:

- (a) a description of the remuneration policy including information about the fixed and variable elements of the remuneration of the senior management, the members of the management body and the staff employed in the risk-management, compliance and internal control, internal audit and technology functions of the applicant CSD;
- (b) the measures put in place by the applicant CSD to mitigate the risk of over-reliance on the responsibilities entrusted to any individual person.

*Article 11***Risk monitoring tools and governance arrangements**

1. An application for authorisation shall include the following information on the governance arrangements and risk monitoring tools of the applicant CSD:

- (a) a description of the governance arrangements of the applicant CSD established in accordance with paragraph 2 of Article 47;
- (b) the policies, procedures and systems established in accordance with paragraph 1 of Article 47;
- (c) a description of the composition, role and responsibilities of the members of the management body and senior management and the committees established in accordance with Article 48.

2. The information referred to in paragraph 1 shall include a description of the processes concerning the selection, appointment, performance evaluation and removal of senior management and members of the management body.

3. The applicant CSD shall describe its procedure to make its governance arrangements and the rules governing its activity available to the public.

4. Where the applicant CSD adheres to a recognised corporate governance code of conduct, the application shall identify any code, include a copy of that code and justify any situations where the applicant CSD deviates from the code.

*Article 12***Compliance, internal control and internal audit functions**

1. An application for authorisation shall include a description of the procedures for the applicant CSD's internal reporting of infringements referred to in Article 26(5) of Regulation (EU) No 909/2014.

2. An application for authorisation shall include information regarding an applicant CSD's internal audit policies and procedures referred to in Article 51, including:

- (a) a description of the monitoring and evaluation tools for the adequacy and effectiveness of the applicant CSD's internal audit systems;
- (b) a description of the control and safeguard tools for the applicant CSD's information processing systems;
- (c) a description of the development and application of the applicant CSD's internal audit methodology;

- (d) a work plan of the internal audit function for three years following the date of application;
 - (e) a description of the roles and qualifications of each individual who is responsible for internal audit referred to in Article 47(3)(d) under the oversight of the audit committee referred to in Article 48(1)(b).
3. An application for authorisation shall include the following information concerning the compliance and internal control function of the applicant CSD's referred to in Article 47(3)(c):
- (a) a description of the roles and qualifications of individuals who are responsible for the compliance and internal control function and of any other staff involved in the assessments of compliance, including a description of the means to ensure the independence of the compliance and internal control function from the rest of the business units;
 - (b) the policies and procedures of the compliance and internal control function, including a description of the compliance role of the management body and senior management;
 - (c) where available, the most recent internal report prepared by the persons responsible for the compliance and internal control function or by any other staff involved in the assessments of compliance within the applicant CSD.

Article 13

Senior management, management body and shareholders

1. An application for authorisation shall include, for each member of the senior management and each member of the management body of the applicant CSD, the following information to enable the competent authority to assess compliance of the applicant CSD with Article 27(1) and (4) of Regulation (EU) No 909/2014:
- (a) a copy of a curriculum vitae which sets out the experience and knowledge of each member;
 - (b) details regarding any criminal and administrative sanctions imposed on a member in connection with the provision of financial or data services or in relation to acts of fraud or misappropriation of funds, in the form of an appropriate official certificate where available in the relevant Member State;
 - (c) a self-declaration of good repute in relation to the provision of financial or data services, where all members of the senior management and management body shall state whether they have been subject to any of the following:
 - (i) they have been convicted of any criminal or administrative offence in connection with the provision of financial or data services or in relation to acts of fraud or misappropriation of funds;
 - (ii) they have been subject to an adverse decision in any proceedings of a disciplinary nature brought by a regulatory authority, a government body or agency or they are subject to any ongoing proceedings;
 - (iii) they have been subject to an adverse judicial finding in civil proceedings before a court in connection with the provision of financial or data services, or fraud in the management of a business;
 - (iv) they have been members of the management body or senior management of an undertaking whose registration or authorisation was withdrawn by a regulatory body while connected to the undertaking at least one year before the date of withdrawal of authorisation or registration;
 - (v) they have been refused the right to carry on any type of activities which require registration or authorisation by a regulatory body;
 - (vi) they have been members of the management body or of senior management of an undertaking against whom insolvency proceedings have been opened at least one year before proceedings have been opened;

- (vii) they have been members of the management body or the senior management of an undertaking that was subject to a sanction by a regulatory body while they were connected to the undertaking at least one year before such a sanction was imposed;
- (viii) they have been otherwise fined, suspended, disqualified or subject to any other sanction in connection with the provision of financial or data services by a government, regulatory or professional body;
- (ix) they have been disqualified from acting as a director or in any other managerial capacity, dismissed from employment or other appointment in an undertaking as a result of misconduct or malpractice.

For the purposes of point (c)(i) of this paragraph, the self-declaration shall not be required where an official certificate is submitted under point (b) of this paragraph.

2. The application for authorisation shall include the following information regarding the management body of the applicant CSD:

- (a) evidence of compliance with Article 27(2) of Regulation (EU) No 909/2014;
- (b) a description of the roles and responsibilities of the members of the management body;
- (c) the target for the representation of the underrepresented gender in the management body, the relevant policy on how to meet that target and the method used by the applicant CSD to make public the target, policy and its implementation.

3. The application for authorisation shall include the following information concerning the ownership structure and shareholders of the applicant CSD:

- (a) a description of the ownership structure of the applicant CSD referred to in point (i) of Article 4(2), including a description of the identity and size of interests of any entity in a position to exercise control over the operation of the applicant CSD;
- (b) a list of the shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the applicant CSD.

Article 14

Management of conflicts of interest

1. An application for authorisation shall include the following information on the policies and procedures put in place to identify and manage potential conflicts of interest by the applicant CSD in accordance with Article 50:

- (a) a description of the policies and procedures concerning the identification, management and disclosure to the competent authority of potential conflicts of interest and of the process used to ensure that the staff of the applicant CSD is informed of those policies and procedures;
- (b) a description of the controls and measures put in place to ensure that the requirements referred to in point (a) on the management of conflicts of interest are met;
- (c) a description of the following elements:
 - (i) the roles and responsibilities of key personnel, especially where they also have responsibilities in other entities;
 - (ii) arrangements ensuring that individuals who have a permanent conflict of interest are excluded from the decision making process and from the receipt of any relevant information concerning the matters affected by the permanent conflict of interest;
 - (iii) an up-to-date register of existing conflicts of interest at the time of the application and a description of how those conflicts of interest are managed.

2. Where the applicant CSD is part of a group, the register referred to in point (c)(iii) of paragraph 1 shall include a description of the conflicts of interest arising from other undertakings within the group in relation to any service provided by the applicant CSD, and the arrangements put in place to manage those conflicts of interest.

*Article 15***Confidentiality**

1. An application for authorisation shall include the applicant CSD's policies and procedures put in place for preventing the unauthorised use or disclosure of confidential information. Confidential information shall include the following information:

- (a) information relating to participants, clients, issuers or other users of the applicant CSD services;
- (b) other information held by the applicant CSD as a result of its business activity not permitted to be used for commercial purposes.

2. An application for authorisation shall include the following information concerning the access of staff to information held by the applicant CSD:

- (a) the internal procedures concerning permissions of access to information that ensure secured access to data;
- (b) a description of any restrictions on the use of data for reasons of confidentiality.

*Article 16***User committee**

An application for authorisation shall include the following information on each user committee:

- (a) the mandate of the user committee;
- (b) the governance arrangements of the user committee;
- (c) the operating procedures of the user committee;
- (d) the admission criteria and the election mechanism for the members of the user committee;
- (e) a list of the proposed members of the user committee and the indication of interests that they represent.

*Article 17***Record-keeping**

1. An application for authorisation shall include a description of the record-keeping systems, policies and procedures of the applicant CSD, established and maintained in accordance with Chapter VIII of this Regulation.

2. Where an applicant CSD applies for authorisation before the date of application of Article 54, the application for authorisation shall contain the following information:

- (a) an analysis of the extent to which the applicant CSD's existing record-keeping systems, policies and procedures are compliant with the requirements under Article 54;
- (b) an implementation plan detailing how the applicant CSD will comply with the requirements referred to in Article 54 by the date on which it becomes applicable.

*SECTION 4***Conduct of business rules***Article 18***Goals and objectives**

An application for authorisation shall include a description of the goals and objectives of the applicant CSD referred to in Article 32(1) of Regulation (EU) No 909/2014.

*Article 19***Handling of complaints**

An application for authorisation shall include the procedures the applicant CSD has established for the handling of complaints.

*Article 20***Requirements for participation**

An application for authorisation shall include all necessary information concerning the participation in the securities settlement systems operated by the applicant CSD in accordance with Article 33 of Regulation (EU) No 909/2014 and Articles 88-90 of this Regulation. That information shall include the following:

- (a) the criteria for participation that allow fair and open access for all legal persons that intend to become participants in the securities settlement systems operated by the applicant CSD;
- (b) the procedures for the application of disciplinary measures against existing participants that do not comply with the criteria for participation.

*Article 21***Transparency**

1. An application for authorisation shall include the documents and information on the pricing policy of the applicant CSD concerning services referred to in Article 34 of Regulation (EU) No 909/2014. That information shall include in particular the prices and fees for each core service provided by the applicant CSD and any existing discounts and rebates, as well as the conditions for the reductions.
2. The applicant CSD shall provide the competent authority with a description of methods used to disclose the relevant information in accordance with paragraphs (1), (2), (4) and (5) of Article 34 of Regulation (EU) No 909/2014.
3. An application for authorisation shall include information allowing the competent authority to assess how the applicant CSD intends to comply with the requirements to account separately for costs and revenues in accordance with Article 34(6) and (7) of Regulation (EU) No 909/2014.

*Article 22***Communication procedures with participants and other market infrastructures**

An application for authorisation shall include the relevant information concerning the use by the applicant CSD of international open communication procedures and standards for messaging and reference data in its communication procedures with participants and other market infrastructures.

*SECTION 5***Requirements for services provided by CSDs***Article 23***Book-entry form**

An application for authorisation shall include information on the processes concerning book entries that ensure the compliance of the applicant CSD with Article 3 of Regulation (EU) No 909/2014.

*Article 24***Intended settlement dates and measures for preventing and addressing settlement fails**

1. An application for authorisation shall include the following information in respect of the applicant CSD:
 - (a) the procedures and measures to prevent settlement fails in accordance with Article 6 of Regulation (EU) No 909/2014;
 - (b) the measures to address settlement fails in accordance with Articles 7 of Regulation (EU) No 909/2014.
2. Where an applicant CSD applies for authorisation before Articles 6 and 7 of Regulation (EU) No 909/2014 are applicable in accordance with paragraphs (4) and (5) of Article 76 of that Regulation, the application for authorisation shall contain an implementation plan detailing how the applicant CSD will comply with the requirements under Articles 6 and 7 of Regulation (EU) No 909/2014.

Institutions referred to in Article 69(1) of Regulation (EU) No 909/2014 shall include in the implementation plan referred to in the first subparagraph an analysis of the extent to which their existing rules, procedures, mechanisms and measures comply with the requirements under Articles 6 and 7 of Regulation (EU) No 909/2014.

*Article 25***Integrity of the issue**

An application for authorisation shall include information concerning the applicant CSD's rules and procedures for ensuring the integrity of securities issues referred to in Article 37 of Regulation (EU) No 909/2014 and Chapter IX of this Regulation.

*Article 26***Protection of participants' and their clients' securities**

An application for authorisation shall include the following information concerning the measures put in place to protect the securities of the applicant CSD's participants and those of their clients in accordance with Article 38 of Regulation (EU) No 909/2014:

- (a) the rules and procedures to reduce and manage the risks associated with the safekeeping of securities;
- (b) a detailed description of the different levels of segregation offered by the applicant CSD, a description of the costs associated with each level, the commercial terms on which they are offered, their main legal implications and the applicable insolvency law;
- (c) the rules and procedures for obtaining the consents referred to in Article 38(7) of Regulation (EU) No 909/2014.

*Article 27***Settlement finality**

An application for authorisation shall contain information concerning the rules on settlement finality put in place by the applicant CSD in accordance with Article 39 of Regulation (EU) No 909/2014.

*Article 28***Cash settlement**

1. An application for authorisation shall include the procedures for the settlement of the cash payments for each securities settlement system that the applicant CSD operates in accordance with Article 40 of Regulation (EU) No 909/2014.
2. The applicant CSD shall provide information about whether the settlement of the cash payments is provided in accordance with Article 40(1) or (2) of Regulation (EU) No 909/2014.

If the settlement of the cash payments is intended to take place in accordance with Article 40(2) of Regulation (EU) No 909/2014, the applicant CSD shall explain why settlement in accordance with Article 40(1) of Regulation (EU) No 909/2014 is not practical and available.

*Article 29***Participant default rules and procedures**

An application for authorisation shall include the rules and procedures put in place by the applicant CSD to manage the default of a participant.

*Article 30***Transfer of participants and clients' assets in case of a withdrawal of authorisation**

An application for authorisation shall include information concerning the procedures put in place by the applicant CSD to ensure the timely and orderly settlement and transfer of the assets of clients and participants to another CSD in the event of a withdrawal of its authorisation.

*SECTION 6***Prudential requirements***Article 31***Legal risks**

1. An application for authorisation shall include all information necessary to enable the competent authority to assess that the rules, procedures, and contracts of the applicant CSD are clear, understandable and enforceable in all relevant jurisdictions in accordance with Article 43(1) and (2) of Regulation (EU) No 909/2014.
2. Where the applicant CSD intends to conduct business in different jurisdictions, the applicant CSD shall provide the competent authority with information concerning the measures put in place to identify and mitigate the risks arising from potential conflicts of laws across jurisdictions in accordance with Article 43(3) of Regulation (EU) No 909/2014. That information shall include any legal assessment on which those measures are based.

*Article 32***General business risks**

1. The applicant CSD shall provide the competent authority with a description of the risk-management and control systems as well as the IT tools put in place by the applicant CSD to manage business risks in accordance with Article 44 of Regulation (EU) No 909/2014.
2. Where the applicant CSD has obtained a risk rating from a third party, it shall provide it to the competent authority including any relevant information supporting that risk rating.

*Article 33***Operational risks**

1. An application for authorisation shall include information that demonstrates the applicant CSD is compliant with the requirements for the management of operational risks in accordance with Article 45 of Regulation (EU) No 909/2014 and Chapter X of this Regulation.
2. An application for authorisation shall also contain the following information concerning the list of services referred to in point (p) of Article 4(2) of this Regulation:
 - (a) a copy of the outsourcing agreements;
 - (b) the methods used to monitor the service level of the outsourced services and activities.

*Article 34***Investment policy**

An application for authorisation shall include evidence demonstrating that:

- (a) the applicant CSD holds its financial assets in accordance with Article 46(1), (2) and (5) of Regulation (EU) No 909/2014 and Chapter XI of this Regulation.
- (b) the investments of the applicant CSD are compliant with Article 46(3) of Regulation (EU) No 909/2014 and Chapter XI of this Regulation.

*Article 35***Capital requirements**

An application for authorisation shall include the following information concerning the capital requirements:

- (a) information demonstrating that the capital of the applicant CSD, including retained earnings and reserves of the applicant CSD, meets the requirements of Article 47 of Regulation (EU) No 909/2014;
- (b) the plan referred to in Article 47(2) of Regulation (EU) No 909/2014 and any updates to that plan, and evidence of its approval by the management body or an appropriate committee of the management body of the applicant CSD.

*SECTION 7**Article 36***CSD links**

Where the applicant CSD has established or intends to establish CSD links, the application for authorisation shall contain the following information:

- (a) a description of the CSD links accompanied by assessments of potential sources of risks arising from those link arrangements by the applicant CSD;
- (b) the expected or actual settlement volumes and values of the settlement performed within the CSD links;

- (c) the procedures concerning the identification, assessment, monitoring and management of all potential sources of risk for the applicant CSD and for its participants arising from the link arrangement and the appropriate measures put in place to mitigate them;
- (d) an assessment of the applicability of insolvency laws applicable to the operation of a CSD link and their implications for the applicant CSD;
- (e) other relevant information requested by the competent authority for assessing the compliance of CSD links with the requirements provided in Article 48 of Regulation (EU) No 909/2014 and Chapter XII of this Regulation.

SECTION 8

Access to CSDs

Article 37

Access rules

An application for authorisation shall include a description of the procedures for dealing with the following requests for access:

- (a) from legal persons intending to become participants in accordance with Article 33 of Regulation (EU) No 909/2014 and Chapter XIII of this Regulation;
- (b) from issuers in accordance with Article 49 of Regulation (EU) No 909/2014 and Chapter XIII of this Regulation;
- (c) from other CSDs in accordance with Article 52 of Regulation (EU) No 909/2014 and Chapter XIII of this Regulation;
- (d) from other market infrastructures in accordance with Article 53 of Regulation (EU) No 909/2014 and Chapter XIII of this Regulation.

SECTION 9

Additional information

Article 38

Request for additional information

The competent authority may request from the applicant CSD any additional information necessary for assessing whether, at the time of granting the authorisation, the applicant CSD complies with the requirements of Regulation (EU) No 909/2014.

CHAPTER IV

PARTICIPATION OF CSDs IN CERTAIN ENTITIES

(Article 18(3) of Regulation (EU) No 909/2014)

Article 39

Criteria for participation of a CSD

In granting the approval for a CSD's participation in a legal person which does not provide the services set out in Sections A and B of the Annex to Regulation (EU) No 909/2014, the competent authority shall take into account the following criteria:

- (a) the extent of the financial liabilities assumed by the CSD as a result of that participation;

- (b) whether the CSD holds sufficient financial resources that fulfil the criteria referred to in Article 46 of Regulation (EU) No 909/2014 to cover the risks resulting from the following:
 - (i) the guarantees given by the CSD to that legal person;
 - (ii) any contingent obligations undertaken by the CSD in favour of that legal person;
 - (iii) any loss sharing agreements or recovery mechanism of that legal person;
- (c) whether the legal person in which the CSD holds a participation provides services that are complementary to the core services offered by the CSD, as referred to in Article 18(4) of Regulation (EU) No 909/2014, such as:
 - (i) a CCP authorised or recognised under Regulation (EU) No 648/2012; or
 - (ii) a trading venue as defined in point (42) of Article 2(1) of Regulation (EU) No 909/2014;
- (d) whether the participation of the CSD results in the control by the CSD over the legal person as defined in point (21) of Article 2(1) of Regulation (EU) No 909/2014;
- (e) the CSD's analysis of the risks arising from that participation, including any analysis approved by an internal or external auditor, demonstrating that all risks resulting from the participation are adequately managed. Competent authorities shall take into account, in particular, the following aspects of the CSD's analysis:
 - (i) the strategic justification for the participation, which takes into account the interests of the users of the CSD, including issuers, participants and their clients;
 - (ii) the financial risks and liabilities resulting from a participation of the CSD.

CHAPTER V

REVIEW AND EVALUATION

(Article 22 of Regulation (EU) No 909/2014)

Article 40

Information to be provided to the competent authority

1. For the purposes of this Chapter, a 'review period' as defined in point (a) of Article 1 shall include the period between the first authorisation granted to a CSD in accordance with Article 17(1) of Regulation (EU) No 909/2014 and the first review and evaluation referred to in Article 22(1) of that Regulation
2. For the purposes of the review and evaluation referred to in Article 22(1) of Regulation (EU) No 909/2014, a CSD shall provide the following information to its competent authority:
 - (a) the information referred to in Articles 41 and 42;
 - (b) a report on the CSD's activities and the substantive changes referred to in Article 16(4) of Regulation (EU) No 909/2014 made during the review period and all related documents;
 - (c) any additional information requested by the competent authority that is necessary for assessing the compliance of the CSD and its activities with Regulation (EU) No 909/2014 during the review period.
3. The report referred to under point (b) of paragraph 2 shall include a declaration by a CSD of an overall compliance with the provisions of Regulation (EU) No 909/2014 during the review period.

Article 41

Periodic information relevant for the reviews

For each review period, the CSD shall provide the competent authority with the following information:

- (a) a complete set of the latest audited financial statements of the CSD, including those consolidated at group level;

- (b) a summarised version of the most recent interim financial statements of the CSD;
- (c) any decisions of the management body following the advice of the user committee, as well as any decisions where the management body has decided not to follow the advice of the user committee;
- (d) information on any pending civil, administrative or any other judicial or extrajudicial proceedings involving the CSD, in particular in relation to matters concerning tax and insolvency, or matters that may cause financial or reputational costs for the CSD;
- (e) information on any pending civil, administrative or any other judicial or extrajudicial, proceedings involving a member of the management body or a member of the senior management that may have a negative impact on the CSD;
- (f) any final decisions resulting from the proceedings referred to in points (d) and (e);
- (g) a copy of the results of business continuity stress tests or similar exercises performed during the review period;
- (h) a report on the operational incidents that occurred during the review period and affected the smooth provision of any core services, the measures taken to address them and the results thereof;
- (i) a report on the performance of the securities settlement system, including an assessment of the system's availability during the review period, measured on a daily basis as the percentage of time the system is operational and functioning according to the agreed parameters;
- (j) a summary of the types of manual intervention performed by the CSD;
- (k) information concerning the identification of the CSD's critical operations, any substantive changes to its recovery plan, the results of stress scenarios, the recovery triggers and the recovery tools of the CSD;
- (l) information on any formal complaints received by the CSD during the review period including information on the following elements:
 - (i) the nature of the complaint;
 - (ii) how the complaint was handled, including the outcome of the complaint;
 - (iii) the date when the treatment of the complaint ended;
- (m) information concerning the cases where the CSD denied access to its services to any existing or potential participant, any issuer, another CSD or another market infrastructure in accordance with Articles 33(3), 49(3), 52(2) and 53(3) of Regulation (EU) No 909/2014;
- (n) a report on changes affecting any CSD links established by the CSD, including changes to the mechanisms and procedures used for the settlement in those CSD links;
- (o) information concerning all cases of identified conflicts of interests that materialised during the review period, including the description of how they were managed;
- (p) information concerning internal controls and audits performed by the CSD during the review period;
- (q) information concerning any identified infringement of Regulation (EU) No 909/2014, including those identified through the reporting channel referred to in Article 26(5) of Regulation (EU) No 909/2014;
- (r) detailed information concerning any disciplinary actions taken by the CSD, including any cases of suspension of participants in accordance with Article 7(9) of Regulation (EU) No 909/2014 with a specification of the period of suspension and the reason for suspension;
- (s) the general business strategy of the CSD covering a period of at least three years after the last review and evaluation and a detailed business plan for the services provided by the CSD covering at least a period of one year after the last review and evaluation.

Article 42

Statistical data to be delivered for each review and evaluation

1. For each review period, the CSD shall provide the competent authority with the following statistical data:
 - (a) a list of the participants of each securities settlement system operated by the CSD, specifying their country of incorporation;
 - (b) a list of issuers and a list of securities issues recorded in securities accounts centrally and not centrally maintained in each securities settlement system operated by the CSD, specifying the country of incorporation of the issuers and the identification of the issuers to whom the CSD provides the services referred to in points (1) and (2) of Section A of the Annex to Regulation (EU) No 909/2014;
 - (c) the total market value and nominal value of the securities recorded in securities accounts centrally and not centrally maintained in each securities settlement system operated by the CSD;
 - (d) the nominal and market value of the securities referred to in point (c) specified as follows:
 - (i) by each of the following types of financial instruments:
 - transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU,
 - sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU,
 - transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU,
 - transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU,
 - exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/UE (ETF),
 - units in collective investment undertakings, other than ETFs,
 - money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU,
 - emission allowances,
 - other financial instruments;
 - (ii) by country of incorporation of the participant;
 - (iii) by country of incorporation of the issuer;
 - (e) the nominal and market value of the securities initially recorded in each securities settlement system operated by the CSD;
 - (f) the nominal and market value of the securities referred to in point (e) specified as follows:
 - (i) by types of financial instruments referred to in point (d)(i);
 - (ii) by country of incorporation of the participant;
 - (iii) by country of incorporation of the issuer;
 - (g) the total number and the values of the settlement instructions against payment and the total number and the values of the free of payment (FOP) settlement instructions settled in each securities settlement system operated by the CSD;
 - (h) the total number and the values of the settlement instructions categorised as follows:
 - (i) by types of financial instruments referred to in point (d)(i);
 - (ii) by country of the incorporation of the participant;
 - (iii) by country of incorporation of the issuer;

- (iv) by settlement currency;
- (v) by type of settlement instructions, as follows:
 - a free of payment (FOP) settlement instructions that consist of deliver free of payment (DFP) and receive free of payment (RFP) settlement instructions,
 - delivery versus payment (DVP) and receive versus payment (RVP) settlement instructions,
 - delivery with payment (DWP) and receive with payment (RWP) settlement instructions,
 - payment free of delivery (PFOD) settlement instructions;
- (vi) for settlement instructions against payment, by whether the cash leg is settled in accordance with Article 40(1) of Regulation (EU) No 909/2014 or in accordance with Article 40(2) of Regulation (EU) No 909/2014;
- (i) the number and value of buy-in transactions referred to in Article 7(3) of Regulation (EU) No 909/2014;
- (j) the number and amount of penalties referred to in Article 7(2) of Regulation (EU) No 909/2014 per participant;
- (k) the total value of securities borrowing and lending operations processed by the CSD acting as an agent or as principal for each type of financial instruments referred to in point (d)(i);
- (l) the total value of settlement instructions settled via each CSD link, specifying whether the CSD is the requesting CSD or the receiving CSD;
- (m) the value of guarantees and commitments received or provided by the CSD related to securities borrowing and lending operations;
- (n) the value of treasury activities involving foreign exchange and transferable securities related to managing participants' long balances including categories of institutions whose long balances are managed by the CSD;
- (o) the number of reconciliation processes revealing undue creations or deletions of securities as referred to in Article 65(2) where those processes concern securities issues recorded in securities accounts centrally and not centrally maintained by the CSD;
- (p) the mean, median, and mode for the length of time taken to remedy the error identified according to Article 65(2).

The values referred to in points (g), (h) and (l) of subparagraph 1 shall be calculated as follows:

- (a) in the case of settlement instructions against payment, the settlement amount of the cash leg;
- (b) in the case of FOP settlement instructions, the market value of the financial instruments or, where not available, the nominal value of the financial instruments.

2. The market value referred to in paragraph 1 shall be calculated on the last day of the review period as follows:

- (a) for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council⁽¹⁾ admitted to trading on a trading venue within the Union, the market value shall be the closing price of the most relevant market in terms of liquidity referred to in Article 4(6)(b) of that Regulation;
- (b) for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the market value shall be the closing price derived from the trading venue within the Union with the highest turnover;
- (c) for financial instruments other than those referred to in points (a) and (b) the market value shall be determined on the basis of a price calculated using a pre-determined methodology that refers to criteria related to market data, such as market prices available across trading venues or investment firms.

3. The CSD shall provide the values referred to in paragraph 1 in the currency in which the securities are denominated, settled or in which credit is extended. The competent authority may request the CSD to provide these values in the currency of the home Member State of the CSD or in euro.

⁽¹⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

4. For the purposes of statistical reporting by a CSD, the competent authority may determine algorithms or principles for data aggregation.

Article 43

Other information

Documents provided by the CSD to the competent authority pursuant to Article 41 shall indicate the following:

- (a) whether a document is provided for the first time or is a document that has already been provided and has been updated during the review period;
- (b) the unique reference number of the document assigned by the CSD;
- (c) the title of the document;
- (d) the chapter, section or page of the document where changes have been introduced during the review period and any additional explanation in relation to the changes introduced during the review period.

Article 44

Information to be supplied to the authorities referred to in Article 22(7) of Regulation (EU) No 909/2014

For each review period, the competent authority shall supply the following information to the authorities referred to in Article 22(7) of Regulation (EU) No 909/2014:

- (a) a report on the evaluation by the competent authority of the risks to which the CSD is or might be exposed or which it creates for the smooth functioning of securities markets;
- (b) any envisaged or final remedial actions or penalties against the CSD as a result of the review and evaluation.

Where applicable, the report referred to in point (a) shall include the results of the competent authority's analysis of how the CSD complies with the requirements referred to in Article 24(2), and the relevant documents and information referred to in Article 24(2) submitted by the CSD.

Article 45

Exchange of information between the competent authorities referred to in Article 22(8) of Regulation (EU) No 909/2014

1. During the review and evaluation, the competent authority shall send to the competent authorities referred to in Article 22(8) of Regulation (EU) No 909/2014 any relevant information provided by the CSD in connection to staff, key individuals, functions, services or systems shared between that CSD and other CSDs with which it maintains the types of relations referred to in points (a), (b) and (c) of Article 17(6) of Regulation (EU) No 909/2014 within 10 working days from the receipt of that information.

2. After performing the review and evaluation, the competent authority shall send the following information to the competent authorities referred to in Article 22(8) of Regulation (EU) No 909/2014:

- (a) a report on the evaluation by the competent authority of the risks to which the CSD is or might be exposed or which it creates for the smooth functioning of securities markets;
- (b) any envisaged or final remedial actions or penalties against the CSD as a result of the review and evaluation.

CHAPTER VI

RECOGNITION OF A THIRD-COUNTRY CSD

(Article 25(6) of Regulation (EU) No 909/2014)

*Article 46***Content of the application**

1. An application for recognition shall include the information set out in Annex I.
2. An application for recognition shall:
 - (a) be provided in a durable medium;
 - (b) be submitted in both paper form and electronic form, the latter using open source formats that may be read easily;
 - (c) be submitted in a language customary in the sphere of international finance, including translations therein where the original documents are not drawn up in a language customary in the sphere of international finance;
 - (d) be provided with a unique reference number for each document included.
3. The applicant CSD shall provide evidence certifying the information included in Annex I.

CHAPTER VII

RISK MONITORING TOOLS

(Article 26(1) to (7) of Regulation (EU) No 909/2014)

*Article 47***Risk monitoring tools of CSDs**

1. A CSD shall establish, as part of its governance arrangements, documented policies, procedures and systems that identify, measure, monitor, manage and enable reporting on the risks that the CSD may be exposed to and the risks that the CSD poses to any other entities including its participants and their clients, as well as linked CSDs, CCPs, trading venues, payment systems, settlement banks, liquidity providers and investors.

The CSD shall structure the policies, procedures and systems referred to in the first subparagraph so as to ensure that users and, where relevant, their clients properly manage and address the risks they pose to the CSD.

2. For the purposes of paragraph 1, the governance arrangements of the CSD shall include the following:
 - (a) the composition, role, responsibilities, procedures for appointment, performance assessment and accountability of the management body and of its risk monitoring committees;
 - (b) the structure, role, responsibilities, procedures for appointment and performance assessment of the senior management;
 - (c) the reporting lines between the senior management and the management body;

The governance arrangements referred to in the first subparagraph shall be clearly specified and well documented.

3. A CSD shall establish and specify the tasks of the following functions:
 - (a) a risk-management function;
 - (b) a technology function;

- (c) a compliance and internal control function;
- (d) an internal audit function.

Each function shall have a well-documented description of its tasks, the necessary authority, resources, expertise and access to all relevant information to carry out those tasks.

Each function shall operate independently from the other functions of the CSD.

Article 48

Risk monitoring committees

1. A CSD shall establish the following committees:
 - (a) a risk committee responsible for advising the management body on the CSD's overall current and future risk tolerance and strategy;
 - (b) an audit committee responsible for advising the management body on the performance of the CSD's internal audit function, which it shall oversee;
 - (c) a remuneration committee responsible for advising the management body on the CSD's remuneration policy, which it shall oversee.
2. Each committee shall be chaired by a person who has appropriate experience in the field of competence of that committee and is independent from the CSD's executive members of the management body.

The majority of members of each committee shall not be executive members of the management board.

The CSD shall establish a clear and publicly available mandate and procedures for each committee, and shall ensure their access to external expert advice where necessary.

Article 49

Responsibilities of key personnel in respect to the risks

1. A CSD shall have adequate staff to meet its obligations. A CSD shall not share staff with other group entities, unless it does so under the terms of a written outsourcing arrangement in accordance with Article 30 of Regulation (EU) No 909/2014.
2. The management body shall assume at least the following responsibilities:
 - (a) establish well-documented policies, procedures and processes by which the management body, senior management and committees shall operate;
 - (b) establish clear objectives and strategies for the CSD;
 - (c) effectively monitor senior management;
 - (d) establish adequate remuneration policies;
 - (e) ensure the surveillance of the risk-management function and take the decisions related to risk management;
 - (f) ensure the independence and adequate resources of the functions referred to in Article 47(3);
 - (g) monitor outsourcing arrangements;
 - (h) monitor and ensure compliance with all relevant regulatory and supervisory requirements;

- (i) be accountable to shareholders or other owners, employees, users and other relevant stakeholders;
- (j) approve internal audit planning and review;
- (k) review and update regularly the governance arrangements of the CSD.

Where the management body or its members delegate tasks, they shall retain the responsibility for decisions that may affect the smooth provision of services by the CSD.

The CSD's management body shall hold the final responsibility for managing the CSD's risks. The management body shall define, determine and document an appropriate level of risk tolerance and risk bearing capacity for the CSD and for all the services that the CSD provides. The management body and senior management shall ensure that the CSD's policies, procedures and controls are consistent with the CSD's risk tolerance and risk bearing capacity and that these policies, procedures and controls address how the CSD identifies, reports, monitors and manages risks.

3. The senior management shall have at least the following responsibilities:

- (a) ensure consistency of the activities of the CSD with the objectives and strategy of the CSD as determined by the management body;
- (b) design and establish risk-management, technology, compliance and internal control procedures that promote the objectives of the CSD;
- (c) subject the risk-management, technology, compliance and internal control procedures to regular review and testing;
- (d) ensure that sufficient resources are devoted to risk management, technology, compliance and internal control, and internal audit.

4. A CSD shall establish lines of responsibility that are clear, consistent and well-documented. A CSD shall have clear and direct reporting lines between the members of its management body and the senior management in order to ensure that the senior management is accountable for its performance. The reporting lines for the risk-management function, compliance and internal control function and internal audit function shall be clear and separate from those for the operations of the CSD.

5. A CSD shall have a chief risk officer who shall implement the risk-management framework including the policies and procedures established by the management body.

6. A CSD shall have a chief technology officer who shall implement the technology framework including the policies and procedures established by the management body.

7. A CSD shall have a chief compliance officer who shall implement the compliance and internal control framework including the policies and procedures established by the management body.

8. A CSD shall ensure that the functions of the chief risk officer, chief compliance officer and chief technology officer are carried out by different individuals, who shall be employees of the CSD or of an entity from the same group as the CSD. A single individual shall have the responsibility for each of these functions.

9. The CSD shall establish procedures ensuring that the chief risk officer, the chief technology officer and the chief compliance officer have direct access to the management body.

10. Persons appointed as chief risk officer, chief compliance officer or chief technology officer may undertake other duties within the CSD provided that specific procedures are put in place in the governance arrangements to identify and manage any conflict of interest that may arise from those duties.

Article 50

Conflicts of interest

1. A CSD shall put in place a policy in relation to conflicts of interest arising or affecting the CSD or its activities, including with respect to outsourcing arrangements.

2. Where a CSD is part of a group of undertakings, its organisational administrative arrangements shall take into account any circumstances, of which the CSD is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other undertakings of the same group.
3. Where a CSD shares the functions of chief risk officer, chief compliance officer, chief technology officer, or internal audit with other entities of the group, the governance arrangements shall ensure that related conflicts of interest at group level are appropriately managed.
4. The organisational and administrative arrangements referred to in Article 26(3) of Regulation (EU) No 909/2014 shall include a description of the circumstances which may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more users of the CSD, or their clients, as well as the procedures to be followed and the measures to be adopted in order to manage those conflicts of interest.
5. The description of circumstances referred to in paragraph 4 shall take into account whether a member of the management body, senior management or staff of the CSD, or any person directly or indirectly linked to those individuals or to the CSD:
 - (a) has a personal interest in the use of the services, materials and equipment of the CSD for the purposes of another commercial activity;
 - (b) holds a personal or financial interest in another entity that enters into contracts with the CSD;
 - (c) holds a participation or a personal interest in another entity that provides services used by the CSD, including any entity to which the CSD outsources services or activities;
 - (d) has a personal interest in an entity that uses the service of the CSD;
 - (e) is related to any legal or natural person that has influence on the operations of any entity that provides the services used by the CSD or uses the services provided by the CSD;
 - (f) is member of the management body or any other bodies or committees of any entity that provides the services which are used by the CSD or uses the services provided for the CSD.

For the purposes of this paragraph, a direct or indirect link to a natural person shall comprise the spouse or legal partner, family members in direct ascending or descending line up to the second degree and their spouses or legal partners, the siblings and their spouse or legal partners, and any person having the same domicile or habitual residence as the employees, managers or members of the management body.

6. A CSD shall take all reasonable steps to prevent any misuse of the information held in its systems and shall prevent the use of that information for other business activities. A natural person who has access to information recorded in a CSD or a legal person that belongs to the same group as the CSD shall not use information recorded in that CSD for any commercial purposes without prior written consent of the person to whom the information refers.

Article 51

Audit methods

1. The internal audit function of a CSD shall ensure the following:
 - (a) establish, implement and maintain an all-encompassing audit plan to examine and evaluate the adequacy and effectiveness of the CSD's systems, risk-management processes, internal control mechanisms, remuneration policies, governance arrangements, activities and operations, including outsourced activities;
 - (b) review and report the audit plan to the competent authority at least annually;
 - (c) establish a comprehensive risk-based audit;
 - (d) issue recommendations based on the result of work carried out in accordance with point (a) and verify compliance with those recommendations;

- (e) report internal audit matters to the management body;
 - (f) be independent from the senior management and report directly to the management body;
 - (g) ensure that special audits may be performed at short notice on an event-driven basis.
2. Where the CSD belongs to a group, the internal audit function may be carried out at group level provided that the following requirements are complied with:
- (a) it is separate and independent from other functions and activities of the group;
 - (b) it has a direct reporting line to the management body of the CSD;
 - (c) the arrangement concerning the operation of the internal audit function does not prevent the exercise of supervisory and oversight functions, including on-site access to acquire any relevant information needed to fulfil those functions.
3. The CSD shall assess the internal audit function.

Internal audit assessments shall include an on-going monitoring of the performance of the internal audit activity and periodic reviews performed through self-assessment carried out by the audit committee or by other persons within the CSD or the group with sufficient knowledge of internal audit practices.

An external assessment of the internal audit function shall be conducted by a qualified and independent assessor from outside the CSD and its group structure at least once every five years.

4. A CSD's operations, risk-management processes, internal control mechanisms and records shall be subject to regular internal or external audits.

The frequency of the audits shall be determined on the basis of a documented risk assessment. Audits referred to in the first subparagraph shall be carried out at least every two years.

5. A CSD's financial statement shall be prepared on an annual basis and be audited by statutory auditors or audit firms approved in accordance with Directive 2006/43/EC.

Article 52

Sharing audit findings with the user committee

1. A CSD shall share audit findings with the user committee in any of the following cases:
- (a) where the findings relate to the criteria for accepting issuers or users to their respective securities settlement systems operated by the CSDs;
 - (b) where the findings relate to any other aspect of the user committee's mandate;
 - (c) where the findings may impact the level of provision of services by a CSD, including ensuring business continuity.
2. Members of the user committee shall not be provided with information that may place those members at a competitive advantage.

CHAPTER VIII

RECORD-KEEPING

(Article 29(3) of Regulation (EU) No 909/2014)

Article 53

General requirements

1. A CSD shall maintain full and accurate records of all its activities as specified in this Regulation at all times, including during disruption events when the business continuity policy and disaster recovery plans are activated. Those records shall be readily accessible.

2. The records kept by a CSD shall cover separately each individual service provided by the CSD in accordance with Regulation (EU) No 909/2014.

3. A CSD shall keep records in a durable medium that allows information to be provided to the authorities referred to in Article 29(2) of Regulation (EU) No 909/2014. The record-keeping system shall ensure that all of the following conditions are met:

- (a) each key stage of the processing of records by the CSD may be reconstituted;
- (b) the original content of a record before any corrections or other amendments may be recorded, traced and retrieved;
- (c) measures are put in place to prevent unauthorised alteration of records;
- (d) measures are put in place to ensure the security and confidentiality of the data recorded;
- (e) a mechanism for identifying and correcting errors is incorporated in the record-keeping system;
- (f) the timely recovery of the records in the case of a system failure is ensured within the record-keeping system.

Article 54

Transaction/settlement instruction (Flow) records

1. A CSD shall maintain records of all transactions, settlement instructions and orders concerning settlement restrictions that it processes and it shall ensure that its records include all necessary information to accurately identify them.

2. In relation to every settlement instruction and order concerning settlement restrictions received, a CSD shall, immediately upon receiving the relevant information, make and keep updated a record of the following details, depending on whether the settlement instruction or settlement restrictions covers securities or cash only, or both securities and cash:

- (a) type of settlement instruction as referred to in point (h)(v) of Article 42(1);
- (b) type of transaction, as follows:
 - (i) purchase or sale of securities;
 - (ii) collateral management operations;
 - (iii) securities lending/borrowing operations;
 - (iv) repurchase transactions;
 - (v) others;
- (c) unique instruction reference of the participant;
- (d) trade date;
- (e) intended settlement date;
- (f) settlement timestamp;
- (g) timestamp of the moment of entry of the settlement instruction into the securities settlement system;
- (h) timestamp of the moment of irrevocability of the settlement instruction;
- (i) matching timestamp in case of matched settlement instructions;
- (j) securities account identifier;
- (k) cash account identifier;

- (l) settlement bank identifier;
- (m) identifier of the instructing participant;
- (n) identifier of the instructing participant's counterpart;
- (o) identifier of the instructing participant's client, where known to the CSD;
- (p) identifier of the client of the instructing participant's counterpart, where known to the CSD;
- (q) securities identifier;
- (r) settlement currency;
- (s) settlement cash amount;
- (t) quantity or nominal amount of securities;
- (u) status of the settlement instruction covering:
 - (i) pending instructions which can still settle on the intended settlement date;
 - (ii) failed settlement instructions which cannot settle anymore on the intended settlement date;
 - (iii) fully settled settlement instructions;
 - (iv) partially settled settlement instructions, including the settled part and the missing part of either financial instruments or cash;
 - (v) cancelled settlement instructions, including information whether it is cancelled by the system or by the participant.

For each of the categories of settlement instructions referred to in the first subparagraph, the following information shall be recorded:

- (a) whether an instruction is matched or not matched;
- (b) whether an instruction can settle partially;
- (c) whether an instruction is on hold;
- (d) where relevant, what the reasons are for instruction being pending or failing
- (e) place of trading;
- (f) if applicable, place of clearing;

where a buy-in process is initiated in accordance with Article 7(3) of Regulation (EU) No 909/2014, details regarding:

- (i) the final results of the buy-in process on the last business day of the deferral period at the latest, including the number and value of the financial instruments where the buy-in is partially or fully successful;
- (ii) the payment of cash compensation, including the amount of the cash compensation, where the buy-in is not possible, fails or is partially successful;
- (iii) the cancellation of the initial settlement instruction;
- (iv) for each settlement fail, the amount of the penalties referred to in Article 7(2) of Regulation (EU) No 909/2014.

Article 55

Position (Stock) records

1. A CSD shall keep records of positions corresponding to all securities accounts that it maintains. Separate records shall be held for each account kept in accordance with Article 38 of Regulation (EU) No 909/2014.

2. A CSD shall keep records of the following information:
 - (a) identifier of each issuer for which the CSD provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014;
 - (b) identifier of each securities issue for which the CSD provides the core services referred to in point 1 or 2 of Section A of the Annex to of Regulation (EU) No 909/2014, the law under which the securities recorded by the CSD are constituted and the country of incorporation of the issuers of each securities issue;
 - (c) identifier of each securities issue recorded in securities accounts not centrally maintained by the CSD, the law under which the securities recorded by the CSD are constituted and the country of incorporation of the issuers of each securities issue;
 - (d) identifier of the issuer CSD or of the relevant third country entity performing similar functions to an issuer CSD for each securities issue referred to in point (c);
 - (e) issuers' securities accounts identifiers, in the case of issuer CSDs;
 - (f) issuers' cash accounts identifiers, in the case of issuer CSDs;
 - (g) identifiers of settlement banks used by each issuer, in the case of issuer CSDs;
 - (h) participants' identifiers;
 - (i) participants' country of incorporation;
 - (j) participants' securities accounts identifiers;
 - (k) participants' cash accounts identifiers;
 - (l) identifiers of settlement banks used by each participant;
 - (m) country of incorporation of settlement banks used by each participant.
3. At the end of each business day, a CSD shall record for each position the following details to the extent that they are relevant for the position:
 - (a) identifiers of participants and of other account holders;
 - (b) type of securities accounts according to whether a securities account belongs to a participant ('participant's own account'), to one of its clients ('individual client segregation') or to several of its clients ('omnibus client segregation');
 - (c) for each securities issue identifier (ISIN), end-of-day balances of securities accounts covering the number of securities;
 - (d) for each securities account and ISIN under point (c), the number of securities subject to settlement restrictions, type of the restrictions and the identity of the beneficiary of restrictions at the end of day.
4. A CSD shall keep records of settlement fails and the measures adopted by the CSD and its participants to prevent and address settlement fails in accordance with Articles 6 and 7 of Regulation (EU) No 909/2014.

Article 56

Ancillary Services Records

1. A CSD shall keep the types of records specified in Annex II to this Regulation for each of the ancillary services provided by a CSD in accordance with Sections B and C of the Annex to Regulation (EU) No 909/2014, including the end-of-day balances of the cash accounts provided by the CSD or the designated credit institution for each currency.
2. Where a CSD provides ancillary services other than those explicitly mentioned in Sections B or C of the Annex to Regulation (EU) No 909/2014, it shall keep adequate records of those services.

*Article 57***Business Records**

1. A CSD shall maintain adequate and orderly records of activities related to its business and internal organisation.
2. The records referred to in paragraph 1 shall reflect any substantive changes in the documents held by the CSD and shall include the following:
 - (a) the organisational charts for the management body, senior management, relevant committees, operational units and all other units or divisions of the CSD;
 - (b) the identities of the shareholders, whether natural or legal persons, that exercise direct or indirect control over the management of the CSD or that have participations in the capital of the CSD and the amounts of those holdings;
 - (c) participations of the CSD in the capital of other legal entities;
 - (d) the documents attesting the policies, procedures and processes required under the CSD's organisational requirements and in relation to the services provided by the CSD;
 - (e) the minutes of management body meetings and of meetings of senior management committees and other committees;
 - (f) the minutes of meetings of the user committees;
 - (g) the minutes of consultation groups with participants and clients, if any;
 - (h) internal and external audit reports, risk-management reports, internal control and compliance reports, including responses from the senior management to the reports;
 - (i) all outsourcing contracts;
 - (j) business continuity policy and disaster recovery plan;
 - (k) records reflecting all assets, liabilities and capital accounts of the CSD;
 - (l) records reflecting all costs and revenues, including costs and revenues which are accounted separately in accordance with Article 34(6) of Regulation (EU) No 909/2014;
 - (m) formal complaints received, including information on the complainant's name and address; the date when the complaint was received; the name of all persons identified in the complaint; a description of the nature and content of the complaint; and the date when the complaint was resolved;
 - (n) records of any interruption of services or dysfunction, including a detailed report on the timing, effects and remedial actions of that interruption or dysfunction;
 - (o) records of the results of the back and stress tests performed by the CSDs providing banking-type ancillary services;
 - (p) written communications with the competent authority, ESMA and relevant authorities;
 - (q) legal opinions received in accordance with the relevant provisions on organisational requirements in accordance with Chapter VII of this Regulation;
 - (r) documentation regarding link arrangements in accordance with Chapter XII of this Regulation;
 - (s) tariffs and fees applied to the different services, including any discount or rebate.

*Article 58***Additional records**

A CSD shall keep the additional records requested by the competent authority for the purpose of enabling the competent authority to monitor compliance of the CSD with Regulation (EU) No 909/2014.

CHAPTER IX

RECONCILIATION MEASURES

(Article 37(4) of Regulation (EU) No 909/2014)

*Article 59***General reconciliation measures**

1. A CSD shall perform the reconciliation measures referred to in Article 37(1) of Regulation (EU) No 909/2014 for each securities issue recorded in securities accounts centrally and not centrally maintained by the CSD.

The CSD shall compare the previous end-of-day balance with all the settlements processed during the day and the current end-of-day balance for each securities issue and securities account centrally or not centrally maintained by the CSD.

A CSD shall use double-entry accounting, according to which for each credit entry made on a securities account maintained by the CSD, centrally or not centrally, there is a corresponding debit entry on another securities account maintained by the same CSD.

2. The audits referred to in Article 26(6) of Regulation (EU) No 909/2014 shall ensure that the records of a CSD related to securities issues are accurate, and that its reconciliation measures referred to in Article 37(1) of Regulation (EU) No 909/2014 and the measures concerning cooperation and exchanges of information with third parties related to reconciliation referred to in Article 37(2) of Regulation (EU) No 909/2014 are adequate.

3. Where the reconciliation process concerns securities subject to immobilisation, a CSD shall put in place adequate measures to protect the physical securities from theft, fraud, and destruction. Those measures shall at least include the use of vaults whose design and location ensure a high level of protection against floods, earthquakes, fire and other disasters.

4. Audits referred to in Article 26(6) of Regulation (EU) No 909/2014 with respect to the vaults, including physical inspections, shall be performed at least annually. The CSD shall share the results of those audit controls with the competent authority.

*Article 60***Reconciliation measures for corporate actions**

1. A CSD shall not determine the entitlements to the proceeds of a corporate action on stock that would change the balance of securities accounts maintained by the CSD until the reconciliation measures specified in Article 59 and in Articles 61, 62 and 63 are completed.

2. When a corporate action has been processed, a CSD shall ensure that all securities accounts maintained by the CSD, centrally or not centrally, are updated.

*Article 61***Reconciliation measures for the registrar model**

Where a registrar, issuance agent, or other similar entity is involved in the reconciliation process for a certain securities issue in accordance with Article 37(2) of Regulation (EU) No 909/2014, and maintains records of securities which are also recorded in the CSD, the measures to be taken by the CSD and that entity to ensure the overall integrity of the issue shall include a daily reconciliation of the total balance recorded on the securities accounts maintained by the CSD with the corresponding records of securities maintained by that entity. The CSD and that entity shall also conduct:

- (a) where the securities have been transferred during a given business day, an end-of-day reconciliation of the balance of each securities account maintained by the CSD with the balance of the corresponding record of securities maintained by that entity;

- (b) at least once every two weeks, a full reconciliation of all balances in a securities issue with all balances on the corresponding record of securities maintained by that entity.

Article 62

Reconciliation measures for the transfer agent model

Where a fund manager, transfer agent or other similar entity is responsible for the reconciliation process for an account that maintains a part of a securities issue recorded in a CSD, the measures to be taken by the CSD and that entity to ensure the integrity of this part of the issue shall include a daily reconciliation of the total balance of the securities accounts maintained by the CSD with that entity's records of securities maintained by the CSD, including the aggregated opening and closing balances.

Where the CSD maintains its accounts in that entity's register through a third party which is not a CSD, the CSD shall require the third party to inform that entity that it is acting on behalf of the CSD and to set up equivalent cooperation and information exchange measures with that entity to ensure that the requirements under this Article are met.

Article 63

Reconciliation measures for the common depository model

Where CSDs that have established an interoperable link use a common depository or any other similar entity, each CSD shall reconcile on a daily basis the total balance per securities issue recorded on the securities accounts it maintains, other than for other CSDs in the interoperable link, with the corresponding records of securities that the common depository or the other similar entity maintains for that CSD.

Where a common depository or any other similar entity is responsible for the overall integrity of a certain securities issue, the common depository or the other similar entity shall conduct a daily comparison of the total balance per securities issue against the balances in the securities accounts it maintains for each CSD.

Where the reconciliation process concerns securities subject to immobilisation, the CSDs shall ensure that the common depository or the other entity meets the requirements set out in Article 59(3).

Article 64

Additional measures where other entities are involved in the reconciliation process

1. A CSD shall review at least annually its cooperation and information exchange measures with other entities referred to in Articles 61, 62 and 63. This review may be conducted in parallel with a review of the CSD link arrangements. When required by the competent authority, the CSD shall implement other cooperation and information exchange measures in addition to those specified in this Regulation.
2. When a CSD establishes links, they shall comply with the additional requirements provided in Article 86.
3. A CSD shall require its participants to reconcile their records with the information received from that CSD on a daily basis.
4. For the purposes of paragraph 3, the CSD shall provide participants on a daily basis the following information specified for each securities account and for each securities issue:
 - (a) the aggregated balance of a securities account at the beginning of the respective business day;
 - (b) the individual transfers of securities in or from a securities account during the respective business day;
 - (c) the aggregated balance of a securities account at the end of the respective business day.

The CSD shall provide the information referred to in the first subparagraph at the request of other holders of securities accounts maintained by the CSD, centrally or not centrally, where that information is necessary for the reconciliation of those holders' records with the records of the CSD.

5. A CSD shall ensure that, upon its request, its participants, other holders of accounts in the CSD and the account operators provide the CSD with the information that the CSD deems necessary to ensure the integrity of the issue, in particular to solve any reconciliation problems.

For the purposes of this paragraph, 'account operator' shall mean an entity that is contracted by a CSD to record book entries into its securities accounts.

Article 65

Problems related to reconciliation

1. A CSD shall analyse any mismatches and inconsistencies resulting from the reconciliation process and endeavour to solve them before the beginning of settlement on the following business day.
2. Where the reconciliation process reveals an undue creation or deletion of securities, and the CSD fails to solve this problem by the end of the following business day, the CSD shall suspend the securities issue for settlement until the undue creation or deletion of securities has been remedied.
3. In the event of suspension of the settlement, the CSD shall inform without undue delay its participants, competent authority, relevant authorities and all other entities involved in the reconciliation process referred to in Articles 61, 62 and 63.
4. The CSD shall take without undue delay all the necessary measures to remedy the undue creation or deletion of securities and shall inform its competent authority and relevant authorities with regard to the measures taken.
5. The CSD shall inform without undue delay its participants, competent authority, relevant authorities and the other entities involved in the reconciliation process that are referred to in Articles 61, 62 and 63, when the undue creation or deletion of securities has been remedied.
6. Where a securities issue is suspended from settlement, the settlement discipline measures set out in Article 7 of Regulation (EU) No 909/2014 shall not apply in relation to that securities issue for the period of suspension.
7. The CSD shall resume settlement as soon as the undue creation or deletion of securities has been remedied.
8. Where the number of instances of undue creation or deletion of securities referred to in paragraph 2 is higher than five per month, the CSD shall send within one month the competent authority and the relevant authorities a proposed plan of measures for mitigating the occurrence of similar instances. The CSD shall update the plan and shall provide a report on its implementation to the competent authority and the relevant authorities on a monthly basis, until the number of instances referred to in paragraph 2 falls below five per month.

CHAPTER X

OPERATIONAL RISKS

(Article 45(1) to (6) of Regulation (EU) No 909/2014)

SECTION 1

Identifying operational risks

Article 66

General operational risks and their assessment

1. The operational risks referred to in Article 45(1) of Regulation (EU) No 909/2014 comprise the risks caused by deficiencies in information systems, internal processes, and personnel's performance or disruptions caused by external events that result in the reduction, deterioration or interruption of services provided by a CSD.

2. A CSD shall identify all potential single points of failure in its operations and assess the evolving nature of the operational risk that it faces, including pandemics and cyber-attacks, on an ongoing basis.

Article 67

Operational risks that may be posed by key participants

1. A CSD shall, on an ongoing basis, identify the key participants in the securities settlement system that it operates based on the following factors:

- (a) their transaction volumes and values;
- (b) material dependencies between its participants and its participants' clients, where the clients are known to the CSD, that might affect the CSD;
- (c) their potential impact on other participants and the securities settlement system of the CSD as a whole in the event of an operational problem affecting the smooth provision of services by the CSD.

For the purposes of point (b) in the first subparagraph, the CSD shall also identify the following:

- (i) the participants' clients responsible for a significant proportion of transactions processed by the CSD;
- (ii) the participants' clients whose transactions, based on their volumes and values, are significant relative to the respective participants' risk-management capacity.

2. A CSD shall review and keep the identification of the key participants up-to-date on an ongoing basis.

3. A CSD shall have clear and transparent criteria, methodologies and standards in order to ensure that key participants meet the operational requirements.

4. A CSD shall, on an ongoing basis, identify, monitor, and manage the operational risks that it faces from key participants.

For the purposes of the first subparagraph, the operational risk-management system referred to in Article 70 shall also provide for rules and procedures to gather all relevant information about their participants' clients. The CSD shall also include in the agreements with its participants all terms necessary to facilitate the gathering of that information.

Article 68

Operational risks that may be posed by critical utilities and critical service providers

1. A CSD shall identify critical utilities providers and critical service providers that may pose risks to CSD's operations due to its dependency on them.

2. A CSD shall take appropriate actions to manage the dependencies referred to in paragraph 1 through adequate contractual and organisational arrangements, as well as through specific provisions in its business continuity policy and disaster recovery plan, before any relationship with those providers becomes operational.

3. A CSD shall ensure that its contractual arrangements with any providers identified in accordance with paragraph 1 require a prior approval of the CSD for the service provider to further subcontract any elements of the services provided to the CSD.

Where the service provider outsources its services in accordance with the first subparagraph, the CSD shall ensure that the level of service and its resilience is not impacted and full access by the CSD to the information necessary for the provision of the outsourced services is preserved.

4. A CSD shall establish clear lines of communication with the providers referred to in paragraph 1 to facilitate the exchange of information in both ordinary and exceptional circumstances.
5. A CSD shall inform its competent authority about any dependencies on utilities and service providers identified under paragraph 1 and take measures to ensure that authorities can obtain information about the performance of those providers, either directly from utilities or service providers or through the CSD.

Article 69

Operational risks that may be posed by other CSDs or market infrastructures

1. A CSD shall ensure that its systems and communication arrangements with other CSDs or market infrastructures are reliable, secure and designed to minimise operational risks.
2. Any arrangement that a CSD enters into with another CSD or another market infrastructures shall provide that:
 - (a) the other CSD or other financial market infrastructure discloses to the CSD any critical service provider on which the other CSD or market infrastructure relies;
 - (b) the governance arrangements and management processes in the other CSD or other market infrastructure do not affect the smooth provision of services by the CSD, including the risk-management arrangements and the non-discriminatory access conditions.

SECTION 2

Methods to test, address and minimise operational risks

Article 70

Operational risk-management system and framework

1. As part of the policies, procedures and systems referred to in Article 47, a CSD shall have in place a well-documented framework for the management of operational risk with clearly assigned roles and responsibilities. A CSD shall have appropriate IT systems, policies, procedures and controls to identify, measure, monitor, report on and mitigate its operational risk.
2. The management body and the senior management of a CSD shall determine, implement and monitor the risk-management framework for operational risks referred to in paragraph 1, identify all of the CSD's exposures to operational risk and track relevant operational risk data, including any cases where material data is lost.
3. A CSD shall define and document clear operational reliability objectives, including operational performance objectives and committed service-level targets for its services and securities settlement systems. It shall have policies and procedures in place to achieve those objectives.
4. A CSD shall ensure that its operational performance objectives and service-level targets referred to in paragraph 3 include both qualitative and quantitative measures of operational performance.
5. A CSD shall regularly monitor and assess whether its established objectives and service-level targets are met.
6. A CSD shall have rules and procedures in place that ensure that the performance of its securities system is reported regularly to senior management, members of the management body, relevant committees of the management body, user committees and the competent authority.

7. A CSD shall periodically review its operational objectives to incorporate new technological and business developments.
8. A CSD's operational risk-management framework shall include change-management and project-management processes to mitigate operational risk arising from modifications to operations, policies, procedures and controls put in place by the CSD.
9. A CSD's operational risk-management framework shall include a comprehensive framework for physical security and information security to manage the risks that the CSD faces from attacks, including cyber-attacks, intrusions and natural disasters. That comprehensive framework shall enable the CSD to protect the information at its disposal from unauthorised access or disclosure, ensure data accuracy and integrity and maintain availability of the services provided by the CSD.
10. A CSD shall put in place appropriate procedures concerning human resources to employ, train and retain qualified personnel, as well as mitigate the effects of personnel turnover or overreliance on key personnel.

Article 71

Integration of and compliance with the operational and enterprise risk-management system

1. A CSD shall ensure that its operational risk-management system is part of its day-to-day risk-management processes and that their results are taken into account in the process of determining, monitoring and controlling the CSD's operational risk profile.
2. A CSD shall have in place mechanisms for regular reporting to the senior management of operational risk exposures and losses experienced from operational risks, and procedures for taking appropriate corrective action to mitigate those exposures and losses.
3. A CSD shall have in place procedures for ensuring compliance with the operational risk-management system, including internal rules on the treatment of failures in the application of that system.
4. A CSD shall have comprehensive and well-documented procedures to record, monitor and resolve all operational incidents, including:
 - (a) a system to classify the incidents taking into account their impact on the smooth provision of services by the CSD;
 - (b) a system for reporting material operational incidents to the senior management, the management body and the competent authority;
 - (c) a 'post-incident' review after any material disruption in the CSD's activities, to identify the causes and required improvements to the operations or business continuity policy and disaster recovery plan, including to the policies and plans of the users of the CSD. The result of that review shall be communicated to the competent authority and relevant authorities without delay.

Article 72

Operational risk-management function

As part of the risk-management function, the operational risk-management function of a CSD shall manage the CSD's operational risk. It shall in particular:

- (a) develop strategies, policies and procedures to identify, measure, monitor and report on operational risks;
- (b) develop procedures to control and manage operational risks, including by introducing any necessary adjustments in the operational risk-management system;
- (c) ensure that the strategies, policies and procedures referred to in points (a) and (b) are properly implemented.

*Article 73***Audit and testing**

1. A CSD's operational risk-management framework and systems shall be subject to audits. The frequency of those audits shall be based on a documented risk assessment and shall be conducted at least once every two years.
2. The audits referred to in the previous paragraph shall include both the activities of the internal business units of the CSD and those of the operational risk-management function.
3. A CSD shall regularly evaluate and, where necessary, adjust the system for the management of operational risk.
4. A CSD shall periodically test and review the operational arrangements, policies and procedures with users. The testing and review shall also be performed where substantive changes occur to the securities settlement system operated by the CSD or after operational incidents that affect the smooth provision of services by the CSD.
5. A CSD shall ensure that data flows and processes associated with the operational risk-management system are accessible to the auditors without delay.

*Article 74***Mitigation of operational risk through insurance**

A CSD may only contract insurance to mitigate the operational risks referred to in this Chapter where the measures referred to in this Chapter do not fully mitigate operational risks.

SECTION 3

IT systems*Article 75***IT tools**

1. A CSD shall ensure that its information technology (IT) systems are well-documented and that they are designed to cover the CSD's operational needs and the operational risks that the CSD faces.

The CSD IT systems shall be:

- (a) resilient, including in stressed market conditions;
 - (b) have sufficient capacity to process additional information as a result of increasing settlement volumes;
 - (c) achieve the service level objectives of the CSD.
2. A CSD systems shall have sufficient capacity to process all transactions before the end of the day even in circumstances where a major disruption occurs.

A CSD shall have procedures for ensuring sufficient capacity of its IT systems, including in the case of the introduction of new technology.

3. A CSD shall base its IT systems on internationally recognised technical standards and industry best practices.
4. A CSD's IT systems shall ensure that any data at the disposal of the CSD is protected from loss, leakage, unauthorised access, poor administration, inadequate record-keeping, and other processing risks.
5. A CSD's information security framework shall outline the mechanisms that the CSD have in place to detect and prevent cyber-attacks. The framework shall also outline the CSD's plan in response to cyber-attacks.

6. The CSD shall subject its IT systems to stringent testing by simulating stressed conditions before those systems are used for the first time, after making significant changes to the systems and after a major operational disruption has occurred. A CSD shall, as appropriate, involve in the design and conduct of these tests:

- (a) users;
- (b) critical utilities and critical service providers;
- (c) other CSDs;
- (d) other market infrastructures;
- (e) any other institutions with which interdependencies have been identified in the business continuity policy.

7. The information security framework shall include:

- (a) access controls to the system;
- (b) adequate safeguards against intrusions and data misuse;
- (c) specific devices to preserve data authenticity and integrity, including cryptographic techniques;
- (d) reliable networks and procedures for accurate and prompt data transmission without major disruptions; and
- (e) audit trails.

8. The CSD shall have arrangements for the selection and substitution of IT third party service providers, CSD's timely access to all necessary information, as well as proper controls and monitoring tools.

9. The CSD shall ensure that the IT systems and the information security framework concerning the CSD's core services are reviewed at least annually and are subject to audit assessments. The results of the assessments shall be reported to the CSD's management body and to the competent authority.

SECTION 4

Business continuity

Article 76

Strategy and policy

1. A CSD shall have a business continuity policy and associated disaster recovery plan that is:

- (a) approved by the management body;
- (b) subject to audit reviews that shall be reported to the management body.

2. A CSD shall ensure that the business continuity policy:

- (a) identifies all its critical operations and IT systems and provides for a minimum service level to be maintained for those operations;
- (b) includes the CSD's strategy and objectives to ensure the continuity of operations and systems referred to in point (a);
- (c) takes into account any links and interdependencies to at least:
 - (i) users;
 - (ii) critical utilities and critical service providers;
 - (iii) other CSDs;
 - (iv) other market infrastructures;
- (d) defines and documents the arrangements to be applied in the event of a business continuity emergency or major disruption of the CSD's operations in order to ensure a minimum service level of critical functions of the CSD;
- (e) identifies the maximum acceptable period of time which critical functions and IT systems may be out of use.

3. A CSD shall take all reasonable steps to ensure that settlement is completed by the end of the business day even in case of a disruption, and that all the users' positions at the time of the disruption are identified with certainty in a timely manner.

Article 77

Business impact analysis

1. A CSD shall conduct a business impact analysis to:
 - (a) prepare a list with all the processes and activities that contribute to the delivery of the services it provides;
 - (b) identify and create an inventory of all the components of its IT system that support the processes and activities identified in point (a) as well as their respective interdependencies;
 - (c) identify and document qualitative and quantitative impacts of a disaster recovery scenario to each process and activity referred to in point (a) and how the impacts change over time in case of disruption;
 - (d) define and document the minimum service levels considered acceptable and adequate from the perspective of the users of the CSD;
 - (e) identify and document the minimum resource requirements concerning personnel and skills, work space and IT to perform each critical function at the minimum acceptable level.
2. A CSD shall conduct a risk analysis to identify how various scenarios affect the continuity of its critical operations.
3. A CSD shall ensure that its business impact analysis and risk analysis fulfil all of the following requirements:
 - (a) they are kept up to date;
 - (b) they are reviewed following a material incident or significant operational changes and, at least, annually;
 - (c) they take into account all relevant developments, including market and IT developments.

Article 78

Disaster recovery

1. A CSD shall have in place arrangements to ensure the continuity of its critical operations in disaster scenarios, including natural disasters, pandemic situations, physical attacks, intrusions, terrorist attacks, and cyber-attacks. Those arrangements shall ensure:
 - (a) the availability of adequate human resources;
 - (b) the availability of sufficient financial resources;
 - (c) the failover, recovery and resuming of operations in a secondary processing site.
2. The CSD's disaster recovery plan shall identify and include a recovery-time objective for critical operations and determine for each critical operation the most suitable recovery strategies. The recovery-time objective for each critical operation shall not be longer than two hours. The CSD shall ensure that back-up systems commence processing without undue delay unless this would jeopardise the integrity of the securities issues or the confidentiality of the data maintained by the CSD. A CSD shall ensure that two hours from a disruption, it is capable of resuming its critical operations. In determining the recovery times for each operation, the CSD shall take into account the potential overall impact on the market efficiency. Those arrangements shall at least ensure that, in extreme scenarios, agreed service levels are met.
3. A CSD shall maintain at least a secondary processing site with sufficient resources, capabilities, functionalities and staffing arrangements, which are adequate to the CSD's operational needs and risks that the CSD faces in order to ensure continuity of critical operations, at least in case the main location of business is not available.

The secondary processing site shall:

- (a) provide the level of services necessary to ensure that the CSD performs its critical operations within the recovery time objective;
- (b) be located at a geographical distance from the primary processing site that allows the secondary processing site to have a distinct risk profile and prevents it from being affected by the event affecting the primary processing site;
- (c) is immediately accessible by the CSD's staff in order to ensure continuity of its critical operations where the primary processing site is not available.

4. A CSD shall develop and maintain detailed procedures and plans concerning:

- (a) the identification, logging and reporting of all disruptive events for the operations of the CSD;
- (b) response measures to operational incidents and emergency situations;
- (c) the assessment of damages, and appropriate plans for activating the response measures referred to in point (b);
- (d) crisis management and communications, including appropriate contact points, to ensure that reliable and up to date information is transmitted to relevant stakeholders and the competent authority;
- (e) the activation and transition to alternative operational and business sites;
- (f) IT recovery, including activation of the secondary IT processing site and failover.

Article 79

Testing and monitoring

A CSD shall monitor its business continuity policy and disaster recovery plan and test them at least annually. The CSD shall also test its business continuity policy and disaster recovery plan after substantive changes to the systems or related operations in order to ensure that the systems and operations achieve the CSD objectives. The CSD shall plan and document these tests, which shall include:

- (a) scenarios of large scale disasters;
- (b) switchovers between the primary processing site and secondary processing site;
- (c) the participation of, as appropriate:
 - (i) users of the CSD;
 - (ii) critical utilities and critical service providers;
 - (iii) other CSDs;
 - (iv) other market infrastructures;
 - (v) any other institution with which interdependencies have been identified in the business continuity policy.

Article 80

Maintenance

1. A CSD shall regularly review and update its business continuity policy and disaster recovery plan. The review shall include all critical operations of a CSD and provide for the most suitable recovery strategy for those operations.
2. When updating the business continuity policy and disaster recovery plan, a CSD shall take into consideration the outcome of the tests and recommendations from the audit reviews and from the competent authority.
3. A CSD shall review its business continuity policy and disaster recovery plan after every significant disruption of its operations. That review shall identify the causes of the disruption and any required improvement to the CSD's operations, the business continuity policy and disaster recovery plan.

CHAPTER XI

INVESTMENT POLICY

(Article 46(2), (3) and (5) of Regulation (EU) No 909/2014)

*Article 81***Highly liquid instruments with minimal market and credit risk**

1. Financial instruments shall be considered highly liquid with minimal credit and market risk where they are debt instruments meeting the following conditions:

- (a) they are issued or guaranteed by:
 - (i) a government;
 - (ii) a central bank;
 - (iii) a multilateral development bank as listed under Article 117 of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽¹⁾;
 - (iv) the European Financial Stability Facility or the European Stability Mechanism;
- (b) the CSD can demonstrate to the competent authority that the financial instruments have low credit and market risk based upon an internal assessment by the CSD;
- (c) they are denominated in any of the following currencies:
 - (i) a currency in which transactions are settled in the securities settlement system operated by the CSD;
 - (ii) any other currency the risks of which the CSD is able to manage.
- (d) they are freely transferable and without any regulatory constraint or third party claims that impair liquidation;
- (e) they have an active outright sale or repurchase market, with a diverse group of buyers and sellers, including in stressed conditions, and to which the CSD has reliable access;
- (f) reliable price data on these instruments are publicly available on a regular basis;

For the purposes of point (b), in performing the assessment the CSD shall employ a defined and objective methodology that shall not exclusively rely on external opinions and that takes into consideration the risk arising from the establishment of the issuer in a particular country

2. By way of derogation to paragraph 1, derivative contracts shall be considered highly liquid financial instruments with minimal credit and market risk where the following conditions are met:

- (a) they are entered into for the purpose of hedging currency risk arising from the settlement in more than one currency in the securities settlement system operated by the CSD or interest rate risk that may affect CSD assets and, in both cases, qualify as a hedging contract pursuant to International Financial Reporting Standards (IFRS) adopted in accordance with Article 3 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council ⁽²⁾;
- (b) reliable price data is published on a regular basis for those derivative contracts;
- (c) they are concluded for the specific period of time necessary to reduce the currency or interest rate risk to which the CSD is exposed.

*Article 82***Appropriate timeframe for access to assets**

- 1. A CSD shall have immediate and unconditional access to cash assets.
- 2. A CSD shall have access to financial instruments on the same business day when a decision to liquidate the financial instruments is taken.

⁽¹⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

⁽²⁾ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

3. For the purposes of paragraph 1 and 2, the CSD shall put in place procedures ensuring that the CSD is able to access cash and financial instruments within the time frames set out therein. The CSD shall inform the competent authority of any change to those procedures in accordance with Article 16(4) of Regulation (EU) No 909/2014 and shall obtain its validation before implementing that change.

Article 83

Concentration limits to individual entities

1. For the purposes of Article 46(5) of Regulation (EU) No 909/2014, a CSD shall hold its financial assets in diversified authorised credit institutions or authorised CSDs in order to remain within acceptable concentration limits.

2. For the purposes of Article 46(5) of Regulation (EU) No 909/2014, acceptable concentration limits shall be determined based on the following:

- (a) the geographic distribution of the entities with which the CSD holds its financial assets;
- (b) the interdependency relationships that the entity holding the financial assets or entities of its group may have with the CSD;
- (c) the level of credit risk of the entity holding the financial assets.

CHAPTER XII

CSD LINKS

(Article 48(3), (5), (6) and (7) of Regulation (EU) No 909/2014)

Article 84

Conditions for the adequate protection of linked CSDs and of their participants

1. A CSD link shall be established and maintained under the following conditions:

- (a) the requesting CSD shall meet the requirements of the receiving CSD's participation rules;
- (b) the requesting CSD shall conduct an analysis of the receiving third-country CSD's financial soundness, governance arrangements, processing capacity, operational reliability and any reliance on a third party critical service provider;
- (c) the requesting CSD shall take all necessary measures to monitor and manage the risks that are identified following the analysis referred to in point (b);
- (d) the requesting CSD shall make the legal and operational terms and conditions of the link arrangement available to its participants allowing them to assess and manage the risks involved;
- (e) before the establishment of a CSD link with a third-country CSD, the requesting CSD shall perform an assessment of the local legislation applicable to the receiving CSD;
- (f) the linked CSDs shall ensure the confidentiality of information in connection to the operation of the link. The ability to ensure confidentiality shall be evidenced by the information provided by the CSDs, including any relevant legal opinions or arrangements;
- (g) the linked CSDs shall agree on aligned standards and procedures concerning operational issues and communication in accordance with Article 35 of Regulation (EU) No 909/2014;
- (h) before the link becomes operational, the requesting and receiving CSDs shall:
 - (i) conduct end-to-end tests;
 - (ii) establish an emergency plan, as part of the business continuity plans of the respective CSDs, identifying the situations where the securities settlement systems of the two CSDs malfunction or break down, and provide for the remedial actions planned if those situations occur;
- (i) all link arrangements shall be reviewed at least annually by the receiving CSD and the requesting CSD taking into account all relevant developments, including market and IT developments, as well as any developments in local legislation referred to in point (e);

- (j) for CSD links that do not provide for DVP settlement, the annual review referred to in point (i) shall also include an assessment of any developments that may allow supporting DVP settlement.

For the purposes of point (e), in performing the assessment, the CSD shall ensure that the securities maintained in the securities settlement system operated by the receiving CSD benefit from a level of asset protection comparable to the one ensured by the rules applicable to the securities settlement system operated by the requesting CSD. The requesting CSD shall require from the third-country CSD a legal assessment addressing the following issues:

- (i) the entitlement of the requesting CSD to the securities, including the law applicable to proprietary aspects, the nature of the rights of the requesting CSD on the securities, the possibility of encumbering the securities;
- (ii) the impact of insolvency proceedings opened against the receiving third- country CSD on the requesting CSD regarding the segregation requirements, settlement finality, procedures and time limits to claim the securities in the relevant third country.

2. In addition to the conditions referred to in paragraph 1, a CSD link providing for DVP settlement shall be established and maintained under the following conditions:

- (a) the requesting CSD shall assess and mitigate the additional risks resulting from the settlement of cash;
- (b) a CSD that is not authorised to provide banking-type ancillary services in accordance with Article 54 of Regulation (EU) No 909/2014, and which is involved in the execution of cash settlement on behalf of its participants, shall not receive credit and shall use prefunding mechanisms covered by its participants in relation to the DVP settlements to be processed through the link;
- (c) a CSD that uses an intermediary for the cash settlement shall ensure that the intermediary performs that settlement efficiently. The CSD shall conduct yearly reviews of the arrangements with that intermediary.

3. In addition to the conditions referred to in paragraphs 1 and 2, an interoperable link shall be established and maintained under the following conditions:

- (a) the linked CSDs shall agree on equivalent standards concerning reconciliation, opening hours for the processing of the settlement and of corporate actions and cut-off times;
- (b) the linked CSDs shall establish equivalent procedures and mechanisms for transmission of settlement instructions to ensure a proper, secure and straight through processing of settlement instructions;
- (c) where an interoperable link supports DVP settlement, the linked CSDs shall reflect at least daily and without undue delay the results of the settlement in their books;
- (d) the linked CSDs shall agree on equivalent risk-management models;
- (e) the linked CSDs shall agree on equivalent contingency and default rules and procedures referred to in Article 41 of Regulation (EU) No 909/2014.

Article 85

Monitoring and management of additional risks resulting from the use of indirect links or intermediaries to operate CSD links

1. In addition to complying with the requirements under Article 84, where a requesting CSD uses an indirect link or an intermediary to operate a CSD link, it shall ensure that:

- (a) the intermediary is one of the following:
- (i) a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 that complies with the following requirements:
- it complies with Article 38(5) and (6) of Regulation (EU) No 909/2014 or with segregation and disclosure requirements at least equivalent to those laid down in Article 38(5) and (6) of Regulation (EU) No 909/2014 where the link is established with a third- country CSD,

- it ensures prompt access by the requesting CSD to the securities of the requesting CSD when required,
 - it has low credit risk, which shall be established in an internal assessment by the requesting CSD by employing a defined and objective methodology that does not exclusively rely on external opinions;
- (ii) a third-country financial institution that complies with the following requirements:
- it is subject to and complies with prudential rules at least equivalent to those laid down in Regulation (EU) No 575/2013,
 - it has robust accounting practices, safekeeping procedures, and internal controls,
 - it complies with Article 38(5) and (6) of Regulation (EU) No 909/2014 or with segregation and disclosure requirements at least equivalent to those laid down in Article 38(5) and (6) of Regulation (EU) No 909/2014 where the link is established with a third- country CSD,
 - it ensures prompt access by the requesting CSD to the securities of the requesting CSD when required,
 - it has low credit risk, based upon an internal assessment by the requesting CSD by employing a defined and objective methodology that does not exclusively rely on external opinions;
- (b) the intermediary complies with the rules and requirements of the requesting CSD, as evidenced by the information provided by that intermediary, including any relevant legal opinions or arrangements;
- (c) the intermediary ensures the confidentiality of information concerning the operation of the CSD link, as evidenced by the information provided by that intermediary, including any relevant legal opinions or arrangements;
- (d) the intermediary has the operational capacity and systems for:
- (i) handling the services provided to the requesting CSD;
 - (ii) sending the CSD any information relevant to the services provided in relation to the CSD link in a timely manner;
 - (iii) complying with the reconciliation measures in accordance with Article 86 and Chapter IX;
- (e) the intermediary adheres to and complies with the risk-management policies and procedures of the requesting CSD and it has an appropriate risk-management expertise;
- (f) the intermediary has put in place measures that include business continuity policies and associated business continuity and disaster recovery plans, to ensure the continuity of its services, the timely recovery of its operations and the fulfilment of its obligations in events that pose a significant risk of disrupting its operations;
- (g) the intermediary holds sufficient financial resources to fulfil its obligations towards the requesting CSD and to cover any losses for which it may be held liable;
- (h) an individually segregated account at the receiving CSD is used for the operations of the CSD link;
- (i) the condition referred to in point (e) of Article 84(1) is fulfilled;
- (j) the requesting CSD is informed of the continuity arrangements between the intermediary and the receiving CSD;
- (k) the proceeds from settlement are promptly transferred to the requesting CSD.

For the purposes of the first indent in point (a)(i), the third indent in point (a)(ii) and point (h), the requesting CSD shall ensure that it can have access to the securities held in the individually segregated account at any point in time. Where an individually segregated account at the receiving CSD is however not available for the operations of a CSD link established with a third-country CSD, the requesting CSD shall inform its competent authority about the reasons justifying the unavailability of individually segregated accounts and shall provide it with the details on the risks resulting from the unavailability of individually segregated accounts. The requesting CSD shall in any case ensure an adequate level of protection of its assets held with the third-country CSD.

2. In addition to complying with the requirements under paragraph 1, when a requesting CSD uses an intermediary to operate a CSD link and that intermediary operates the securities accounts of the requesting CSD on its behalf in the books of the receiving CSD, the requesting CSD shall ensure that:

- (a) the intermediary does not have any entitlement to the securities held;

- (b) the account in the books of the receiving CSD is opened in the name of the requesting CSD and the liabilities and obligations as regards the registration, transfer and custody of securities are only enforceable between both CSDs;
 - (c) the requesting CSD is able to immediately access the securities held with the receiving CSD, including in the event of a change or insolvency of the intermediary.
3. Requesting CSDs referred to in paragraphs 1 and 2 shall perform a yearly due diligence to ensure that the conditions referred to therein are fulfilled.

Article 86

Reconciliation procedures for linked CSDs

1. The reconciliation procedures referred to in Article 48(6) of Regulation (EU) No 909/2014 shall include the following measures:

- (a) the receiving CSD shall transmit to the requesting CSD daily statements with information specifying the following, per securities account and per securities issue:
 - (i) the aggregated opening balance;
 - (ii) the individual movements during the day;
 - (iii) the aggregated closing balance;
- (b) the requesting CSD shall conduct a daily comparison of the opening balance and the closing balance communicated to it by the receiving CSD or by the intermediary with the records maintained by the requesting CSD itself.

In the case of an indirect link, the daily statements referred to in point (a) of the first subparagraph shall be transmitted through the intermediary referred to point (a) of Article 85(1).

2. Where a CSD suspends a securities issue for settlement in accordance with Article 65(2), all CSDs that are participants of or have an indirect link with that CSD, including in the case of interoperable links, shall subsequently suspend the securities issue for settlement.

Where intermediaries are involved in the operation of CSD links, those intermediaries shall establish appropriate contractual arrangements with the CSDs concerned in order to ensure compliance with the first subparagraph.

3. In the event of a corporate action that reduces the balances of securities accounts held by an investor CSD with another CSD, settlement instructions in the relevant securities issues shall not be processed by the investor CSD until the corporate action has been fully processed by the other CSD.

In the event of a corporate action that reduces the balances of securities accounts held by an investor CSD with another CSD, the investor CSD shall not update the securities accounts that it maintains to reflect the corporate action until the corporate action has been fully processed by the other CSD.

An issuer CSD shall ensure the timely transmission to all its participants, including investor CSDs, of information on the processing of corporate actions for a specific securities issue. The investor CSDs shall in turn transmit the information to their participants. That transmission shall include all necessary information for investor CSDs to adequately reflect the outcome of those corporate actions in the securities accounts they maintain.

Article 87

DVP settlement through CSD links

Delivery versus payment (DVP) settlement shall be regarded as practical and feasible where:

- (a) there is a market demand for DVP settlement evidenced through a request from any of the user committees of one of the linked CSDs;

- (b) the linked CSDs may charge a reasonable commercial fee for the provision of DVP settlement, on a cost-plus basis, unless otherwise agreed by the linked CSDs;
- (c) there is a safe and efficient access to cash in the currencies used by the receiving CSD for settlement of securities transactions of the requesting CSD and its participants.

CHAPTER XIII

ACCESS TO A CSD

(Articles 33(5), 49(5), 52(3) and 53(4) of Regulation (EU) No 909/2014)

Article 88

Receiving and requesting parties

1. For the purposes of this Chapter, a receiving party shall include one of the following entities:
 - (a) a receiving CSD as defined in point (5) of Article 2(1) of Regulation (EU) No 909/2014, in respect of paragraphs 1, 4, 9, 13 and 14 of Article 89 and Article 90 of this Regulation;
 - (b) a CSD which receives a request from a participant, an issuer, a central counterparty (CCP) or a trading venue to have access to its services in accordance with Articles 33(2), 49(2) and 53(1) of Regulation (EU) No 909/2014 in respect of paragraphs 1 to 3, 5 to 8 and 10 to 14 of Article 89 and Article 90 of this Regulation;
 - (c) a CCP which receives a request from a CSD to have access to its transaction feeds in accordance with Article 53(1) of Regulation (EU) No 909/2014 in respect of Article 90 of this Regulation;
 - (d) a trading venue which receives a request from a CSD to have access to its transaction feeds in accordance with Article 53(1) of Regulation (EU) No 909/2014 in respect of Article 90 of this Regulation.
2. For the purposes of this Chapter, a requesting party shall include one of the following entities:
 - (a) a requesting CSD as defined in point (6) of Article 2(1) of Regulation (EU) No 909/2014 in respect of paragraphs 1, 4, 9 and 13 of Article 89 and Article 90 of this Regulation;
 - (b) a participant, an issuer, a CCP or a trading venue which requests access to the securities settlement system operated by a CSD or to other services provided by a CSD in accordance with Articles 33(2), 49(2) and 53(1) of Regulation (EU) No 909/2014 in respect of paragraphs 1 to 3, 5 to 8 and 10 to 14 of Article 89 and Article 90 of this Regulation;
 - (c) a CSD which requests access to the transaction feeds of a CCP in accordance with Article 53(1) of Regulation (EU) No 909/2014 in respect of Article 90 of this Regulation;
 - (d) a CSD which requests access to the transaction feeds of a trading venue in accordance with Article 53(1) of Regulation (EU) No 909/2014 in respect of Article 90 of this Regulation.

SECTION 1

Criteria justifying refusal of access

(Articles 33(3), 49(3), 52(2) and 53(3) of Regulation (EU) No 909/2014)

Article 89

Risks to be taken into account by CSDs and competent authorities

1. Where, in accordance with Articles 33(3), 49(3), 52(2) or 53(3) of Regulation (EU) No 909/2014, a CSD carries out a comprehensive risk assessment following a request for access by a requesting participant, an issuer, a requesting CSD, a CCP or a trading venue, as well as where a competent authority assesses the reasons for refusal by the CSD to provide services, they shall take into account the following risks resulting from access to the services of the CSD:
 - (a) legal risks;

- (b) financial risks;
 - (c) operational risks.
2. When assessing legal risks following a request for access by a requesting participant, a CSD and its competent authority shall take into account the following criteria:
- (a) the requesting participant is not able to comply with the legal requirements for participation in the securities settlement system operated by the CSD, or does not provide the CSD with the information necessary for the CSD to assess the compliance, including any required legal opinions or legal arrangements;
 - (b) the requesting participant is not able to ensure, in accordance with the rules applicable in the home Member State of the CSD, the confidentiality of the information provided through the securities settlement system, or does not provide the CSD with the information necessary for the CSD to assess its ability to comply with those rules on confidentiality, including any required legal opinions or legal arrangements;
 - (c) where a requesting participant is established in a third country, either of the following:
 - (i) the requesting participant is not subject to a regulatory and supervisory framework comparable to the regulatory and supervisory framework that would be applicable to the requesting participant if it were established in the Union;
 - (ii) the rules of the CSD concerning settlement finality referred to in Article 39 of Regulation (EU) No 909/2014 are not enforceable in the jurisdiction of the requesting participant.
3. When assessing legal risks following an issuer's request for recording its securities in the CSD in accordance with Article 49(1) of Regulation (EU) No 909/2014, the CSD and its competent authority shall take into account the following criteria:
- (a) the issuer is not able to comply with the legal requirements for the provision of services by the CSD;
 - (b) the issuer is not able to guarantee that the securities have been issued in a manner that enables the CSD to ensure the integrity of the issue in accordance with Article 37 of Regulation (EU) No 909/2014.
4. When assessing legal risks following a request for access by a requesting CSD, the receiving CSD and its competent authority shall take into account the criteria set out in points (a), (b) and (c) of paragraph 2.
5. When assessing legal risks following a request for access by a CCP, a CSD and its competent authority shall take into account the criteria set out in points (a), (b) and (c) of paragraph 2.
6. When assessing legal risks following a request for access by a trading venue, a CSD and its competent authority shall take into account the following criteria:
- (a) the criteria set out in point (b) of paragraph 2;
 - (b) where a trading venue is established in a third country, the requesting trading venue is not subject to a regulatory and supervisory framework comparable to the regulatory and supervisory framework applicable to a trading venue in the Union;
7. When assessing financial risks following a request for access by a requesting participant, a CSD and its competent authority shall take into account whether the requesting participant holds sufficient financial resources to fulfil its contractual obligations towards the CSD.
8. When assessing financial risks following an issuer's request for recording its securities in the CSD in accordance with Article 49(1) of Regulation (EU) No 909/2014, a CSD and its competent authority shall take into account the criterion set out in paragraph 7.
9. When assessing financial risks following a request for access by a requesting CSD, the receiving CSD and its competent authority shall take into account the criterion set out in paragraph 7.
10. When assessing financial risks following a request for access by a CCP or a trading venue, a CSD and its competent authority shall take into account the criterion set out in paragraph 7.

11. When assessing operational risks following a request for access by a requesting participant, a CSD and its competent authority shall take into account the following criteria:

- (a) the requesting participant does not have the operational capacity to participate in the CSD;
- (b) the requesting participant does not comply with the risk-management rules of the receiving CSD, or it lacks the necessary expertise in that regard;
- (c) the requesting participant has not put in place business continuity policies or disaster recovery plans;
- (d) the granting of access requires the receiving CSD to undertake significant changes of its operations affecting its risk-management procedures and endangering the smooth functioning of the securities settlement system operated by the receiving CSD, including the implementation of ongoing manual processing by the CSD.

12. When assessing operational risks following an issuer's request for recording its securities in the CSD in accordance with Article 49(1) of Regulation (EU) No 909/2014, a CSD and its competent authority shall take into account the following criteria:

- (a) the criterion set out in point (d) of paragraph 11;
- (b) the securities settlement system operated by the CSD cannot process the currencies requested by the issuer.

13. When assessing operational risks following a request for access by a requesting CSD, or a CCP, the receiving CSD and its competent authority shall take into account the criteria set out in paragraph 11.

14. When assessing the operational risks following a request for access by a trading venue, the receiving CSD and its competent authority shall take into account at least the criteria set out in point (d) of paragraph 11.

SECTION 2

Procedure for refusal of access

(Articles 33(3), 49(4), 52(2) and 53(3) of Regulation (EU) No 909/2014)

Article 90

Procedure

1. In the event of a refusal of access, the requesting party shall have the right to complain within one month from the receipt of the refusal to the competent authority of the receiving CSD, CCP or trading venue that has refused access to it in accordance with Articles 33(3), 49(4), 52(2) or 53(3) of Regulation (EU) No 909/2014.

2. The competent authority referred to in paragraph 1 may request additional information concerning the refusal of access from the requesting and receiving parties.

The responses to the request for information referred to in the first subparagraph shall be sent to the competent authority within two weeks from the date of the receipt of the request.

In accordance with Article 53(3) of Regulation (EU) No 909/2014, within two business days from the date of the receipt of the complaint referred to in paragraph 1, the competent authority of the receiving party shall transmit the complaint to the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 from the Member State of the place of establishment of the receiving party.

3. The competent authority referred to in paragraph 1 shall consult the following authorities on its initial assessment of the complaint within two months from the date of the receipt of the complaint, as appropriate:

- (a) the competent authority of the place of establishment of the requesting participant in accordance with Article 33(3) of Regulation (EU) No 909/2014;
- (b) the competent authority of the place of establishment of the requesting issuer in accordance with Article 49(4) of Regulation (EU) No 909/2014;
- (c) the competent authority of the requesting CSD and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 responsible for the oversight of the securities settlement system operated by the requesting CSD in accordance with Articles 52(2) and 53(3) of Regulation (EU) No 909/2014;

(d) the competent authority of the requesting CCP or trading venue in accordance with Article 53(3) of Regulation (EU) No 909/2014 and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 responsible for the oversight of the securities settlement systems in the Member State where the requesting CCP and trading venues are established in accordance with Article 53(3) of Regulation (EU) No 909/2014.

4. The authorities referred to in points (a) to (d) of paragraph 3 shall respond within one month from the date of the request for consultation specified in paragraph 3. Where an authority referred to in points (a) to (d) of paragraph 3 does not provide its opinion within that time limit, it shall be deemed to have a positive opinion on the assessment provided by the competent authority referred to in paragraph 3.

5. The competent authority referred to in paragraph 1 shall inform the authorities referred to in points (a) to (d) of paragraph 3 of its final assessment of the complaint within two weeks from the time limit provided in paragraph 4.

6. Where one of the authorities referred to in points (a) to (d) of paragraph 3 disagrees with the assessment provided by the competent authority referred to in paragraph 1, any of them may refer the matter to ESMA within two weeks from the date when the competent authority referred to in paragraph 1 provides the information concerning its final assessment of the complaint in accordance with paragraph 5.

7. When the matter has not been referred to ESMA, the competent authority referred to in paragraph 1 shall send a reasoned reply to the requesting party within two working days from the time limit provided in paragraph 6.

The competent authority referred to in paragraph 1 shall also inform the receiving party and the authorities referred to in points (a) to (d) of paragraph 3 of the reasoned reply referred to in the first subparagraph of this paragraph within two working days from the date where it sends the reasoned reply to the requesting party.

8. In the event of a referral to ESMA referred to in paragraph 6, the competent authority referred to in paragraph 1 shall inform the requesting party and the receiving party of the referral within two working days from the date where the referral has been made.

9. Where the refusal by the receiving party to grant access to the requesting party is deemed to be unjustified following the procedure provided for in paragraphs 1 to 7, the competent authority referred to in paragraph 1 shall, within two weeks from the time limit specified in paragraph 7, issue an order requiring that receiving party to grant access to the requesting party within three months from the date when the order enters into force.

The time limit referred to in the first subparagraph shall be extended to eight months in case of customised links that require significant development of IT tools, unless otherwise agreed by the requesting and receiving CSDs.

The order shall include the reasons why the competent authority referred to in paragraph 1 concluded that the refusal by the receiving party to grant access was unjustified.

The order shall be sent to ESMA, the authorities referred to in points (a) to (d) of paragraph 3, the requesting party and the receiving party within two working days after the date when it enters into force.

10. The procedure referred to in paragraphs 1 to 9 shall also apply when the receiving party intends to withdraw access to a requesting party to whom it already provides its services.

CHAPTER XIV

AUTHORISATION TO PROVIDE BANKING TYPE OF ANCILLARY SERVICES

(Article 55(1) and (2) of Regulation (EU) No 909/2014)

Article 91

CSDs offering banking-type ancillary services themselves

An application for authorisation in accordance to point (a) of Article 54(2) of Regulation (EU) No 909/2014 shall include the following information:

(a) a copy of the decision of the management body of the applicant CSD to apply for authorisation and the minutes from the meeting where the management body approved the content of the application file and its submission;

- (b) the contact details of the person responsible for the application for authorisation, where that person is not the one submitting the application for authorisation referred to under Article 17 of Regulation (EU) No 909/2014;
- (c) evidence that proves the existence of an authorisation referred to in point (a) of Article 54(3) of Regulation (EU) No 909/2014;
- (d) evidence that the applicant CSD meets the prudential requirements referred to in Article 59(1), (3) and (4) of Regulation (EU) No 909/2014 and the supervisory requirements referred to in Article 60 of that Regulation;
- (e) evidence, containing any relevant documents including articles of incorporation, financial statements, audit reports, reports from risk committees, which proves that the applicant CSD complies with point (d) of Article 54(3) of Regulation (EU) No 909/2014;
- (f) details concerning the recovery plan referred to in point (f) of Article 54(3) of Regulation (EU) No 909/2014;
- (g) a programme of operations that fulfils the following conditions:
 - (i) it includes a list of the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 that the CSD intends to provide;
 - (ii) it includes an explanation of how the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 are directly related to any core or ancillary services referred to in Sections A and B of the Annex to Regulation (EU) No 909/2014 that the CSD is authorised to provide;
 - (iii) it is structured following the list of banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014;
- (h) evidence supporting the reasons for not settling the cash payments of the CSD's securities settlement system through accounts opened with a central bank of issue of the currency of the country where the settlement takes place;
- (i) detailed information on the arrangements which ensure that the provision of banking-type ancillary services intended to be provided does not affect the smooth provision of the core CSD services referred to in Section A of the Annex to Regulation (EU) No 909/2014, including:
 - (i) the IT platform used for the settlement of the cash leg of securities transactions, including an overview of the IT organisation and an analysis of the related risks and how they are mitigated;
 - (ii) the operation and legal arrangements of the DVP process and, in particular, the procedures used to address the credit risk resulting from the settlement of the cash leg of securities transactions;
 - (iii) the selection, monitoring, legal documentation and management of interconnections with any other third parties involved in the process of cash transfers, in particular the relevant arrangements with third parties involved in the process of cash transfers;
 - (iv) the detailed analysis contained in the recovery plan of the applicant CSD of regarding any impact of the provision of banking-type ancillary services on the provision of core CSD services;
 - (v) the disclosure of possible conflicts of interests in the governance arrangements resulting from the provision of banking-type ancillary services, and the measures taken to address them.

Article 92

CSDs offering banking-type ancillary services through a designated credit institution

An application for authorisation in accordance with point (b) of Article 54(2) of Regulation (EU) No 909/2014 shall contain the following information:

- (a) a copy of the decision of the management body of the applicant CSD to apply for authorisation and the minutes from the meeting where the management body approved the content of the application file and its submission;

- (b) the contact details of the person responsible for the application for authorisation, where the person is not the same person as the one submitting the application for authorisation referred to in Article 17 of Regulation (EU) No 909/2014;
- (c) the corporate name of the credit institution to be designated in accordance with point (b) of Article 54(2) of Regulation (EU) No 909/2014, its legal status and registered address in the Union;
- (d) evidence that the credit institution referred to in point (c) has obtained an authorisation referred to in point (a) of Article 54(4) of Regulation (EU) No 909/2014;
- (e) the articles of incorporation and other relevant statutory documentation of the designated credit institution;
- (f) the ownership structure of the designated credit institution, including the identity of its shareholders;
- (g) the identification of any common shareholders of the applicant CSD and the designated credit institution and any participations between the applicant CSD and the designated credit institution;
- (h) evidence that the designated credit institution meets the prudential requirements referred to in Article 59(1), (3) and (4) of Regulation (EU) No 909/2014 and the supervisory requirements referred to in Article 60 of that Regulation;
- (i) evidence, including a memorandum of association, financial statements, audit reports, reports from risk committees, or other documents, which proves that the designated credit institution complies with point (e) of Article 54(4) of Regulation (EU) No 909/2014;
- (j) the details of the recovery plan referred to in point (g) of Article 54(4) of Regulation (EU) No 909/2014;
- (k) a programme of operations that fulfils the following conditions:
 - (i) it includes a list of the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 that the designated credit institution intends to provide;
 - (ii) it includes an explanation of how the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 are directly related to any core or ancillary services referred to in Sections A and B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is authorised to provide;
 - (iii) it is structured following the list of banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014;
- (l) evidence supporting the reasons for not settling the cash payments of the CSD's securities settlement system through accounts opened with a central bank of issue of the currency of the country where the settlement takes place;
- (m) detailed information concerning the following aspects of the relation between the CSD and the designated credit institution:
 - (i) the IT platform used for the settlement of the cash leg of securities transactions, including an overview of the IT organisation and an analysis of the related risks and how they are mitigated;
 - (ii) the applicable rules and procedures that ensure compliance with the requirements concerning settlement finality referred to in Article 39 of Regulation (EU) No 909/2014;
 - (iii) the operation and the legal arrangements of the DVP process, including the procedures used to address the credit risk resulting from the cash leg of a securities transaction;
 - (iv) the selection, monitoring and management of the interconnections with any other third parties involved in the process of cash transfers, in particular the relevant arrangements with third parties involved in the process of cash transfers;
 - (v) the service level agreement establishing the details of functions to be outsourced by the CSD to the designated credit institution or from the designated credit institution to the CSD and any evidence that demonstrates compliance with the outsourcing requirements set out in Article 30 of Regulation (EU) No 909/2014;
 - (vi) the detailed analysis contained in the recovery plan of the applicant CSD about any impact of the provision of banking-type ancillary services on the provision of core CSD services;

- (vii) the disclosure of possible conflicts of interests in the governance arrangements resulting from the banking-type ancillary services, and the measures taken to address them;
- (viii) evidence that demonstrates that the credit institution has the necessary contractual and operational ability to have prompt access to the securities collateral located in the CSD and related to the provision of intraday credit and, as the case may be, short-term credit.

Article 93

Specific requirements

1. Where the CSD applies for authorisation to designate more than one credit institution to provide banking-type ancillary services, its application shall include the following information:
 - (a) the information referred to Article 91 for each of the designated credit institution;
 - (b) a description of the role of each designated credit institution and the relations between them.
2. Where the application to be authorised in accordance with point (a) or (b) of Article 54(2) of Regulation (EU) No 909/2014 is submitted after the authorisation referred to in Article 17 of that Regulation has been obtained, the applicant CSD shall identify and inform the competent authority of substantive changes referred to in Article 16(4) of Regulation (EU) No 909/2014 unless it has already provided the information in the process of review and evaluation referred to in Article 22 of that Regulation.

Article 94

Standard forms and templates for the application

1. An applicant CSD shall provide an application for the authorisations referred to in points (a) and (b) of Article 54(2) of Regulation (EU) No 909/2014 in the format provided in Annex III to this Regulation.
2. An applicant CSD shall submit the application referred to in paragraph 1 in a durable medium.
3. An applicant CSD shall provide a unique reference number for each document that it submits in the application referred to in paragraph 1.
4. An applicant CSD shall ensure that the information submitted in the application referred to in paragraph 1 clearly identifies to which specific requirement of this Chapter that information refers to and in which document that information is provided.
5. An applicant CSD shall provide its competent authority with a list of all the documents provided in the application referred to in paragraph 1 accompanied by their reference number.
6. All information shall be submitted in the language indicated by the competent authority. The competent authority may ask the CSD to submit the same information in a language customary in the sphere of international finance.

CHAPTER XV

FINAL PROVISIONS

Article 95

Transitional provisions

1. Information referred to in Article 17(2) of this Regulation, shall be provided to the competent authority at the latest six months before the date referred to in Article 96(2).

2. Information referred to in Article 24(2) of this Regulation shall be provided to the competent authority at the latest six months before the date referred to in Article 96(2).
3. Information referred to in points (j) and (r) of Article 41 and in points (d), (f), (h), (i), and (j) of Article 42(1) of this Regulation shall be provided from the date referred to in Article 96(2).

Article 96

Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. Article 54 shall apply from the date of entry into force of the delegated acts adopted by the Commission pursuant to Articles 6(5) and 7(15) of Regulation (EU) No 909/2014, whichever is the later.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX I

Details to be included in the application for recognition of third-country CSDs

(Article 25(12) of Regulation (EU) No 909/2014)

General information

Items of information	Free text
Date of application	
Corporate name of the legal entity	
Registered address	
Name of the person assuming the responsibility for the application	
Contact details of the person assuming the responsibility for the application	
Name of other person(s) responsible for the compliance of the third-country CSD with Regulation (EU) No 909/2014	
Contact details of the person(s) responsible for the compliance of the third-country CSD with Regulation (EU) No 909/2014	
Identities of the shareholders or members that hold participations in the capital of the third-country CSD	
Identification of the group structure, including any subsidiary and parent company of the third-country CSD	
List of the Member States in which the third-country CSD intends to provide services	
Information regarding core services listed in Section A of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the Union per Member State	
Information regarding ancillary services listed in Section B of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the Union per Member State	
Information regarding any other services permitted under, but not explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the Union per Member State	
Currency or currencies that the third-country CSD processes or intends to process	
Statistical data regarding the services that the third-country CSD intends to provide in the Union per Member State	
Assessment of the measures that the third-country CSD intends to take to allow its users to comply with any specific national laws of the Member State(s) in which the third-country CSD intends to provide its services	

Items of information	Free text
Where the third country CSD intends to provide the core services referred to in points (1) and (2) of Section A of the Annex to Regulation (EU) No 909/2014, a description of the measures that the third-country CSD intends to take to allow its users to comply with the relevant law of the Member State in which the third-country CSD intends to provide such services as referred to in point (d) of Article 25(4) of Regulation (EU) No 909/2014.	
Rules and procedures that facilitate the settlement of transactions in financial instruments on the intended settlement date	
Third-country CSD's financial resources, form and methods in which they are maintained and arrangements to secure them	
Evidence that rules and procedures of the third-country CSD are fully compliant with the requirements applicable in the third country where it is established, including the rules concerning prudential, organisational, business continuity, disaster recovery and conduct of business aspects	
Details of any outsourcing arrangements	
Rules governing the finality of transfers of securities and cash	
Information regarding the participation in the securities settlement system operated by the third-country CSD, including the criteria for participation and the procedures for the suspension and orderly exit of participants that no longer meet its criteria	
Rules and procedures for ensuring the integrity of the securities issues	
Information on mechanisms established to ensure the protection of participants' and their clients' securities	
Information on third-country CSD links and links with other market infrastructures and on how the related risks are monitored and managed	
Information on rules and procedures put in place to manage the default of a participant	
Recovery plan	
Investment policy of the third-country CSD	
Information on procedures ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another CSD in case of the CSD's default	
Information on all pending judicial or extrajudicial proceedings, including administrative, civil or arbitration proceedings, which may cause significant financial and other costs to the third-country CSD Information on any final decisions resulting from the proceedings referred to above	
Information regarding the handling of conflicts of interest by the third-country CSD	
Information to be published on the ESMA website in accordance with Article 21(3) of Regulation (EU) No 909/2014, as regards Article 25 of that Regulation	

ANNEX II

CSD ancillary services records

(Article 29 of Regulation (EU) No 909/2014)

No	Ancillary services under Regulation (EU) No 909/2014	Types of records
A. CSD's non-banking-type ancillary services that do not entail credit or liquidity risks		
1	Organising a securities lending mechanism, as agent among participants of a securities settlement system	(a) Identification of delivering/receiving parties; (b) Details regarding each securities lending/borrowing operation, including volume and value of securities and ISIN; (c) Purpose of each securities lending/borrowing operations; (d) Types of collateral; (e) Collateral valuation.
2	Providing collateral management services, as agent for participants in a securities settlement system	(a) Identification of delivering/receiving parties; (b) Details regarding each operation, including volume and value of securities and ISIN; (c) Types of collateral; (d) Purpose of collateral use; (e) Collateral valuation.
3	Settlement matching, instruction routing, trade confirmation, trade verification	(a) Identification of the entities for which the CSD provides such services; (b) Types of operations; (c) Details regarding each operation, including volume and value of securities and ISIN.
4	Services related to shareholders' registers	(a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities and ISIN.
5	Supporting the processing of corporate actions, including tax, general meetings and information services	(a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities/cash, beneficiaries of the operation and ISIN.
6	New issue services, including allocation and management of ISIN codes and similar codes	(a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including ISIN.

No	Ancillary services under Regulation (EU) No 909/2014	Types of records
7	Instruction routing and processing, fee collection and processing and related reporting	(a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities/cash, beneficiaries of the operation, ISIN and purpose of the operation.
8	Establishing CSD links, providing, maintaining or operating securities accounts in relation to the settlement service, collateral management, other ancillary services	(a) Details regarding the CSD links, including identification of CSDs; (b) Types of services.
9	Providing general collateral management services as agent	(a) Identification of delivering/receiving parties; (b) Details regarding each operation, including volume and value of securities, ISIN; (c) Types of collateral; (d) Purpose of collateral use; (e) Collateral valuation.
10	Providing regulatory reporting	(a) Identification of the entities for which the CSD provides the reporting; (b) Types of services; (c) Details regarding the data provided, including the legal basis and the purpose.
11	Providing information, data and statistics to market/census bureaus or other governmental or inter-governmental entities	(a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding the data provided, including the legal basis and the purpose.
12	Providing IT services	(a) Identification of the entities for which the CSD provides the services; (b) Types of services; (c) Details regarding IT services.

B. CSD's banking-type services directly related to core or ancillary services listed in Sections A and B of the Annex to Regulation (EU) No 909/2014

13	Providing cash accounts to, and accepting deposits from, participants in a securities settlement system and holders of securities accounts, within the meaning of point 1 of Annex I to Directive 2013/36/EU of the European Parliament and of the Council ⁽¹⁾	(a) Identification of the entities for which the CSD provides such services; (b) Cash accounts details; (c) Currency; (d) Deposits amounts.
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No	Ancillary services under Regulation (EU) No 909/2014	Types of records
14	Providing cash credit for reimbursement no later than the following business day, cash lending to pre-finance corporate actions and lending securities to holders of securities accounts, within the meaning of point 2 of Annex I to Directive 2013/36/EU.	<ul style="list-style-type: none"> (a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities/cash, ISIN; (d) Types of collateral; (e) Collateral valuation; (f) Purpose of operations; (g) Information about any incidents in relation to such services and remediating actions including follow-up.
15	Payment services involving processing of cash and foreign exchange transactions, within the meaning of point 4 of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> (a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume of cash, and purpose of operation.
16	Guarantees and commitments related to securities lending and borrowing, within the meaning of point 6 of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> (a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities/cash and purpose of operation.
17	Treasury activities involving foreign exchange and transferable securities related to managing participants' long balances, within the meaning of points 7(b) and (e) of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> (a) Identification of the entities for which the CSD provides such services; (b) Types of services; (c) Details regarding each operation, including volume and value of securities/cash and purpose of operation.

(¹) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of 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 (OJ L 176, 27.6.2013, p. 338).

ANNEX III

Templates for application by a CSD to designate a credit institution or to provide banking-type ancillary services

(Article 55 of Regulation (EU) No 909/2014)

Template 1

Where a CSD is applying to provide banking-type ancillary services in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014, the following information shall be provided:

The scope of information to be submitted in accordance	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided
(1) the corporate name of the applicant CSD, its legal status and legal address in the Union			
(2) a copy of the decision of the management body of the applicant CSD to apply for authorisation and the minutes from the meeting where the management body approved the content of the application file and its submission			
(3) contact details of the person responsible for the application for authorisation, where different from the person submitting the application for authorisation referred to under Article 17 of Regulation (EU) No 909/2014			
(4) evidence that proves the existence of an authorisation referred to in point (a) of Article 54(3) of Regulation (EU) No 909/2014			
(5) evidence that the applicant CSD meets the prudential requirements referred to in Article 59(1), (3) and (4) of Regulation (EU) No 909/2014 and the supervisory requirements referred to in Article 60 of that Regulation			
(6) evidence, that proves that the applicant CSD complies with point (d) of Article 54(3) of Regulation (EU) No 909/2014			
(7) details concerning the recovery plan referred to in point (f) of Article 54(3) of Regulation (EU) No 909/2014			
(8) a programme of operations that fulfils the following conditions:			
(a) it includes a list of the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 that are intended to be provided			
(b) it includes an explanation of how the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 are directly related to any core or ancillary services referred to in Section A and Section B of the Annex to Regulation (EU) No 909/2014 that the CSD is authorised to provide			

The scope of information to be submitted in accordance	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided
(c) it is structured following the list of banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014			
(9) evidence supporting the reasons for not settling cash payments of the CSD's securities settlement system through accounts opened with a central bank of issue of the currency of the country where the settlement takes place			
(10) detailed information on the arrangements which ensure that the provision of banking-type ancillary services applied for do not affect the smooth provision of the core CSD services referred to in Section A of the Annex to Regulation (EU) No 909/2014, including in particular the following information:			
(a) the IT platform used for the settlement of the cash leg of securities transactions, including an overview of the IT organisation and an analysis of the related risks and how they are mitigated			
(b) the operation and legal arrangements of the DVP process and, in particular, the procedures used to address the credit risk resulting from the cash leg of securities transactions			
(c) the selection, monitoring, legal documentation and management of interconnections with any other third parties involved in the process of cash transfers, in particular the relevant arrangements with third parties involved in the process of cash transfers			
(d) the detailed analysis in the recovery plan of the applicant CSD of any impact of the provision of banking-type ancillary services on the provision of core CSD services;			
(e) the disclosure of possible conflicts of interests in the governance arrangements resulting from the provision of banking-type ancillary services, and the measures taken to address them			
(11) where relevant, identification of any substantive changes to the documentation supplied for obtaining the authorisation referred to in Article 17(2) of Regulation (EU) No 909/2014, following the same table format, if the updated documentation has not already been provided in the course of the review and evaluation referred to in Article 22 of Regulation (EU) No 909/2014			

Where the application for authorisation referred to in point (a) of Article 54(2) of Regulation (EU) No 909/2014 is submitted at the same time as the application for authorisation referred to in Article 17 of that Regulation, the following information shall be provided by the applicant CSD in addition to the information requested under Article 17 of Regulation (EU) No 909/2014 and this Regulation:

1	Name of the person responsible for the application where different from the one submitting the application under Article 17 of Regulation (EU) No 909/2014	...
2	Contact details of the person responsible for the application, where different from the one submitting the application under Article 17 of Regulation (EU) No 909/2014	...
3	Date of receipt of the authorisation referred to in point (a) of Article 54(3)	...

Template 2

Where a CSD is applying to designate a separate credit institution to provide banking-type ancillary services in accordance with point (b) of Article 54(2) of Regulation (EU) No 909/2014:

The scope of information to be submitted	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided
(1) the corporate name of the applicant CSD, its legal status and legal address in the Union			
(2) a copy of the decision of the management body of the applicant CSD to apply for authorisation and the minutes from the meeting where the management body approved the content of the application file and its submission			
(3) the contact details of the person responsible for the application for authorisation, where the person is not the same person as the one submitting the application for authorisation referred to in Article 17 of Regulation (EU) No 909/2014			
(4) the corporate name of the credit institution to be designated in accordance with point (b) of Article 54(2) of Regulation (EU) No 909/2014, its legal status and legal address in the Union			
(5) evidence that the credit institution referred to in point (4) has obtained an authorisation referred to in point (a) of Article 54(4) of Regulation (EU) No 909/2014			
(6) the articles of incorporation and, where relevant, other statutory documentation of the designated credit institution			
(7) the ownership structure of the designated credit institution, including the identity of its shareholders			

The scope of information to be submitted	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided
(8) the identification of any common shareholders of the applicant CSD and the designated credit institution and any participations between the applicant CSD and the designated credit institution			
(9) evidence that the designated credit institution meets the prudential requirements referred to in Article 59(1), (3) and (4) and the supervisory requirements referred to in Article 60 of Regulation (EU) No 909/2014			
(10) evidence, including a memorandum of association, financial statements, audit reports, reports from risk committees, or other documents, which proves that the designated credit institution complies with point (e) of Article 54(4) of Regulation (EU) No 909/2014			
(11) the details of the recovery plan referred to in point (g) of Article 54(4) of Regulation (EU) No 909/2014			
(12) a programme of operations that fulfils the following conditions:			
(a) it includes a list of the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 that are intended to be provided			
(b) it includes an explanation of how the banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014 are directly related to any core or ancillary services referred to in Section A and Section B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is authorised to provide			
(c) it is structured following the list of banking-type ancillary services referred to in Section C of the Annex to Regulation (EU) No 909/2014			
(13) details concerning the reasons for not settling the cash payments of the CSD's securities settlement system through accounts opened with a central bank of issue of the currency of the country where the settlement takes place			
(14) detailed information concerning the structural organisation of the relations between the CSD and the designated credit institution, including in particular the following information:			
(a) the IT platform used for the settlement of the cash leg of securities transactions, including an overview of the IT organisation and an analysis of the related risks and how they are mitigated			

The scope of information to be submitted	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided
(b) the applicable rules and procedures that ensure compliance with the requirements concerning settlement finality referred to in Article 39 of Regulation (EU) No 909/2014			
(c) the operation and the legal arrangements of the DVP process and in particular, the procedures used to address the credit risk resulting from the cash leg of a securities transaction			
(d) the selection, monitoring and management of the interconnections with any other third parties involved in the process of cash transfers, in particular the relevant arrangements with third parties involved in the process of cash transfers			
(e) the service level agreement establishing the details of functions to be outsourced by the CSD to the designated credit institution and any evidence that demonstrates compliance with the outsourcing requirements as set out in Article 30 of Regulation (EU) No 909/2014			
(f) the detailed analysis contained in the recovery plan of the applicant CSD of any impact of the provision of banking-type ancillary services on the provision of core CSD services			
(g) the disclosure of possible conflicts of interests in the governance arrangements resulting from the banking-type ancillary services, and the measures taken to address them			
(h) evidence that demonstrates that the credit institution has the necessary contractual and operational ability to have prompt access to the securities collateral located in the CSD and related to the provision of intraday credit and, as the case may be, short-term credit			
(15) where relevant, identification of any changes to the documentation supplied for obtaining the authorisation referred to in Article 17(2) of Regulation (EU) No 909/2014, following the same table format, where the updated documentation has not already been provided in the course of the review and evaluation referred to in Article 22 of Regulation (EU) No 909/2014			

Where the application for authorisation referred to in point (b) of Article 54(2) of Regulation (EU) No 909/2014 is submitted at the same time as the application for authorisation referred to in Article 17 of that Regulation, the following information shall be provided where, in addition to the information requested under Article 17 of Regulation (EU) No 909/2014 and this Regulation:

1	Corporate name of the entity designated to provide banking-type ancillary services	...
2	Legal address	...

3	Name of the person responsible for the application	...
4	Contact details of the person responsible for the application	...
5	Identification of the parent companies of the designated credit institution(s), if any	...
6	Competent authority of the designated credit institution(s)	...
7	Date of receipt of the authorisation referred to in point (a) of Article 54(4) of Regulation (EU) No 909/2014	...

COMMISSION IMPLEMENTING REGULATION (EU) 2017/393**of 11 November 2016****laying down implementing technical standards with regard to the templates and procedures for the reporting and transmission of information on internalised settlements in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ⁽¹⁾, and in particular the third subparagraph of Article 9(3) thereof,

Whereas:

- (1) In accordance with Regulation (EU) No 909/2014 settlement internalisers and competent authorities are to report and transmit information on internalised settlements using standard forms, templates and procedures. Standard forms, templates and procedures also need to be used when competent authorities inform the European Securities and Markets Authority (ESMA) on any potential risk resulting from the settlement activity.
- (2) In order to facilitate the implementation of the procedures and processes related to the reporting requirements on internalised settlements across market participants and to minimise the associated costs, the information should be provided using codes specified in standards published by the International Organisation for Standardisation where such codes are available.
- (3) In order to facilitate the processing of large volumes of data in a consistent and efficient manner, reports should be transmitted in a machine readable format.
- (4) The reporting requirements set out in this Regulation may require significant IT system changes, market testing and adjustments to legal arrangements of the institutions concerned. It is therefore necessary to give those institutions sufficient time to prepare for application of those requirements.
- (5) This Regulation is based on the draft implementing technical standards submitted by ESMA to the Commission.
- (6) ESMA has conducted an open public consultation on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽²⁾,

HAS ADOPTED THIS REGULATION:

Article 1

1. A settlement internaliser shall use the template set out in Annex I to this Regulation when it reports to the competent authority in accordance with the first subparagraph of Article 9(1) of Regulation (EU) No 909/2014. That report shall be submitted within 10 working days from the end of each quarter of a calendar year.

The first report under the first subparagraph shall be submitted within 10 working days from the end of the first quarter following 10 March 2019.

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

⁽²⁾ 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 (OJ L 331, 15.12.2010, p. 84).

2. The competent authority shall use the template set out in Annex I to this Regulation when it transmits to European Securities and Markets Authority (ESMA) the information received under the first subparagraph of Article 9(1) of Regulation (EU) No 909/2014. That information shall be transmitted within five working days from the date of receipt of each report referred to in paragraph 1 of this Article.
3. The template set out in Annex I shall be completed in accordance with the instructions set out in Annex II.
4. The competent authority shall use the template set out in Annex III when it informs ESMA of any potential risk resulting from internalised settlement activity. Information on any potential risk resulting from internalised settlement activity shall be submitted within 30 working days from the end of each quarter of a calendar year. The competent authority shall complete that template in accordance with the instructions set out in Annex IV.
5. The information referred to in paragraphs 1, 2 and 4 shall be provided in a machine readable format.

Article 2

This Regulation shall enter into force on 10 March 2019.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX I

Template for reporting and transmission of information on internalised settlement

Internalised Settlement									
Settlement Internaliser Information									
		C0010							
Country code	R0010								
Reporting timestamp	R0020								
Reporting period	R0030								
LEI	R0040								
Name of person responsible	R0050								
Function of person responsible	R0060								
Phone number	R0070								
Email address	R0080								
		Aggregate					Rate		
		Settled		Failed		Total		Failed	
		Volume	Value (EUR)	Volume	Value (EUR)	Volume	Value (EUR)	Volume %	Value %
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Overall total	R0090								
Financial instruments									
Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU of the European Parliament and of the Council (1)	R0100								
Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	R0110								
Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	R0120								

Each Issuer CSD Information									
		C0100							
Issuer CSD identifier	R0270								
Issuer CSD country code	R0280								
		Aggregate					Rate		
		Settled		Failed		Total Settled Failed		Failed	
		Volume	Value (EUR)	Volume	Value (EUR)	Volume	Value (EUR)	Volume %	Value %
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Overall total	R0290								
Financial instruments									
Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	R0300								
Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	R0310								
Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	R0320								
Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	R0330								
Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	R0340								
Units in collective investment undertakings other than ETFs	R0350								
Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	R0360								
Emission allowances	R0370								
Other financial instruments	R0380								

		Aggregate						Rate	
		Settled		Failed		Total Settled Failed		Failed	
		Volume	Value (EUR)	Volume	Value (EUR)	Volume	Value (EUR)	Volume %	Value %
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Type of transactions									
Purchase or sale of securities	R0390								
Collateral management operations	R0400								
Securities lending and securities borrowing	R0410								
Repurchase transactions	R0420								
Other securities transactions	R0430								
Type of client									
Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	R0440								
Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	R0450								
Cash Transfers									
Total Cash Transfers	R0460								

(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 (OJ L 173, 12.6.2014, p. 349).

ANNEX II

Instructions for completing the template for reporting and transmission of information on internalised settlement

The 'Cell Reference' column of the table below identifies the items to be reported by identifying the columns and lines as showed in the template in Annex I. Information in columns C0100-C0180, as well as in Rows R0270-R0460 shall be reported for each issuer CSD.

Information in columns C0020, C0040, C0060, C0110, C0130 and C0150 for aggregated volumes shall be reported as a whole number expressed using up to 20 numerical characters without decimal places.

Information in columns C0030, C0050, C0070, C0120, C0140 and C0160 for aggregate values shall be reported as a value expressed using up to 20 numerical characters including decimals. The decimal mark is not counted as a numerical character and at least one character before and two characters after the decimal mark shall be populated. A full stop shall be used as the decimal mark.

Information in columns C0080, C0090, C00170 and C00180 for rates shall be reported as a percentage value up to two decimal places.

Where no activity needs to be reported, information in columns C0020-C0090 and C0110-C0180 shall be completed with a zero value.

No.	Cell Reference	Item	Instruction
1	C0010, R0010	Country code	Identify the ISO 3166 2 character code of the place of establishment of the settlement internaliser.
2	C0010, R0020	Reporting timestamp	For reporting from the settlement internaliser to the competent authority, identify the ISO 8601 in UTC time format (YYYY-MM-DDThh:mm:ssZ) code of the date when the report from the settlement internaliser to the competent authority is made. For reporting from the competent authority to ESMA, identify the ISO 8601 in UTC time format (YYYY-MM-DDThh:mm:ssZ) code of the date when the report from the competent authority to ESMA is made.
3	C0010, R0030	Reporting period	Identify the ISO 8601 (YYYY-MM-DD) code of the date identifying the last day of the reporting period.
4	C0010, R0040	Settlement internaliser identifier	Insert identification code of the settlement internaliser, using a Legal Entity Identifier (LEI).
5	C0010, R0050	Name of person responsible	For reporting from the settlement internaliser to the competent authority, indicate the name of the person responsible for the report at the settlement internaliser. For reporting from the competent authority to ESMA, the name of the liaison at the competent authority.
6	C0010, R0060	Function of person responsible	For reporting from the settlement internaliser to the competent authority, the function of the person responsible for the report at the settlement internaliser. For reporting from the competent authority to ESMA, the function of the liaison at the competent authority.

No.	Cell Reference	Item	Instruction
7	C0010, R0070	Phone number	For reporting from the settlement internaliser to the competent authority, the phone number of the person responsible for the report at the settlement internaliser. For reporting from the competent authority to ESMA, the phone number of the liaison at the competent authority.
8	C0010, R0080	Email address	For reporting from the settlement internaliser to the competent authority, the email address of the person responsible for the report at the settlement internaliser. For reporting from the competent authority to ESMA, the email address of the liaison at the competent authority.
9	C0100, R0270	Issuer CSD identifier	Insert identification code of the CSD, using an LEI. If information on the issuer CSD is not available the first two characters of the ISIN codes shall be used.
10	C0100, R0280	Issuer CSD Country Code	Identify the ISO 3166 2 character code of the place of establishment of the issuer CSD.
11	C0020, R0090 C0110, R0290	Overall total	Aggregated volume of internalised settlement instructions settled by the settlement internaliser during the period covered by the report.
12	C0030, R0090 C0120, R0290	Overall total	Aggregated value, expressed in euros, of internalised settlement instructions settled during the period covered by the report.
13	C0040, R0090 C0130, R0290	Overall total	Aggregated volume of failed internalised settlement instructions during the period covered by the report
14	C0050, R0090 C0140, R0290	Overall total	Aggregated value, expressed in euros, of failed internalised settlement instructions during the period covered by the report
15	C0060, R0090 C0150, R0290	Overall total	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions during the period covered by the report.
16	C0070, R0090 C0160, R0290	Overall total	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and of failed internalised settlement instructions during the period covered by the report.
17	C0080, R0090 C0170, R0290	Overall total	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions during the period covered by the report.

No.	Cell Reference	Item	Instruction
18	C0090, R0090 C0180, R0290	Overall total	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions during the period covered by the report.
19	C0020, R0100 C0110, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
20	C0030, R0100 C0120, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
21	C0040, R0100 C0130, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report
22	C0050, R0100 C0140, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report
23	C0060, R0100 C0150, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
24	C0070, R0100 C0160, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
25	C0080, R0100 C0170, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
26	C0090, R0100 C0180, R0300	Transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
27	C0020, R0110 C0110, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
28	C0030, R0110 C0120, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
29	C0040, R0110 C0130, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report
30	C0050, R0110 C0140, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report
31	C0060, R0110 C0150, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
32	C0070, R0110 C0160, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and of failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
33	C0080, R0110 C0170, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
34	C0090, R0110 C0180, R0310	Sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
35	C0020, R0120 C0110, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
36	C0030, R0120 C0120, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
37	C0040, R0120 C0130, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report
38	C0050, R0120 C0140, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report
39	C0060, R0120 C0150, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
40	C0070, R0120 C0160, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and of failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
41	C0080, R0120 C0170, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
42	C0090, R0120 C0180, R0320	Transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
43	C0020, R0130 C0110, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
44	C0030, R0130 C0120, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
45	C0040, R0130 C0130, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report
46	C0050, R0130 C0140, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report
47	C0060, R0130 C0150, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
48	C0070, R0130 C0160, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
49	C0080, R0130 C0170, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
50	C0090, R0130 C0180, R0330	Transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU during the period covered by the report.
51	C0020, R0140 C0110, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
52	C0030, R0140 C0120, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
53	C0040, R0140 C0130, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report
54	C0050, R0140 C0140, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report
55	C0060, R0140 C0150, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
56	C0070, R0140 C0160, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
57	C0080, R0140 C0170, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
58	C0090, R0140 C0180, R0340	Exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
59	C0020, R0150 C0110, R0350	Units in collective investment undertakings, other than ETFs	Aggregated volume of internalised settlement instructions settled for units in collective investment undertakings, other than ETFs by the settlement internaliser during the period covered by the report.
60	C0030, R0150 C0120, R0350	Units in collective investment undertakings, other than ETFs	Aggregated value, expressed in euros, of internalised settlement instructions settled in units in collective investment undertakings, other than ETFs during the period covered by the report.
61	C0040, R0150 C0130, R0350	Units in collective investment undertakings, other than ETFs	Aggregated volume of failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.
62	C0050, R0150 C0140, R0350	Units in collective investment undertakings, other than ETFs	Aggregated value, expressed in euros, of failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.
63	C0060, R0150 C0150, R0350	Units in collective investment undertakings, other than ETFs	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.
64	C0070, R0150 C0160, R0350	Units in collective investment undertakings, other than ETFs	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.

No.	Cell Reference	Item	Instruction
65	C0080, R0150 C0170, R0350	Units in collective investment undertakings, other than ETFs	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.
66	C0090, R0150 C0180, R0350	Units in collective investment undertakings, other than ETFs	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in units in collective investment undertakings, other than ETFs during the period covered by the report.
67	C0020, R0160 C0110, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
68	C0030, R0160 C0120, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
69	C0040, R0160 C0130, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report
70	C0050, R0160 C0140, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report
71	C0060, R0160 C0150, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
72	C0070, R0160 C0160, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.

No.	Cell Reference	Item	Instruction
73	C0080, R0160 C0170, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
74	C0090, R0160 C0180, R0360	Money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in money market instruments other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU during the period covered by the report.
75	C0020, R0170 C0110, R0370	Emission allowances	Aggregated volume of internalised settlement instructions settled in emission allowances by the settlement internaliser during the period covered by the report.
76	C0030, R0170 C0120, R0370	Emission allowances	Aggregated value, expressed in euros, of internalised settlement instructions settled in emission allowances during the period covered by the report.
77	C0040, R0170 C0130, R0370	Emission allowances	Aggregated volume of failed internalised settlement instructions in emission allowances during the period covered by the report
78	C0050, R0170 C0140, R0370	Emission allowances	Aggregated value, expressed in euros, of failed internalised settlement instructions in emission allowances during the period covered by the report
79	C0060, R0170 C0150, R0370	Emission allowances	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in emission allowances during the period covered by the report.
80	C0070, R0170 C0160, R0370	Emission allowances	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in emission allowances during the period covered by the report.
81	C0080, R0170 C0170, R0370	Emission allowances	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in emission allowances during the period covered by the report.

No.	Cell Reference	Item	Instruction
82	C0090, R0170 C0180, R0370	Emission allowances	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in emission allowances during the period covered by the report.
83	C0020, R0180 C0110, R0380	Other financial instruments	Aggregated volume of internalised settlement instructions settled in other financial instruments by the settlement internaliser during the period covered by the report.
84	C0030, R0180 C0120, R0380	Other financial instruments	Aggregated value, expressed in euros, of internalised settlement instructions settled in other financial instruments during the period covered by the report.
85	C0040, R0180 C0130, R0380	Other financial instruments	Aggregated volume of failed internalised settlement instructions in other financial instruments during the period covered by the report
86	C0050, R0180 C0140, R0380	Other financial instruments	Aggregated value, expressed in euros, of failed internalised settlement instructions in other financial instruments during the period covered by the report
87	C0060, R0180 C0150, R0380	Other financial instruments	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions in other financial instruments during the period covered by the report.
88	C0070, R0180 C0160, R0380	Other financial instruments	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in other financial instruments during the period covered by the report.
89	C0080, R0180 C0170, R0380	Other financial instruments	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in other financial instruments during the period covered by the report.
90	C0090, R0180 C0180, R0380	Other financial instruments	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions in other financial instruments during the period covered by the report.
91	C0020, R0190 C0110, R0390	Purchase or sale of securities	Aggregated volume of internalised settlement instructions settled for purchase or sale of securities by the settlement internaliser during the period covered by the report.

No.	Cell Reference	Item	Instruction
92	C0030, R0190 C0120, R0390	Purchase or sale of securities	Aggregated value, expressed in euros, of internalised settlement instructions settled for the purchase or sale of securities during the period covered by the report.
93	C0040, R0190 C0130, R0390	Purchase or sale of securities	Aggregated volume of failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report
94	C0050, R0190 C0140, R0390	Purchase or sale of securities	Aggregated value, expressed in euros, of failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report
95	C0060, R0190 C0150, R0390	Purchase or sale of securities	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report.
96	C0070, R0190 C0160, R0390	Purchase or sale of securities	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report.
97	C0080, R0190 C0170, R0390	Purchase or sale of securities	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report.
98	C0090, R0190 C0180, R0390	Purchase or sale of securities	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the purchase or sale of securities during the period covered by the report.
99	C0020, R0200 C0110, R0400	Collateral management operations	<p>Aggregated volume of internalised settlement instructions settled for the collateral management operations by the settlement internaliser during the period covered by the report.</p> <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI; — Collateral out: COLO; — Central bank collateral operation: CNCB.

No.	Cell Reference	Item	Instruction
100	C0030, R0200 C0120, R0400	Collateral management operations	<p>Aggregated value, expressed in euros, of internalised settlement instructions settled for the collateral management operations during the period covered by the report.</p> <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
101	C0040, R0200 C0130, R0400	Collateral management operations	<p>Aggregated volume of failed internalised settlement instructions for the collateral management operations during the period covered by the report.</p> <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
102	C0050, R0200 C0140, R0400	Collateral management operations	<p>Aggregated value, expressed in euros, of failed internalised settlement instructions for the collateral management operations during the period covered by the report.</p> <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
103	C0060, R0200 C0150, R0400	Collateral management operations	<p>Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for the collateral management operations during the period covered by the report.</p> <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
104	C0070, R0200 C0160, R0400	Collateral management operations	<p>Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the collateral management operations during the period covered by the report.</p>

No.	Cell Reference	Item	Instruction
			Collateral management operations are defined as: <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
105	C0080, R0200 C0170, R0400	Collateral management operations	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the collateral management operations during the period covered by the report. <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
106	C0090, R0200 C0180, R0400	Collateral management operations	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the collateral management operations during the period covered by the report. <p>Collateral management operations are defined as:</p> <ul style="list-style-type: none"> — Collateral in: COLI — Collateral out: COLO — Central bank collateral operation: CNCB
107	C0020, R0210 C0110, R0410	Securities lending and securities borrowing	Aggregated volume of internalised settlement instructions settled for the securities lending and securities borrowing by the settlement internaliser during the period covered by the report.
108	C0030, R0210 C0120, R0410	Securities lending and securities borrowing	Aggregated value, expressed in euros, of internalised settlement instructions settled for the securities lending and securities borrowing during the period covered by the report.
109	C0040, R0210 C0130, R0410	Securities lending and securities borrowing	Aggregated volume, expressed in euros, of failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.
110	C0050, R0210 C0140, R0410	Securities lending and securities borrowing	Aggregated value, expressed in euros, of failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.

No.	Cell Reference	Item	Instruction
111	C0060, R0210 C0150, R0410	Securities lending and securities borrowing	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.
112	C0070, R0210 C0160, R0410	Securities lending and securities borrowing	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.
113	C0080, R0210 C0170, R0410	Securities lending and securities borrowing	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.
114	C0090, R0210 C0180, R0410	Securities lending and securities borrowing	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the securities lending and securities borrowing during the period covered by the report.
115	C0020, R0220 C0110, R0420	Repurchase transactions	<p>Aggregated volume of internalised settlement instructions settled for the repurchase transactions by the settlement internaliser during the period covered by the report.</p> <p>Repurchase transactions are defined as:</p> <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
116	C0030, R0220 C0120, R0420	Repurchase transactions	Aggregated value, expressed in euros, of internalised settlement instructions settled for the repurchase transactions during the period covered by the report.

No.	Cell Reference	Item	Instruction
			Repurchase transactions are defined as: <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
117	C0040, R0220 C0130, R0420	Repurchase transactions	Aggregated volume of failed internalised settlement instructions for the repurchase transactions by the settlement internaliser during the period covered by the report. Repurchase transactions are defined as: <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
118	C0050, R0220 C0140, R0420	Repurchase transactions	Aggregated value, expressed in euros, of failed internalised settlement instructions for the repurchase transactions during the period covered by the report. Repurchase transactions are defined as: <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions:RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
119	C0060, R0220 C0150, R0420	Repurchase transactions	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for the repurchase transactions during the period covered by the report.

No.	Cell Reference	Item	Instruction
			Repurchase transactions are defined as: <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
120	C0070, R0220 C0160, R0420	Repurchase transactions	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the repurchase transactions during the period covered by the report. <p>Repurchase transactions are defined as:</p> <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
121	C0080, R0220 C0170, R0420	Repurchase transactions	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the repurchase transactions during the period covered by the report. <p>Repurchase transactions are defined as:</p> <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
122	C0090, R0220 C0180, R0420	Repurchase transactions	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for the repurchase transactions during the period covered by the report.

No.	Cell Reference	Item	Instruction
			Repurchase transactions are defined as: <ul style="list-style-type: none"> — Repurchase agreement transactions: REPU — Reverse repurchase agreement transactions: RVPO — Triparty repurchase agreements: TRPO — Triparty reverse repurchase agreements: TRVO — Buy sell back transactions: BSBK — Sell buy back transactions: SBBK
123	C0020, R0230 C0110, R0430	Other securities transactions	Aggregated volume of internalised settlement instructions settled for any other securities transactions by the settlement internaliser during the period covered by the report.
124	C0030, R0230 C0120, R0430	Other securities transactions	Aggregated value, expressed in euros, of internalised settlement instructions settled for any other securities transactions during the period covered by the report.
125	C0040, R0230 C0130, R0430	Other securities transactions	Aggregated volume of failed internalised settlement instructions settled for any other securities transactions during the period covered by the report.
126	C0050, R0230 C0140, R0430	Other securities transactions	Aggregated value, expressed in euros, of failed internalised settlement instructions for any other securities transactions during the period covered by the report.
127	C0060, R0230 C0150, R0430	Other securities transactions	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for any other securities transactions during the period covered by the report.
128	C0070, R0230 C0160, R0430	Other securities transactions	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for any other securities transactions during the period covered by the report.
129	C0080, R0230 C0170, R0430	Other securities transactions	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for any other securities transactions during the period covered by the report.
130	C0090, R0230 C0180, R0430	Other securities transactions	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for any other securities transactions during the period covered by the report.

No.	Cell Reference	Item	Instruction
131	C0020, R0240 C0110, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.
132	C0030, R0240 C0120, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
133	C0040, R0240 C0130, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report
134	C0050, R0240 C0140, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report
135	C0060, R0240 C0150, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
136	C0070, R0240 C0160, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
137	C0080, R0240 C0170, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
138	C0090, R0240 C0180, R0440	Professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for professional clients as defined in point (10) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
139	C0020, R0250 C0110, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of internalised settlement instructions settled for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU by the settlement internaliser during the period covered by the report.

No.	Cell Reference	Item	Instruction
140	C0030, R0250 C0120, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of internalised settlement instructions settled for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
141	C0040, R0250 C0130, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated volume of failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report
142	C0050, R0250 C0140, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated value, expressed in euros, of failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
143	C0060, R0250 C0150, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
144	C0070, R0250 C0160, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and number of failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
145	C0080, R0250 C0170, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
146	C0090, R0250 C0180, R0450	Retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for retail clients as defined in point (11) of Article 4(1) of Directive 2014/65/EU during the period covered by the report.
147	C0020, R0260 C0110, R0460	Total cash transfers	Aggregated volume of internalised settlement instructions settled for cash transfers by the settlement internaliser during the period covered by the report.
148	C0030, R0260 C0120, R0460	Total cash transfers	Aggregated value, expressed in euros, of internalised settlement instructions settled for cash transfers during the period covered by the report.

No.	Cell Reference	Item	Instruction
149	C0040, R0260 C0130, R0460	Total cash transfers	Aggregated volume of failed internalised settlement instructions for cash transfers during the period covered by the report
150	C0050, R0260 C0140, R0460	Total cash transfers	Aggregated value, expressed in euros, of failed internalised settlement instructions for cash transfers during the period covered by the report
151	C0060, R0260 C0150, R0460	Total cash transfers	Aggregated total of the volume of internalised settlement instructions settled by the settlement internaliser and volume of failed internalised settlement instructions for cash transfers during the period covered by the report.
152	C0070, R0260 C0160, R0460	Total cash transfers	Aggregated total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for cash transfers during the period covered by the report.
153	C0080, R0260 C0170, R0460	Total cash transfers	The rate of failed internalised settlement instructions compared to the aggregated total volume of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for cash transfers during the period covered by the report.
154	C0090, R0260 C0180, R0460	Total cash transfers	The rate of failed internalised settlement instructions compared to the total value, expressed in euros, of internalised settlement instructions settled by the settlement internaliser and failed internalised settlement instructions for cash transfers during the period covered by the report.

ANNEX III

Template for informing of potential risks**Potential Risks****Identification of the reporting competent authority**

		C0010
Name of the competent authority	R0010	
Reporting timestamp	R0020	
Reporting period	R0030	
Name of the main liaison	R0040	
Function of the main liaison	R0050	
Phone number of the main liaison	R0060	
Email address of the main liaison	R0070	

Identification of any potential risks resulting from the internalised settlement activity in the jurisdiction

Identification of any potential risks resulting from the internalised settlement activity in the jurisdiction	R0080	
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ANNEX IV

Instructions for completing the template for informing of potential risks

The 'Cell Reference' column of the table below identifies the items to be reported by identifying the columns and lines as showed in the template in Annex III

No.	Cell Reference	Item	Instruction
1	C0010, R0010	Name of the competent authority.	The full name of the competent authority.
2	C0010, R0020	Reporting timestamp	Identify the ISO 8601 in UTC time format (YYYY-MM-DDThh:mm:ssZ) code of the date when the report from the competent authority is made.
2	C0010, R0030	Reporting period	Identify the ISO 8601 (YYYY-MM-DD) code of the date identifying the last day of the reporting period.
2	C0010, R0040	Name of the main liaison.	The main liaison at the competent authority that is responsible for completing the potential risks template.
3	C0010, R0050	Function of the main liaison.	The function of the main liaison at the competent authority that is responsible for completing the potential risks template.
4	C0010, R0060	Phone number of the main liaison.	The phone number of the main liaison at the competent authority who is responsible for completing the potential risks template.
5	C0010, R0070	Email address of the main liaison.	The email address of the main liaison at the competent authority that is responsible for completing the potential risks template.
6	C0010, R0080	Identification of any potential risks resulting from the internalised settlement activity in the jurisdiction.	Completed as free text.

COMMISSION IMPLEMENTING REGULATION (EU) 2017/394**of 11 November 2016**

laying down implementing technical standards with regard to standard forms, templates and procedures for authorisation, review and evaluation of central securities depositories, for the cooperation between authorities of the home Member State and the host Member State, for the consultation of authorities involved in the authorisation to provide banking-type ancillary services, for access involving central securities depositories, and with regard to the format of the records to be maintained by central securities depositories in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012⁽¹⁾, and in particular Article 17(10), Article 22(11), Article 24(8), Article 29(4), Article 33(6), Article 49(6), Article 52(4), Article 53(5) and Article 55(8) thereof,

Whereas:

- (1) The provisions in this Regulation are closely linked, since they all deal with supervisory requirements involving central securities depositories (CSDs). To ensure coherence between those provisions, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, it is desirable to include all the implementing technical standards required by Article 17(10), Article 22(11), Article 24(8), Article 29(4), Article 33(6), Article 49(6), Article 52(4), Article 53(5) and Article 55(8) of Regulation (EU) No 909/2014 in a single Regulation.
- (2) Any information submitted to the competent authority in a CSD's application for authorisation as well as for the purposes of review and evaluation should be provided in a durable medium.
- (3) In order to facilitate quick identification of the information submitted by a CSD, all documents provided to the competent authority, including those provided with an application for authorisation, should bear a unique reference number. Information submitted as part of the process of review and evaluation of the CSDs' activities should contain precise indications of the changes to the documents that have been submitted during that process.
- (4) In order to facilitate the cooperation between authorities where CSDs provide cross-border activities or set up branches, it is necessary to provide for harmonised standards, forms and procedures for such cooperation.
- (5) To carry out their duties effectively and consistently, the authorities authorised to have access to the records of CSDs in accordance with Regulation (EU) No 909/2014 should be provided with data that is comparable across CSDs. In addition, the use of common formats across different financial market infrastructures should facilitate the greater use of those formats by a wide variety of market participants, thus promoting standardisation. Standardised procedures and data formats across CSDs should reduce as well the costs for market participants and facilitate the tasks of supervisors and regulators.
- (6) To ensure consistency of the record keeping, all legal entities that use the services of a CSD should be identified by a unique code through the use of legal entity identifiers (LEI). The use of an LEI is already required under Commission Implementing Regulation (EU) No 1247/2012⁽²⁾ and it should be required for the purposes of the record keeping by CSDs. The use of proprietary formats by CSDs should be limited to internal processes, but for reporting purposes and for providing information to competent authorities any internal code should be

⁽¹⁾ OJ L 257, 28.8.2014, p. 1.

⁽²⁾ Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (OJ L 352, 21.12.2012, p. 20).

appropriately converted into a globally accepted standard such as LEI. Account holders that are not participants in the securities settlement systems operated by CSDs, for instance in the case of direct securities holding systems, and clients of participants in the securities settlement systems operated by CSDs should be allowed to continue to be identified by national identifiers where available.

- (7) In order to ensure a harmonised approach regarding the processing of complaints concerning the access of participants to CSDs, the access of issuers to CSDs, the access between CSDs, and the access between a CSD and another market infrastructure, standard forms and templates should be used, specifying the identified risks and the assessment of the identified risks that justify a refusal of access.
- (8) In order to facilitate the consultation by the competent authority of a CSD with other authorities involved referred to in Regulation (EU) No 909/2014 prior to granting or refusing authorisation to provide banking-type ancillary services, it is necessary to provide for an effective and structured process for consultation. To facilitate the timely cooperation of the authorities concerned and allow each of them to provide a reasoned opinion concerning the application, the documents and data attached to an application should be organised according to common templates.
- (9) With a view to ensuring legal certainty and a consistent application of the law, certain requirements provided for in this Regulation concerning settlement discipline measures should start to apply from the date of entry into force of those measures.
- (10) This Regulation is based on the draft implementing technical standards submitted by the European Securities and Markets Authority (ESMA) to the Commission.
- (11) In accordance with Regulation (EU) No 909/2014, in developing the draft implementing technical standards on which this Regulation is based, ESMA has worked in close cooperation with the members of the European System of Central Banks (ESCB). In accordance with Article 15 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽¹⁾, ESMA has conducted open public consultations before submitting the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010,

HAS ADOPTED THIS REGULATION:

CHAPTER I

CSD AUTHORISATION

(Article 17(10) of Regulation (EU) No 909/2014)

Article 1

Standard forms, templates and procedures for application

1. A central securities depository applying for authorisation in accordance with Article 17 of Regulation (EU) No 909/2014 ('applicant CSD') shall submit its application in a durable medium as defined in point (g) of Article 1 of Commission Delegated Regulation (EU) 2017/392 ⁽²⁾, filling in the standard form and templates set out in Annex I.
2. The applicant CSD shall provide the competent authority with a list of all documents submitted as part of its application for authorisation which identifies the following information:
 - (a) the unique reference number of each document;
 - (b) the title of each document;
 - (c) the chapter, section or page of each document where the relevant information is provided.

⁽¹⁾ 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 (OJ L 331, 15.12.2010, p. 84).

⁽²⁾ Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories (see page 48 of this Official Journal).

3. All information shall be submitted in the language indicated by the competent authority. The competent authority may request the CSD to submit the same information in a language customary in the sphere of international finance.

4. An applicant CSD maintaining any of the relationships referred to in Article 17(6) of Regulation (EU) No 909/2014 shall provide the competent authority with the list of competent authorities to be consulted, including contact persons from those authorities.

CHAPTER II

REVIEW AND EVALUATION

(Article 22(11) of Regulation (EU) No 909/2014)

Article 2

Standard forms and templates for the provision of information

1. The CSD shall provide the information referred to in Article 40 of Delegated Regulation (EU) 2017/392 in a durable medium.

2. Information provided by a CSD shall be submitted in the standard form and templates provided in Annex II and, where relevant, the template of Table 2 in Annex I. Where the template set out in Table 2 of Annex I is used, it shall have an additional column specifying the chapter, section or page of the document where changes were introduced during the review period and another additional column to include any explanations in relation to the changes introduced during the review period.

Article 3

Procedure for the provision of information

1. The competent authority shall communicate to the CSD the following information:

- (a) the frequency and the depth of the review and evaluation as referred to in Article 22(4) of Regulation (EU) No 909/2014;
- (b) the commencement and end dates of the review period referred to in Article 40 of Delegated Regulation (EU) 2017/392.
- (c) the language in which all information shall be submitted. The competent authority may request the CSD to submit the same information in a language customary in the sphere of international finance.

The competent authority shall communicate to the CSD any changes to the information referred to in the first subparagraph, including the request for a more frequent submission of specific information, without undue delay.

2. The CSD shall provide the information referred to in Article 40(2) of Delegated Regulation (EU) 2017/392 within two months following the end of the review period.

Article 4

Provision of information to the authorities referred to in Article 22(7) of Regulation (EU) No 909/2014

1. Upon completion of the review and evaluation, the competent authority shall communicate within three working days to the authorities referred to in Article 22(7) of Regulation (EU) No 909/2014 its results as specified in Article 44 of Delegated Regulation (EU) 2017/392.

2. Where the review and evaluation gives rise to remedial action or a penalty, the competent authority shall inform the authorities referred to in paragraph 1 within three working days after that measure is taken.
3. The authorities referred to in paragraph 1 shall agree on the working language for the exchange of information and, where there is no agreement, the working language shall be a language customary in the sphere of international finance.

Article 5

Exchange of information between competent authorities

1. Prior to every review and evaluation, when supervising a CSD which maintains the relationships referred to in points (a), (b) and (c) of Article 17(6) of Regulation (EU) No 909/2014, the competent authority shall update the list referred to in Article 1(4) of this Regulation regarding other competent authorities to be involved in the review and evaluation, including contact persons from those authorities, and shall share that list with all those authorities.
2. The competent authority shall provide the information referred to in Article 45(1) of Delegated Regulation (EU) 2017/392 to the competent authorities included in the list referred to in paragraph 1 within 30 working days from the date of availability of that information.
3. Within 30 working days from the time-limit referred to in paragraph 2, the competent authorities included in the list referred to in paragraph 1 shall send to the competent authority that provided the information their assessment thereof.
4. Within 3 working days from the completion of the review and evaluation referred to in Article 22(1) of Regulation (EU) No 909/2014, as notified by the competent authority to the competent authorities included in the list referred to in paragraph 1, the competent authority shall communicate to the competent authorities included in the list referred to in paragraph 1 its results as specified under Article 45(2) of Delegated Regulation (EU) 2017/392.
5. The authorities referred to in paragraphs 1 to 4 shall agree on the working language for the exchange of information and, where there is no agreement, the working language shall be a language customary in the sphere of international finance.

CHAPTER III

COOPERATION ARRANGEMENTS

(Article 24(8) of Regulation (EU) No 909/2014)

Article 6

General requirements for cooperation arrangements

1. The competent authority of the home Member State and the competent authority of the host Member State shall agree on the working language of their cooperation activities and, where there is no agreement, the working language shall be a language customary in the sphere of international finance.
2. Each competent authority shall designate and share with the other competent authorities contact details of one primary and one secondary contact persons and any changes thereto.

Article 7

Supervision of a branch

1. Where a CSD authorised in one Member State has set up a branch in another Member State, the competent authority of the home Member State and the competent authority of the host Member State shall use the form and template set out in Table 1 of Annex III for the exchange of information.

2. Where a competent authority requests supplementary information from another competent authority, it shall indicate to the other competent authority the activities of the CSD that justify such request.

Article 8

On-site-inspections in the branch

1. Before carrying out on-site inspections referred to in paragraph 1 of Article 24 of Regulation (EU) No 909/2014, the competent authorities of the home and host Member States shall reach a common understanding on the terms and scope of the on-site inspection, including the following:

- (a) the respective roles and responsibilities;
- (b) the reasons for the on-site inspection.

2. The competent authorities of the home and host Member States shall inform each other of an on-site inspection of the branch of a CSD in a host Member State in accordance with paragraph 1 using the template set out in Table 2 of Annex III.

Article 9

Exchange of information on the CSD's activities in the host Member State

1. The request for information referred to in Article 24(3) of Regulation (EU) No 909/2014 shall be addressed by letter or email to the competent authority of the home Member State and shall include an explanation of the relevance of that information to the activities of that CSD in the host Member State.

2. The competent authority of the home Member State shall, without undue delay, communicate the information referred to in Article 24(3) of Regulation (EU) No 909/2014 by letter or email using the template in Table 3 of Annex III.

Article 10

CSD breach of obligations

1. For the purpose of the first subparagraph of Article 24(5) of Regulation (EU) No 909/2014, the competent authority of the host Member State shall refer its findings on a CSD's breaches to the competent authority of the home Member State and to ESMA using the template set out in Table 4 of Annex III.

2. The competent authority of the home Member State shall review the findings submitted by the competent authority of the host Member State and shall inform that authority of the measures it intends to take to address the breaches identified.

3. Where the matter is referred to ESMA in accordance with the third subparagraph of Article 24(5) of Regulation (EU) No 909/2014, the referring competent authority shall provide ESMA with all relevant information.

CHAPTER IV

RECORD KEEPING

(Article 29(4) of Regulation (EU) No 909/2014)

Article 11

Format of records

1. A CSD shall retain the records referred to in Article 54 of Delegated Regulation (EU) 2017/392, for all transactions, settlement instructions and orders concerning settlement restrictions that it processes, in the format set out in Table 1 in Annex IV to this Regulation.

2. A CSD shall retain the records referred to in Article 55 of Delegated Regulation (EU) 2017/392, for the positions corresponding to all the securities accounts that it maintains in the format set out in Table 2 in Annex IV.

3. A CSD shall retain the records referred to in Article 56(1) of Delegated Regulation (EU) 2017/392 for the ancillary services that it provides in the format set out in Table 3 in Annex IV.
4. CSD shall retain the records referred to in Article 57 of Delegated Regulation (EU) 2017/392 for activities related to its business and internal organisation in the format set out in Table 4 in Annex IV.
5. For the purposes of reporting to authorities, a CSD shall use a legal entity identifier (LEI) to identify in its records:
 - (a) a CSD;
 - (b) CSD participants;
 - (c) settlement banks;
 - (d) issuers for which the CSD provides the core services referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014.
6. A CSD shall use a legal entity identifier (LEI) or a bank identifier code (BIC), or other available form of identification for legal persons to identify in its records participants' clients, where they are known to the CSD.
7. A CSD may use any available identifier allowing for the unique identification of natural persons at national level, to identify in its records a participant's clients known to the CSD.
8. A CSD shall use in the records retained by it the ISO codes referred to in Annex IV.
9. A CSD may use a proprietary format only if this format can be converted without undue delay into an open format based on international open communication procedures and standards for messaging and reference data, for the purposes of making available its records to authorities in accordance with Article 29(2) of Regulation (EU) No 909/2014.
10. Upon request, a CSD shall provide the competent authority with information referred to in Articles 54 and 55 of Delegated Regulation (EU) 2017/392 by means of a direct data feed. A CSD shall be given sufficient time to implement the necessary measures to respond to such a request.

CHAPTER V

ACCESS

(Articles 33(6), 49(6), 52(4) and 53(5) of Regulation (EU) No 909/2014)

Article 12

Standard forms and templates for the access procedure

1. A requesting CSD and any other requesting party shall use the template provided in Table 1 of Annex V to this Regulation when submitting a request for access under Article 52(1) or under Article 53(2) of Regulation (EU) No 909/2014.
2. A receiving CSD and any other receiving party shall use the template provided in Table 2 of Annex V to this Regulation when granting access following a request for access under Article 52(1) or under Article 53(2) of Regulation (EU) No 909/2014.
3. A CSD shall use the template set out in Table 3 of Annex V to this Regulation when denying access in accordance with Article 33(3), 49(4), 52(2) or 53(3) of Regulation (EU) No 909/2014.
4. A CCP or a trading venue shall use the template in Table 4 of Annex V to this Regulation when denying access in accordance with Article 53(3) of Regulation (EU) No 909/2014.
5. A requesting party shall use the template in Table 5 of Annex V to this Regulation when submitting a complaint to the competent authority of the CSD that has denied access to it in accordance with Article 33(3), 49(4), 52(2) or 53(3) of Regulation (EU) No 909/2014.
6. A CSD shall use the template in Table 6 of Annex V to this Regulation when submitting a complaint to the competent authority of the CCP or the trading venue that has denied access to the CCP or the trading venue in accordance with Article 53(3) of Regulation (EU) No 909/2014.

7. The competent authorities referred to in paragraphs 5 and 6 shall use the template in Table 7 of Annex V to when consulting the following authorities on their assessment of the complaint, as appropriate:

- (a) the competent authority of the place of establishment of the requesting participant in accordance with the fourth subparagraph of Article 33(3) of Regulation (EU) No 909/2014;
- (b) the competent authority of the place of establishment of the requesting issuer in accordance with the fourth subparagraph of Article 49(4) of Regulation (EU) No 909/2014;
- (c) the competent authority of the requesting CSD and the relevant authority of the requesting CSD referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 in accordance with the fifth subparagraph of Article 52(2) of that Regulation;
- (d) the competent authority of the requesting CCP or trading venue in accordance with the fourth subparagraph of Article 53(3) of Regulation (EU) No 909/2014.

The authorities referred to in points (a) to (d) shall use the template in Table 8 of Annex V when responding to the consultation referred to in this paragraph.

8. The authorities referred to in points (a) to (d) of paragraph 7 shall use the template set out in Table 8 of Annex V to this Regulation if any of them decides to refer the matter to ESMA in accordance with the fourth subparagraph of Article 33(3), the fourth subparagraph of Article 49(4), the fifth subparagraph of Article 52(2) or the fourth subparagraph of Article 53(3) of Regulation (EU) No 909/2014.

9. The competent authorities referred to in paragraphs 5 and 6 shall provide the requesting party with a reasoned reply in the format set out in Table 9 of Annex V.

10. The authorities referred to paragraphs 7 and 8, and ESMA for the purposes of paragraph 9, shall agree on the working language for the communication referred to under paragraphs 7, 8, and 9. Where there is no agreement, the working language shall be a language customary in the sphere of international finance.

CHAPTER VI

PROCEDURE FOR AUTHORISATION TO PROVIDE BANKING-TYPE ANCILLARY SERVICES AND FINAL PROVISION

Article 13

List of authorities

Upon receipt of an application for the authorisations referred to in Article 54(2) of Regulation (EU) No 909/2014, the competent authority shall identify the authorities referred to in Article 55(4) of that Regulation and set up a list thereof.

Article 14

Transmission of information and request for a reasoned opinion

1. The competent authority shall transmit a request for the reasoned opinion referred to in Article 55(5) of Regulation (EU) No 909/2014 to the authorities referred to in points (a) to (e) of Article 55(4) of that Regulation using the template in Section 1 of Annex VI to this Regulation.

2. For each transmission referred to in Article 55(4) of Regulation (EU) No 909/2014 and request referred to in paragraph 1 of this Article, each authority referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014 shall immediately upon receipt confirm by email to the transmitting competent authority that it received the respective information.

3. If no confirmation of receipt is received in accordance with paragraph 2 of this Article, the competent authority shall itself contact the authorities referred to points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014, to ensure that the latter have received the information referred to in paragraph 1 of this Article.

*Article 15***Reasoned opinion and reasoned decision**

1. The authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014 shall issue the reasoned opinion to the competent authority using the template provided in Section 2 of Annex VI to this Regulation.
2. Where at least one of the authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014 issues a negative reasoned opinion and the competent authority wishing to grant the authorisation provides those authorities with the reasoned decision referred to in the second subparagraph of Article 55(5) of Regulation (EU) No 909/2014, the competent authority shall use the template provided in Section 3 of Annex VI to this Regulation.

*Article 16***Authorisation irrespective of negative reasoned opinion**

1. Where any of the authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014 decides to refer to ESMA the reasoned decision of the competent authority which wishes to grant the authorisation in accordance with the third subparagraph of Article 55(5) of that Regulation, the referring authority shall use the template provided in Section 4 of Annex VI to this Regulation.
2. The referring authority shall provide ESMA with all the information provided by the competent authority in accordance with Article 55(4) of Regulation (EU) No 909/2014, the reasoned opinions provided by the authorities in accordance with the first subparagraph of Article 55(5) of Regulation (EU) No 909/2014 and the reasoned decision issued by the competent authority in accordance with the second subparagraph of Article 55(5) of Regulation (EU) No 909/2014.
3. The referring authority shall provide, without undue delay, a copy of all information referred to in paragraph 2 of this Article to the authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014.

*Article 17***Entry into force and application**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 11(1) shall apply from the date of entry into force of the delegated acts adopted by the Commission pursuant to Articles 6(5) and 7(15) of Regulation (EU) No 909/2014, whichever is the latter.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 November 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX I

Forms and templates for the CSD application for authorisation

(Article 17(10) of Regulation (EU) No 909/2014)

Table 1

General information

Type of information	Format
Date of application	ISO 8601 date in the format YYYY-MM-DD
Corporate name of the applicant CSD	Free text
Identification of the applicant CSD	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code
Registered address of the applicant CSD	Free text
Securities settlement system(s) the applicant CSD operates or intends to operate	Free text
Contact details of the person responsible for the application (name, function, phone number, email address)	Free text
Contact details of the person(s) in charge of the applicant CSD's internal control and compliance function (name, function, phone number, email address)	Free text
List of all documents provided by the applicant CSD with unique reference numbers	Free text

Table 2

Document References

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
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A. General information on the applicant CSD (Articles 4-7 of Delegated Regulation (EU) 2017/392)**Identification and legal status of the CSD (Article 4 of Delegated Regulation (EU) 2017/392)**

An application for authorisation submitted according to Article 17 of Regulation (EU) No 909/2014 shall clearly identify the entity applying the activities and services that it intends to carry out

The corporate name of the applicant CSD, its LEI and legal address in the Union			
The memorandum and articles of association and other constitutional and statutory documentation			
An excerpt from the relevant commercial or court register, or other forms of certified evidence of the legal address and business activity of the applicant CSD that shall be valid at the date of the application			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
The identification of the securities settlement systems that the applicant CSD operates or intends to operate			
A copy of the decision of the management body regarding the application and the minutes of the meeting in which the management body approved the application file and its submission			
The contact details of the person responsible for the application			
A chart showing the ownership links between the parent undertaking, subsidiaries and any other associated entities or branches; the entities shown in the chart shall be identified by their full company name, legal status, legal address, and tax numbers or company registration numbers			
A description of business activities of the applicant CSD's subsidiaries and other legal persons in which the applicant CSD holds a participation, including information on the level of participation			
<p>A list containing:</p> <ul style="list-style-type: none"> (i) the name of each person or entity who, directly or indirectly, holds 5 % or more of the applicant CSD's capital or voting rights; (ii) the name of each person or entity that could exercise a significant influence over the applicant CSD's management due to its holding in the applicant CSD's capital 			
<p>A list containing:</p> <ul style="list-style-type: none"> (i) the name of each entity in which the applicant CSD holds 5 % or more of the entity's capital and voting rights; (ii) the name of each entity over whose management the applicant CSD exercises a significant influence, given the applicant CSD's holding of the entity's capital 			
A list of core services listed in Section A of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide			
A list of ancillary services explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide			
A list of any other ancillary services permitted under, but not explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014, that the applicant CSD is providing or intends to provide			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
A list of investment services and activities subject to Directive 2014/65/EU of the European Parliament and of the Council (1) which are not explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014 that the applicant CSD is providing or intends to provide			
A list of services the applicant CSD outsources or intends to outsource to a third party in accordance with Article 30 of Regulation (EU) No 909/2014			
The currency or currencies that the applicant CSD processes, or intends to process in connection with services the applicant CSD provides, irrespective of whether cash is settled on a central bank account, a CSD account, or an account at a designated credit institution;			
Information on any pending and final judicial or civil, administrative and arbitration or any other legal proceedings to which the applicant CSD is a party, and which may cause it financial or other costs.			

Where the applicant CSD intends to provide core services or to set up a branch in accordance with Article 23(2) of Regulation (EU) No 909/2014, information shall be provided as follows:

The Member State(s) in which the applicant CSD intends to operate			
A programme of operations stating in particular the services which the applicant CSD provides or intends to provide in the host Member State			
The currency or currencies that the applicant CSD processes or intends to process in that host Member State(s)			
Where the services will be provided through a branch, the organisational structure of the branch and the names of the persons responsible for its management			
Where relevant, an assessment of the measures that the applicant CSD intends to take to allow its users to comply with the national laws referred to in Article 49(1) of Regulation (EU) No 909/2014			
Where relevant, a description of the services or activities the applicant CSD outsources to a third party in accordance with Article 30 of Regulation (EU) No 909/2014			

Policies and procedures for regulatory compliance (Article 5 of Delegated Regulation (EU) 2017/392)

The job titles of the persons responsible for the approval and maintenance of the policies and procedures			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
A description of the measures implementing and monitoring the compliance with, the policies and procedures			
A description of the procedures put in place by the applicant CSD in compliance with any mechanism established in accordance with Article 65 of Regulation (EU) No 909/2014			

CSD Services and activities (Article 6 of Delegated Regulation (EU) 2017/392)

Detailed descriptions of the services and activities, and of procedures to be applied in the provision of the services and activities by the applicant CSD:

Core services specified under Section A of the Annex to Regulation (EU) No 909/2014			
Ancillary services explicitly listed in section B of the Annex to Regulation (EU) No 909/2014			
Any other ancillary services permitted under, but not explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014			
Investment services and activities subject to Directive 2014/65/EU referred to in the point above			

Information for groups (Article 7 of Delegated Regulation (EU) 2017/392)

Policies and procedures referred to in Article 26(7) of Regulation (EU) No 909/2014			
Information on the composition of the senior management, management body, and shareholders structure of the parent undertaking or other group undertakings			
Services, as well as key individuals other than senior management holding functions that the applicant CSD shares with other undertakings in by the group			

Where the CSD has a parent undertaking, information shall be provided as follows:

Identification of the legal address of the parent undertaking			
An indication of whether the parent undertaking is an entity that is authorised or registered and subject to supervision under Union or third country laws			
Where relevant, any relevant registration number and the name of the authority or authorities competent for the supervision of the parent undertaking			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
Where the applicant CSD has an agreement with an undertaking within the group, which provides services related to services provided by a CSD, a description and a copy of such agreement			

B. Financial resources for the provision of services by the applicant CSD (Article 8 of Delegated Regulation (EU) 2017/392)

Financial reports, business plan and recovery plan (Article 8 of Delegated Regulation (EU) 2017/392)

Financial reports including a complete set of financial statements for the preceding three years, and the statutory audit report on the annual and consolidated financial statements within the meaning of Directive 2006/43/EC of the European Parliament and of the Council (?), for the preceding three years			
The name and the national registration number of the external auditor			
A business plan, including a financial plan and an estimated budget, that foresees various business scenarios for the CSD services, over a reference period of at least three years			
Any plan for the establishment of subsidiaries and branches and their location			
A description of the business activities that the applicant CSD plans to carry out, including the activities of any subsidiaries or branches of the applicant CSD			

Where historical financial information referred to above is not available an application for authorisation shall contain the following information about the applicant CSD:

Evidence that demonstrates sufficient financial resources during six months after the granting of an authorisation			
An interim financial report where the financial statements are not yet available for the requested period of time			
A statement concerning the financial situation of the applicant CSD, such as a balance sheet, income statement, changes in equity and of cash flows and a summary of accounting policies and other relevant explanatory notes			
Where applicable, audited annual financial statements of any parent undertaking for the three financial years preceding the date of the application			
A description of an adequate recovery plan including:			
A summary that provides an overview of the plan and its implementation			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
An identification of the critical operations of the applicant CSD, stress scenarios and events triggering recovery, and a substantive description of recovery tools to be used by the applicant CSD			
Information about the assessment of any impacts of the recovery plan on various stakeholders that are likely to be affected by its implementation			
An assessment by the applicant CSD of the legal enforceability of the recovery plan that takes account of any legal constraints imposed by the Union, national or third country legislation			

C. Organisational requirements (Articles 9-17 of Delegated Regulation (EU) 2017/392)

Organisational chart (Article 9 of Delegated Regulation (EU) 2017/392)

Identity and tasks of the persons responsible for the following positions: (i) senior management; (ii) managers in charge of the operational roles; (iii) managers in charge of the activities of any branches of the applicant CSD; (iv) other significant roles in the operations of the applicant CSD.			
The number of staff members in each division and operational unit			

Staffing policies and procedures (Article 10 of Delegated Regulation (EU) 2017/392)

A description of the remuneration policy, which includes information about the fixed and variable elements of the remuneration of the senior management, the members of the management body and the staff employed in the risk management and compliance and internal control, technology and internal audit functions of the applicant CSD			
The measures put in place by the applicant CSD to mitigate the risk of over-reliance on the responsibilities entrusted to any individual person			

Risk monitoring tools and governance arrangements (Article 11 of Delegated Regulation (EU) 2017/392)

A description of the components of the governance arrangements of the applicant CSD			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
The policies, procedures and systems that identify, measure, monitor, manage and report the risks that the applicant CSD may be exposed to and the risks that the applicant CSD poses to any other entities;			
A description of the composition, role and responsibilities of the members of the management body and senior management and any committees established in accordance with Delegated Regulation (EU) 2017/392			
A description of the processes concerning the selection, appointment, performance evaluation and removal of senior management and members of the management body			
A description of the procedure used by the applicant CSD to make its governance arrangements and the rules governing its activity available to the public			

Where the applicant CSD adheres to a recognised corporate governance code of conduct:

The identification of the code of conduct (a copy of the code)			
An explanation for any situations where the applicant CSD deviates from the code			

Compliance, internal control and internal audit functions (Article 12 of Delegated Regulation (EU) 2017/392)

A description of the procedures for the internal reporting of infringements referred to in Article 26(5) of Regulation (EU) No 909/2014			
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Information regarding its internal audit policies and procedures including the following:

A description of the monitoring and evaluation tools for the adequacy and effectiveness of the applicant CSD's internal control systems			
A description of the control and safeguard tools for the applicant CSD's information processing systems			
An explanation concerning the development and application of its internal audit methodology			
A work plan for three years following the date of application			
A description of the roles and qualifications of each individual who is responsible for internal audit			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
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An application for authorisation shall contain the following information concerning the compliance and internal control function of the applicant CSD:

A description of the roles and qualifications of the individuals who are responsible for the compliance and internal control function and of any other staff involved in the assessments of compliance, including a description of the means to ensure the independence of the compliance and internal control function from the rest of the business units			
The policies and procedures of the compliance and internal control function including a description of the compliance role of the management body and senior management			
Where available, the most recent internal report prepared by the persons responsible for the compliance and internal control function or by any other staff involved in the assessments of compliance within the applicant CSD			

Senior management, management body and shareholders (Article 13 of Delegated Regulation (EU) 2017/392)

For each member of the senior management and member of the management body, the following information:

A copy of a curriculum vitae which sets out the experience and knowledge of each member			
Details regarding any criminal and administrative sanctions imposed on a member in connection with the provision of financial or data services or in relation to acts of fraud or misappropriation of funds in the form of an appropriate official certificate where available in the relevant Member State			
A self-declaration of good repute in relation to the provision of a financial or data service, including all the statements indicated in Article 13(1)(c) of Delegated Regulation (EU) 2017/392			

Information regarding the management body of the applicant CSD

An evidence of compliance with Article 27(2) of Regulation (EU) No 909/2014			
A description of the roles and responsibilities of the management body			

Information regarding the ownership structure and shareholders of the applicant CSD

A description of the ownership structure of the applicant CSD, including a description of the identity and size of interests of any entities in a position to exercise control over the operation of the applicant CSD			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
A list of the shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the applicant CSD			

Management of conflicts of interest (Article 14 of Delegated Regulation (EU) 2017/392)

Policies and procedures put in place to identify and manage potential conflicts of interest by the applicant CSD:

A description of the policies and procedures concerning the identification, management and disclosure to the competent authority of potential conflicts of interest and of the process used to ensure that the staff of the applicant CSD is informed of such policies and procedures			
A description of the controls and any other measures put in place to ensure that the requirements referred to in point (a) of Article 14(1) of Delegated Regulation (EU) 2017/392 on the management of conflicts of interest are met			
<p>A description of:</p> <ul style="list-style-type: none"> (i) the roles and responsibilities of key personnel, especially where they also have responsibilities in other entities; (ii) arrangements ensuring that individuals who have a permanent conflict of interest are excluded from the decision making process and from the receipt of any relevant information concerning the matters affected by the permanent conflict of interest; (iii) an up-to-date register of existing conflicts of interest at the time of the application and a description of how such conflicts of interest are managed. 			
<p>Where the applicant CSD is part of a group, the register referred to in point (c) (iii) of Article 14(1) of Delegated Regulation (EU) 2017/392 shall include a description of:</p> <ul style="list-style-type: none"> (a) the conflicts of interest arising from other undertakings within the group in relation to any service provided by the applicant CSD; and (b) the arrangements put in place to manage those conflicts of interest. 			

Confidentiality (Article 15 of Delegated Regulation (EU) 2017/392)

Policies and procedures preventing the unauthorised use or disclosure of confidential information as defined in Article 15 of Delegated Regulation (EU) 2017/392			
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Information concerning the access of staff to information held by the applicant CSD:

The internal procedures concerning permissions of access of staff to information that ensure secured access to data			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
A description of any restrictions on the use of data for reasons of confidentiality			

User committee (Article 16 of Delegated Regulation (EU) 2017/392)

Documents or information on each user committee:

The mandate of the user committee			
The governance arrangements of the user committee			
The operating procedures of the user committee			
The admission criteria and the election mechanism for the members of the user committee			
A list of the proposed members of the user committee and the indication of interests that they represent			

Record keeping (Article 17 of Delegated Regulation (EU) 2017/392)

Description of record-keeping systems of the applicant CSD, policies and procedures			
Information referred to in Article 17(2) of Delegated Regulation (EU) 2017/392 before the date of application of Article 54 of Delegated Regulation (EU) 2017/392			
An analysis of the extent to which the applicant CSD's existing record-keeping systems, policies and procedures are compliant with the requirements under Article 54 of Delegated Regulation (EU) 2017/392			
An implementation plan detailing how the applicant CSD plans to be compliant with the requirements under Article 54 of Delegated Regulation (EU) 2017/392 by the required date			

D. Conduct of business rules (Articles 18-22 of Delegated Regulation (EU) 2017/392)

Goals and objectives (Article 18 of Delegated Regulation (EU) 2017/392)

A description of goals and objectives of the applicant CSD.			
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Handling of complaints (Article 19 of Delegated Regulation (EU) 2017/392)

The procedures established by the applicant CSD for the handling of complaints			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
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Requirements for participation (Article 20 of Delegated Regulation (EU) 2017/392)

Information concerning the participation in the securities settlement system(s) operated by the applicant CSD:

The criteria for participation that allow fair and open access for all legal persons that intend to become participants in the securities settlement system(s) operated by the applicant CSD			
The procedures for the application of disciplinary measures against the existing participants that do not comply with the criteria for participation			

Transparency (Article 21 of Delegated Regulation (EU) 2017/392)

Information on the applicant CSD's pricing policy, including in particular the prices and fees for each core service provided by the applicant CSD and any existing discounts and rebates, as well as the conditions for such reductions			
A description of methods used to disclose the relevant information to clients and prospective clients in accordance with Article 34(1) to (5) of Regulation (EU) No 909/2014			
Information allowing the competent authority to assess how the CSD intends to comply with the requirements to account separately for costs and revenues in accordance with Article 34(7) of Regulation (EU) No 909/2014			

Communication procedures with participants and other market infrastructure (Article 22 of Delegated Regulation (EU) 2017/392)

Relevant information concerning the use by the applicant CSD of international open communication procedures and standards for messaging and reference data in its communication procedures with participants and other market infrastructures			
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E. Requirements for services provided by CSDs (Articles 23-30 of Delegated Regulation (EU) 2017/392)

Book-entry form (Article 23 of Delegated Regulation (EU) 2017/392)

Information concerning the processes that ensure the compliance of the applicant CSD with Article 3 of Regulation (EU) No 909/2014			
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Intended settlement dates and measures for preventing and addressing settlement fails (Article 24 of Delegated Regulation (EU) 2017/392)

Rules and procedures concerning the measures to prevent settlement fails			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
Details of the measures to address settlement fails			

If the application is made before the entry into force of the delegated acts adopted by the Commission on the basis of regulatory technical standards referred to in Articles 6(5) and 7(15) of Regulation (EU) No 909/2014

An analysis of the extent to which the applicant CSD's existing rules, procedures, mechanisms and measures comply with the requirements under the delegated acts adopted by the Commission on the basis of regulatory technical standards referred to in Articles 6(5) and 7(15) of Regulation (EU) No 909/2014.			
An implementation plan detailing how the CSD plans to be compliant with the requirements under the delegated acts adopted by the Commission on the basis of regulatory technical standards referred to in Articles 6(5) and 7(15) of Regulation (EU) No 909/2014 by the date of their entry into force			

Integrity of the issue (Article 25 of Delegated Regulation (EU) 2017/392)

Information concerning the CSD's rules and procedures for ensuring the integrity of securities issues			
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Protection of participants' and their clients' securities (Article 26 of Delegated Regulation (EU) 2017/392)

Information concerning the measures put in place to ensure the protection of the applicant CSD's participants' and their clients' securities, including:

The rules and procedures to reduce and manage the risks associated with the safekeeping of securities			
Detailed description of the different levels of segregation offered by the applicant CSD, including a description of the costs associated with each level, the commercial terms on which they are offered, their main legal implications and the applicable insolvency law			
Rules and procedures for obtaining the consents referred to Article 38(7) of Regulation (EU) No 909/2014			

Settlement finality (Article 27 of Delegated Regulation (EU) 2017/392)

Information concerning the rules on settlement finality			
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Cash settlement (Article 28 of Delegated Regulation (EU) 2017/392)

The procedures for the settlement of the cash payments for each securities settlement system that the applicant CSD operates			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
Information on whether the settlement of the cash payments is provided in accordance with Article 40(1) of Regulation (EU) No 909/2014			
Where applicable, explanation of why settlement in accordance with Article 40(1) of Regulation (EU) No 909/2014 is not practical and available			

Participant default rules and procedures (Article 29 of Delegated Regulation (EU) 2017/392)

The rules and procedures put in place to manage the default of a participant			
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Transfer of participants' and clients' assets in case of a withdrawal of authorisation (Article 30 of Delegated Regulation (EU) 2017/392)

Information concerning the procedures put in place by the applicant CSD that shall ensure the timely and orderly settlement and transfer of the assets of clients and participants to another CSD in the event of a withdrawal of its authorisation			
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F. Prudential requirements (Articles 31-35 of Delegated Regulation (EU) 2017/392)

Legal risks (Article 31 of Delegated Regulation (EU) 2017/392)

Information enabling the competent authority to assess that the rules, procedures, and contracts of the applicant CSD are clear, understandable and enforceable in all relevant jurisdictions in accordance with Article 43(1) and (2) of Regulation (EU) No 909/2014			
Where the applicant CSD intends to conduct business in different jurisdictions, information concerning the measures put in place to identify and mitigate the risks arising from potential conflicts of laws across jurisdictions in accordance with Article 43(3) of Regulation (EU) No 909/2014, including any legal assessment on which those measures are based.			

General business risks (Article 32 of Delegated Regulation (EU) 2017/392)

A description of the risk management and control systems as well as the IT tools put in place by the CSD to manage business risks			
Where applicable, the risk rating obtained from a third party, including any relevant information supporting that risk rating			

Operational risks (Article 33 of Delegated Regulation (EU) 2017/392)

Evidence demonstrating that the applicant CSD complies with the requirement for the management of operational risks in accordance with Article 45 of Regulation (EU) No 909/2014 and Chapter X of Delegated Regulation (EU) 2017/392			
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The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
<p>Information concerning the outsourcing by the applicant CSD of services or activities to third parties in accordance with Article 30 of Regulation (EU) No 909/2014, including:</p> <p>(a) Copies of the contracts governing the outsourcing arrangements of the applicant CSD</p> <p>(b) The methods used to monitor the service level of the outsourced services and activities</p>			

Investment policy (Article 34 of Delegated Regulation (EU) 2017/392)

<p>Evidence demonstrating that:</p> <p>(a) the applicant CSD holds its financial assets in accordance with Article 46(1), (2) and (5) of Regulation (EU) No 909/2014 and Chapter X of Delegated Regulation (EU) 2017/392,</p> <p>(b) the investments of the applicant CSD are compliant with Article 46(3) of Regulation (EU) No 909/2014 and in Chapter X of Delegated Regulation (EU) 2017/392</p>			
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Capital requirements (Article 35 of Delegated Regulation (EU) 2017/392)

<p>Information demonstrating that the capital of the applicant CSD, including retained earnings and reserves of the applicant CSD, meets the requirements of Article 47 of Regulation (EU) No 909/2014 and of Delegated Regulation (EU) 2017/392</p>			
<p>The plan referred to in Article 47(2) of Regulation (EU) No 909/2014 and any updates to that plan, and evidence of its approval by the management body or an appropriate committee of the management body of the applicant CSD</p>			

CSD Links (Article 36 of Delegated Regulation (EU) 2017/392)

<p>A description of the CSD links accompanied by assessments of link arrangements by the applicant CSD</p>			
<p>The expected or actual settlement volumes and values of the settlement performed within the CSD links</p>			
<p>The procedures concerning the identification, assessment, monitoring and management of all potential sources of risk for the applicant CSD and for its participants arising from the link arrangement and the appropriate measures put in place to mitigate them</p>			
<p>An assessment of the applicability of insolvency laws applicable to the operation of a CSD link and their implications for the applicant CSD</p>			

The scope of information to be submitted in accordance with the specific requirement of the delegated act with regard to regulatory technical standards specifying the details of the application for authorisation of CSDs adopted pursuant to Article 17(9) of Regulation (EU) No 909/2014	Unique reference number of the document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
Other relevant information necessary for assessing the compliance of CSD links with the requirements provided in Article 48 of Regulation (EU) No 909/2014 and Chapter XII of Delegated Regulation (EU) 2017/392			

G. Access to CSDs (Article 37 of Delegated Regulation (EU) 2017/392)

Access rules (Article 37 of Delegated Regulation (EU) 2017/392)

A description of procedures for dealing with requests for access from:

Legal persons that wish to become participants in accordance with Article 33 of Regulation (EU) No 909/2014 and Chapter XIII of Delegated Regulation (EU) 2017/392			
Issuers in accordance with Article 49 of Regulation (EU) No 909/2014 and Chapter XIII of Delegated Regulation (EU) 2017/392			
Other CSDs in accordance with Article 52 of Regulation (EU) No 909/2014 and Chapter XIII of Delegated Regulation (EU) 2017/392			
Other market infrastructures in accordance with Article 53 of Regulation (EU) No 909/2014 and Chapter XIII of Delegated Regulation (EU) 2017/392			

H. Additional information (Article 38 of Delegated Regulation (EU) 2017/392)

Additional information Article 38 of Delegated Regulation (EU) 2017/392)

Any additional information necessary for assessing whether, at the time of the authorisation, the applicant CSD complies with the requirements of Regulation (EU) No 909/2014 and the relevant delegated and implementing acts adopted under Regulation (EU) No 909/2014			
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(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 (OJ L 173, 12.6.2014, p. 349).

(2) Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

ANNEX II

Templates for submission of information for the review and evaluation

(Article 22(11) of Regulation (EU) No 909/2014)

Table 1

General information to be provided by a CSD

Type of information	Format
Date of submission of information	ISO 8601 date in the format YYYY-MM-DD
Date of the last review and evaluation	ISO 8601 date in the format YYYY-MM-DD
Corporate name of the CSD	Free text
Identification of the CSD	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code
Legal address of the CSD	Free text
Securities settlement system(s) operated by the CSD	Free text
Contact details of the person responsible of the review and evaluation process (name, function, phone number, email address)	Free text
Contact details of the person(s) responsible for the CSD's internal control and compliance function (name, function, phone number, email address)	Free text
List of all documents provided by the CSD with unique reference numbers	Free text
Report on the CSD's activities and the substantive changes made during the review period, including a declaration of overall compliance with the provisions of Regulation (EU) No 909/2014 and the relevant regulatory technical standards under Regulation (EU) No 909/2014, including with respect to each substantive change	Separate document

Table 2

Information related to periodic events

No	Type of information	The unique reference number of the document in which the information is included
1	A complete set of the latest audited financial statements of the CSD, including those consolidated at group level	
2	A summarised version of the most recent interim financial statements of the CSD	
3	Any decisions of the management body following the advice of the user committee, as well as any decisions where the management body has decided not to follow the advice of the user committee	

No	Type of information	The unique reference number of the document in which the information is included
4	Information on any pending civil, administrative or any other judicial or extrajudicial proceedings involving the CSD, in particular in relation to matters concerning tax and insolvency, or matters that may cause financial or reputational costs for the CSD, and any final decisions resulting from these proceedings	
5	Information on any pending civil, administrative or any other judicial or extrajudicial, proceedings involving a member of the management body or a member of the senior management that may have a negative impact on the CSD, and any final decisions resulting from these proceedings	
6	A copy of the results of business continuity stress tests or similar exercises performed during the review period	
7	A report on the operational incidents that occurred during the review period and affected the smooth provision of any core services provided, the measures taken to address them and the results thereof	
8	A report on the system's performance, including an assessment of the system's availability during the review period; the system's availability shall be measured on a daily basis as the percentage of time the system is available for settlement	
9	A summary of the types of manual intervention performed by the CSD	
10	Information concerning the identification of the CSD's critical operations, any substantive changes to its recovery plan, the results of stress scenarios, the recovery triggers and the recovery tools of the CSD	
11	Information on any formal complaints received by the CSD during the review period including information on: (i) the nature of the complaint; (ii) how the complaint was handled, including the outcome of the complaint; and (iii) the date when the treatment of the complaint ended.	
12	Information concerning the cases where the CSD denied access to its services to any existing or potential participant, any issuer, another CSD or another market infrastructure	
13	A report on the changes affecting any links established by the CSD, including changes to the mechanisms and procedures used for settlement in such CSD links	
14	Information concerning all cases of identified conflicts of interest that occurred during the review period, including the description of how they were managed	
15	Information concerning internal controls and audits performed by the CSD during the review period	
16	Information concerning any identified infringements of Regulation (EU) No 909/2014, including those identified through the reporting channel referred to in Article 26(5) of Regulation (EU) No 909/2014	

No	Type of information	The unique reference number of the document in which the information is included
17	Detailed information concerning any disciplinary actions taken by the CSD, including any cases of suspension of participants in accordance with Article 7(9) of Regulation (EU) No 909/2014 with a specification of the period of suspension and the reason for such suspension	
18	The general business strategy of the CSD covering a period of at least three years after the last review and evaluation and a detailed business plan for the services provided by the CSD covering at least a period of one year after the last review and evaluation	

Table 3

Statistical data

No	Type of data	Format
1	List of participants to each securities settlement system operated by the CSD, including information on their country of incorporation	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code (for each participant) + ISO 3166 2 character country code
2	List of issuers and a list of securities issues maintained by the CSD, including information on the country of incorporation of the issuers, and an identification of the issuers, highlighting to whom the CSD provides services referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code (for each issuer) ISO 3166 2 character country code ISO 6166 ISIN 12 character alphanumeric code (for each security issue) + Notary: Y/N + Central Maintenance: Y/N
3	Total market value and nominal value of the securities recorded in securities accounts centrally and non-centrally maintained in each securities settlement system operated by the CSD	Nominal value of securities: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character. Market value of securities: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.
4	Nominal and market value of the securities referred to in point 3 divided as follows: (i) by type of financial instruments, as follows: (a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU; (b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU; (c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than those mentioned under point (b);	For each type of financial instruments: a) SHRS (or more granular codes as provided by the CSD) — transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU b) SOVR (or more granular codes as provided by the CSD) — sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU; c) DEBT (or more granular codes as provided by the CSD) — transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than those mentioned under point (b);

No	Type of data	Format
	<p>(d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU;</p> <p>(e) exchange-traded funds (ETFs) referred to in Article 4(1)(46) of Directive 2014/65/EU;</p> <p>(f) units in collective investment undertakings, other than ETFs;</p> <p>(g) money-market instruments, other than those mentioned under point (b);</p> <p>(h) emission allowances;</p> <p>(i) other financial instruments.</p> <p>(ii) by country of incorporation of the participant; and</p> <p>(iii) by country of incorporation of the issuer.</p>	<p>d) SECU (or more granular codes as provided by the CSD) — transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU;</p> <p>e) ETFS (or more granular codes as provided by the CSD) — exchange-traded funds (ETFs);</p> <p>f) UCIT (or more granular codes as provided by the CSD) — units in collective investment undertakings, other than ETFs;</p> <p>g) MMKT (or more granular codes as provided by the CSD) — money-market instruments, other than those mentioned under point (b);</p> <p>h) EMAL (or more granular codes as provided by the CSD) — emission allowances;</p> <p>i) OTHR (or more granular codes as provided by the CSD) — others by country of incorporation of the participant (ISO 3166 2 character country code)/country of incorporation of the issuer (ISO 3166 2 character country code):</p> <p>Nominal value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p> <p>Market value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
5	<p>Nominal and market value of the securities initially recorded in each securities settlement system operated by the CSD</p>	<p>Nominal value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p> <p>Market value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
6	<p>Nominal and market value of the securities referred to in point 5 above, divided as follows:</p> <p>(i) by types of financial instruments;</p> <p>(ii) by country of incorporation of the participant;</p> <p>(iii) by country of incorporation of the issuer.</p>	<p>For each type of financial instruments (as referred to in point (4)/country of incorporation of the participant (ISO 3166 2 character country code)/country of incorporation of the issuer (ISO 3166 2 character country code):</p> <p>Nominal value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>

No	Type of data	Format
		<p>Market value of securities:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
7	<p>Total number and value of the settlement instructions against payment plus the total number and market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled in each securities settlement system operated by the CSD</p>	<p>Number of settlement instructions settled in each securities settlement system operated by the CSD:</p> <p>Up to 20 numerical characters reported as whole numbers without decimals.</p> <p>Value of settlement instructions settled in each securities settlement system operated by the CSD:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
8	<p>Total number and value of the settlement instructions referred to in point 7 divided as follows:</p> <ul style="list-style-type: none"> (i) by types of financial instruments referred to in point 4; (ii) by country of the incorporation of the participant; (iii) by country of incorporation of the issuer; (iv) by settlement currency; (v) by type of settlement instructions, as follows: <ul style="list-style-type: none"> (a) FOP settlement instructions that consist of deliver free of payment (DFP) and receive free of payment (RFP) settlement instructions; (b) delivery versus payment (DVP) and receive versus payment (RVP) settlement instructions; (c) delivery with payment (DWP) and receive with payment (RWP) settlement instructions; (d) payment free of delivery (PFOD) settlement instructions. (vi) for settlement instructions that have a cash leg, by whether cash settlement is performed in accordance with Article 40(1) of Regulation (EU) No 909/2014 in accordance with Article 40(2) of Regulation (EU) No 909/2014 	<p>For each type of financial instruments (as referred to in point (4)/ country of incorporation of the participant (ISO 3166 2 character country code)/country of incorporation of the issuer (ISO 3166 2 character country code)/settlement currency (ISO 4217 Currency Code, 3 alphabetical digits)/type of settlement instruction (DVP/RVP/DFP/RFP/DWP/RWP/PFOD)/settlement in central bank money (CBM)/commercial bank money (COM):</p> <p>Number of settlement instructions settled in each securities settlement system operated by the CSD:</p> <p>Up to 20 numerical characters reported as whole numbers without decimals.</p> <p>Value of settlement instructions settled in each securities settlement system operated by the CSD:</p> <p>Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>

No	Type of data	Format
9	Number and value of buy-in transactions referred to in Article 7(3) and (4) of Regulation (EU) No 909/2014	<p>Number of buy-in transactions: Up to 20 numerical characters reported as whole numbers without decimals.</p> <p>Value of buy-in transactions: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
10	Number and amount of penalties referred to in Article 7(2) of Regulation (EU) No 909/2014 per CSD participant	<p>For each CSD participant: Number of penalties: Up to 20 numerical characters reported as whole numbers without decimals.</p> <p>Amount of penalties: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.</p>
11	Total value of securities borrowing and lending operations processed by the CSD acting as an agent and as principal, as the case may be, divided per type of financial instruments referred to in point 4	<p>For each type of financial instruments (as referred to in point (4), the value of securities borrowing and lending operations processed by:</p> <p>a) CSD acting as an agent: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a - numerical character.</p> <p>b) CSD acting as principal: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a - numerical character.</p>
12	Total value of settlement instructions settled via each CSD link from the perspective of the CSD as: (a) requesting CSD; (b) receiving CSD.	<p>For each identified link:</p> <p>a) Requesting CSD perspective: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a - numerical character.</p> <p>b) Receiving CSD perspective: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a - numerical character.</p>

No	Type of data	Format
13	Value of guaranties and commitments related to securities borrowing and lending operations	Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.
14	Value of treasury activities involving foreign exchange and transferable securities related to managing participants' long balances including categories of institutions whose long balances are managed by the CSD	Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.
15	Number of reconciliation problems encountered according to undue creation or deletion of securities in the issue maintained by the CSD that met Article 65(2) of Delegated Regulation (EU) 2017/392	Up to 20 numerical characters reported as whole numbers without decimals.
16	Mean, median, and mode for the length of time taken to remedy the error identified according to Article 65(2) of Delegated Regulation (EU) 2017/392	<p>Mean: Up to 20 numerical characters including decimals (specifying whether the time refers to minutes/hours/days).</p> <p>Median: Up to 20 numerical characters including decimals (specifying whether the time refers to minutes/hours/days).</p> <p>Mode: Up to 20 numerical characters including decimals (specifying whether the time refers to minutes/hours/days).</p>

ANNEX III

Forms and templates for the cooperation between authorities of the home Member State and of the host Member State

(Article 24(8) of Regulation (EU) No 909/2014)

Table 1

Template for the exchange of information between the competent authority of the home Member State and the competent authority of the host Member State where a CSD has set up a branch

Field	Content	Frequency
Details concerning the review and evaluation of the CSD referred to in Article 22(1) of Regulation (EU) No 909/2014		
Information to be provided by the competent authority of the home Member State		
Corporate name of the CSD	name	when changes occur
Legal address of the CSD	address	when changes occur
List of services that the CSD provides in accordance with the Annex of Regulation (EU) No 909/2014	list	when changes occur
Structure and ownership of the group to which the CSD belongs	schema	when significant changes occur
Level of the capital of the CSD (where relevant, Tier 1 capital and total capital)	table	when significant changes occur
Organisation, management body and senior management of the CSD (including CVs)	description	when changes occur
Processes and arrangements for governance	description	when changes significantly impact the governance of the CSD
Details of the authorities involved in the supervision/oversight of the CSD	name/function	advance notification, where practicable, or as soon as possible
Information on any material threats to the CSD's ability to comply with Regulation (EU) No 909/2014 and relevant delegated and implementing regulations	description	advance notification, where practicable, or without undue delay
Sanctions and exceptional supervisory measures which may impact the activities of the CSD's branch	description	advance notification, where practicable, or without undue delay
Repo on major problems of performance or incidents and remedial actions taken which may impact the activities of the branch	description	when it occurs

Field	Content	Frequency
Difficulties in the CSD's operations that have potentially significant spill-over effects on the branch	Description	as soon as possible
Factors which suggest a potentially high risk of contagion from the operations of the CSD to the branch	description	as soon as possible
Extension of services or withdrawal of the authorisation	description	advance notification, where practicable, or as soon as possible
Headcount statistics	table	yearly basis
Financial data, such as balance sheet, profit and loss accounts	table	yearly basis
Size of the operations (assets under custody, revenues)	table	yearly basis
Risk Management Policy	description	when changes significantly impact the governance or risk management of the CSD
Where relevant for the branch, outsourcing agreements concerning the services provided by the branch	schema	when changes significantly impact the governance or risk management of the CSD
Other information for the purpose of fulfilling its mandate		Upon the request of the competent authority of the host Member State
Information to be provided by the competent authority of the host Member State		
Corporate name of the branch	name	when changes occur
Legal address of the branch	address	when changes occur
List of services provided through the branch in accordance with the Annex of Regulation (EU) No 909/2014	list	when changes occur
Organisation, senior management of the branch	description	when changes occur
Processes and arrangements specific to the governance of the branch	description	when changes significantly impact the governance or risk management of the CSD
Details of the authorities involved in the supervision/oversight of the branch	name/function	advance notification, where practicable, or as soon as possible
Information on any material threats to the ability of the CSD's branch to comply with Regulation (EU) No 909/2014 and relevant delegated and implementing regulations	description	advance notification, where practicable, or as soon as possible

Field	Content	Frequency
Sanctions and exceptional supervisory measures applied to the branch	description	advance notification, where practicable, or as soon as possible
Repo on major performance problems or incidents and remedial actions taken	description	when it occurs
Difficulties in the branch's operations that have potentially significant spill-over effects on the CSD	description	as soon as possible
Factors which suggest a potentially high risk of contagion from the operations of the branch to the operations of the CSD	description	as soon as possible
Headcount statistics of the branch	table	yearly basis
Financial data, such as balance sheet, profit and loss accounts concerning the branch	table	yearly basis
Other information for the purpose of fulfilling its mandate		Upon the request of the competent authority of the home Member State

Table 2

Template to be filled in by the competent authority carrying out on-site inspections of a branch of the CSD

Field	Content
Name of the competent authority requesting the on-site inspection	Name
Primary and secondary contact person of the competent authority requesting the on-site inspection	name, telephone number, email address, role
Name of the branch of the CSD where the on-site inspection will take place	name and address
Name of the CSD that has established the branch	Name
Where available, contact person of the CSD or the branch in charge of the on-site inspection	name, telephone number, email address, role
Name of the other competent authority	name
Primary and secondary contact person of the other competent authority	name, telephone number, email address, role
Scheduled date of the on-site inspection	YYYY/MM/DD — YYYY/MM/DD
Rationale for the on-site inspection	text
Underlying documents that are planned to be used in the context of the on-site inspection	list of documents

Table 3

Template to be filled in by the competent authority of the home Member State following the request FOR information by the competent authority of the host Member State

Field	Content
Corporate name of the CSD	name
Legal address of the CSD	address
List of services the CSD provides in accordance with the Annex to Regulation (EU) No 909/2014	list
Corporate name of the CSD participants as Legal Entities	list
Home country of the CSD participants (ISO 2-digit country code)	list
LEI of the issuers whose securities issues are recorded in securities accounts centrally or not centrally maintained by the CSD	list
Home country of issuers (ISO 2-digit country)	list
ISIN code of the issued securities constituted under the law of the host Member State initially recorded in the CSD of the home Member State	list
Market value or, if not available, nominal value of securities issued by issuers from the host Member State for which the CSD of the home Member State provides the core services referred to in point 1 or 2 of Section A of the Annex to of Regulation (EU) No 909/2014	figure
Market value or, if not available, nominal value of securities recorded in securities accounts not centrally maintained by the CSD of the home Member State for participants and other holders of securities accounts of the host Member State	figure
Value of the settlement instructions against payment plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State in relation to transactions in securities issued by issuers from the host Member State	figure
Value of the settlement instructions against payment plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State from participants as well as for other holders of securities accounts of the host Member State	figure
Other information for the purpose of fulfilling its mandate	

Table 4

Template to be filled in by the competent authority of the host Member State having clear and demonstrable grounds for believing that a CSD providing services within its territory in accordance with Article 23 of Regulation (EU) No 909/2014 is in breach of the obligations arising from the provisions of Regulation (EU) No 909/2014

Field	Content
Name of the competent authority of the host Member State	Name
Primary and secondary contact person of the competent authority of the host Member State	name, telephone number, email address, role
Name of the CSD that provides services in the host Member State considered to be in breach of its obligations	name and address

Field	Content
Contact person of the CSD that provides services in the host Member State considered to be in breach of its obligations	name, telephone number, email address, role
Name of the competent authority of the home Member State	name
Primary and secondary contact person of the competent authority of the home Member State	name, telephone number, email address, role
Where relevant, primary and secondary contact person of ESMA	name, telephone number, email address, role
Description of the grounds for believing that the CSD established in the home Member State providing services in the territory of the host Member State according to Article 23 of Regulation (EU) No 909/2014 is in breach of the obligations arising from the provisions of Regulation (EU) No 909/2014	text

ANNEX IV

Format of CSD records

(Article 29(4) of Regulation (EU) No 909/2014)

Table 1

Transaction/Settlement instructions (flow) records

No	Field	Format
1	Settlement instruction type	(a) DFP — deliver free of payment settlement instructions; (b) RFP — receive free of payment settlement instructions; (c) DVP — delivery versus payment settlement instructions and (d) RVP — receive versus payment settlement instructions; (e) DWP — delivery with payment settlement instructions; (f) RWP — receive with payment settlement instructions; (g) PFOD — payment free of delivery settlement instructions.
2	Transaction type	(a) TRAD — purchase or sale of securities; (b) COLI/COLO/CNCB — collateral management operations; (c) SECL/SECB — securities lending/borrowing operations; (d) REPU/RVPO/TRPO/TRVO/BSBK/SBBK — repurchase transactions; (e) OTHR (or more granular codes as provided by the CSD) — others.
3	Unique Instruction Reference of the participant	Unique instruction reference of the participant according to the CSD's rules
4	Trade date	ISO 8601 date in the format YYYY-MM-DD
5	Intended Settlement Date	ISO 8601 date in the format YYYY-MM-DD
6	Settlement timestamp	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
7	Timestamp of the moment of entry of the settlement instruction into the securities settlement system	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
8	Timestamp of the moment of irrevocability of the settlement instruction	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
9	Matching timestamp, where applicable	ISO 8601 date in the UTC time format YYYY-MM-DDThh:mm:ssZ
10	Securities account identifier	Unique securities account identifier provided by the CSD
11	Cash account identifier	Unique cash account identifier provided by the central bank or the CSD authorised in accordance with point (a) of Article 54(2) of Regulation (EU) No 909/2014 or a designated credit institution referred to in point (b) of Article 54(2) of Regulation (EU) No 909/2014
12	Settlement bank identifier	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities

No	Field	Format
13	Identifier of the instructing participant	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities
14	Identifier of the instructing participant's counterparty	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) (with the obligation to convert to LEI for the purposes of reporting to authorities)
15	Identifier of the instructing participant's client, where known to the CSD	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) or other available form of identification for legal persons Where available national identifier for natural persons (50 alphanumeric digits) which allows the unique identification of the natural person at a national level
16	Identifier of the client of the instructing participant's counterparty, where known to the CSD	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) or other available form of identification for legal persons Where available, national identifier for natural persons (50 alphanumeric digits) which allows the unique identification of the natural person at a national level
17	Securities identifiers	ISO 6166 ISIN 12 character alphanumeric code
18	Settlement currency	ISO 4217 Currency Code, 3 alphabetical digits
19	Settlement cash amount	Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character
20	Quantity or nominal amount of securities	Up to 20 numerical characters reported as whole numbers without decimals
21	Status of settlement instructions	<p>PEND — Pending instruction (settlement at the ISD is still possible)</p> <p>PENF — Failing instruction (settlement at the ISD is no longer possible)</p> <p>SETT — Full settlement</p> <p>PAIN — Partially settled</p> <p>CANS — Instruction cancelled by the system</p> <p>CANI — Instruction cancelled by the participant</p> <p>Remaining part of securities to be settled (if Status of the instruction is PAIN)</p> <p>Information on the remaining XXX amount of securities against YYY cash to be delivered</p> <p>Matching status</p> <p>MACH if matched or</p> <p>NMAT if the instruction is not matched</p>

No	Field	Format
		<p>Hold status of the instruction</p> <p>Possible values:</p> <p>PREA [Your InstructionOnHold]</p> <p>CSDH [CSD Hold]</p> <p>CVAL [CSDValidation]</p> <p>CDLR [ConditionalDeliveryAwaitingRelease]</p> <p>BLANK if not on hold</p> <p>Opt-out of partial settlement</p> <p>Possible values:</p> <p>NPAR if opt-out of partial settlement is activated</p> <p>BLANK if partial settlement is allowed</p> <p>Reason codes for not settled instructions (if Status of the instruction is PEND or PENF)</p> <p>BLOC AccountBlocked</p> <p>CDLR ConditionalDeliveryAwaitingRelease</p> <p>CLAC CounterpartyInsufficientSecurities</p> <p>CMON CounterpartyInsufficientMoney</p> <p>CSDH CSDHold</p> <p>CVAL CSDValidation</p> <p>FUTU AwaitingSettlementDate</p> <p>INBC IncompleteNumberCount</p> <p>LACK LackOfSecurities</p> <p>LATE MarketDeadlineMissed</p> <p>LINK PendingLinkedInstruction</p> <p>MONY InsufficientMoney</p> <p>OTHR Other</p> <p>PART TradeSettlesInPartials</p> <p>PRCY CounterpartyInstructionOnHold</p> <p>PREA YourInstructionOnHold</p> <p>SBLO SecuritiesBlocked</p> <p>CONF AwaitingConfirmation</p> <p>CDAC ConditionalDeliveryAwaitingCancellation</p>
22	Place of trading	<p>Populated by the MIC (ISO Market Identification Code) (ISO 10383) if the instruction is resulting from a trade concluded on a trading venue or blank for OTC transactions</p>
23	If applicable, place of clearing	<p>ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code of the CCP clearing the transaction, or Bank Identifier Code (BIC) of the CCP with the obligation to convert to LEI for the purposes of reporting to authorities</p>

No	Field	Format
24	<p>Where a buy-in process is initiated for a transaction, the following details regarding:</p> <p>a) the final results of the buy-in process (including the number and value of the bought-in financial instruments if the buy-in is successful);</p> <p>b) if applicable, payment of cash compensation (including the amount of the cash compensation);</p> <p>c) if applicable, cancellation of the initial settlement instruction.</p>	<p>Buy-in initiated: Y/N</p> <p>Buy-in successful: Y/N/P</p> <p>Number of bought-in financial instruments: Up to 20 numerical characters reported as whole numbers without decimals.</p> <p>Value of bought-in financial instruments: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character</p> <p>Payment of cash compensation: Y/N</p> <p>Amount of the cash compensation: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character</p> <p>Cancellation of the initial settlement instruction: Y/N</p>
25	For each settlement instruction that fails to settle on ISD, the amount of the penalties referred to in Article 7(2) of Regulation (EU) No 909/2014	Amount of penalties: Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character

Table 2

Position (stock) records

No	Field	Format
1	Identifiers of issuers for which the CSD provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) for legal persons with the obligation to convert to LEI for the purposes of reporting to authorities
2	Identifier of each securities issue for which the CSD provides the core service referred to in point 1 or 2 of Section A of the Annex to Regulation (EU) No 909/2014	ISO 6166 ISIN 12 character alphanumeric code
3	Identifier of each securities issue recorded in securities accounts not centrally maintained by the CSD	ISO 6166 ISIN 12 character alphanumeric code
4	Identifier of the issuer CSD or of the relevant third country entity performing similar functions to an issuer CSD for each securities issue referred to in point 3	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities
5	For each securities issue referred to in points 2 and 3, the law under which the securities recorded by the CSD are constituted	ISO 3166 2 character country code

No	Field	Format
6	Country of incorporation of the issuers of each securities issue referred to in points 2 and 3	ISO 3166 2 character country code
7	Issuers' securities accounts identifiers, in the case of issuer CSDs	Unique securities account identifier provided by the issuer CSD
8	Issuers' cash accounts identifiers, in the case of issuer CSDs	International Bank Account Number (IBAN)
9	Identifiers of settlement banks used by each issuer, in the case of issuer CSDs	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities
10	Participants' identifiers	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities
11	Participants' country of incorporation	ISO 3166 2 character country code
12	Participants' securities accounts identifiers	Unique securities account identifier provided by the CSD
13	Participants' cash accounts identifiers	Unique cash account identifier provided by the central bank
14	Identifiers of settlement banks used by the each participant	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code, or Bank Identifier Code (BIC) with the obligation to convert to LEI for the purposes of reporting to authorities
15	Country of incorporation of settlement banks used by each participant	ISO 3166 2 character country code
16	Type of securities accounts: (i) CSD participant's own account; (ii) CSD participant's client individual account; (iii) CSD participant's clients omnibus account.	OW = own account IS = individually segregated account OM = omnibus account
17	End of day balances of securities accounts for each ISIN	Files, documents
18	For each securities account and ISIN, the number of securities subject to settlement restrictions, type of restriction and, where relevant, the identity of the beneficiary of the restriction at the end of day	Files, documents
19	Records of settlement fails, as well as of the measures adopted by the CSD and its participants to improve settlement efficiency, in accordance with the delegated acts adopted by the Commission on the basis of regulatory technical standards referred to in Articles 6(5) and 7(15) of Regulation (EU) No 909/2014	Files, documents

Table 3

Ancillary services records

No.	Ancillary Services under Regulation (EU) No 909/2014	Types of records	Format
1	Organising a securities lending mechanism, as agent among participants of a securities settlement system	<ul style="list-style-type: none"> a) Identification of delivering/receiving parties, b) Details regarding each securities lending/borrowing operation, including volume and value of securities lent or borrowed, ISIN, c) Purpose of each securities lending/borrowing operations, d) Types of collateral, e) Collateral valuation. 	Files, documents
2	Providing collateral management services, as agent for participants in a securities settlement system	<ul style="list-style-type: none"> a) Identification of delivering/receiving parties, b) Details regarding each operation, including volume and value of securities, ISIN, c) Types of collateral used, d) Purpose of the use of collateral, e) Collateral valuation. 	Files, documents
3	Settlement matching, instruction routing, trade confirmation, trade verification	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides services, b) Types of operations, c) Details regarding each operation, including volume and value of securities serviced, ISIN. 	Files, documents
4	Services related to shareholders' registers	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides services, b) Types of services, c) Details regarding each operation, including volume and value of securities serviced, ISIN. 	Files, documents
5	Supporting the processing of corporate actions, including tax, general meetings and information services	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides services, b) Types of services, c) Details regarding each operation, including volume and value of securities/cash serviced, beneficiaries of the operation, ISIN. 	Files, documents
6	New issue services, including allocation and management of ISIN codes and similar codes	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services, c) Details regarding each operation, including ISIN. 	Files, documents

No.	Ancillary Services under Regulation (EU) No 909/2014	Types of records	Format
7	Instruction routing and processing, fee collection and processing and related reporting	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services, c) Details regarding each operation, including volume and value of securities/cash serviced, beneficiaries of the operation, ISIN, purpose of the operation. 	Files, documents
8	Establishing CSD links, providing, maintaining or operating securities accounts in relation to the settlement service, collateral management, other ancillary services	<ul style="list-style-type: none"> a) Details regarding the CSD links, including identification of CSDs, b) Types of services. 	Files, documents
9	Providing general collateral management services as an agent	<ul style="list-style-type: none"> a) Identification of delivering/receiving parties, b) Details regarding each operation, including volume and value of securities serviced, ISIN, c) Types of collateral, d) Purpose of collateral use, e) Collateral valuation. 	Files, documents
10	Providing regulatory reporting	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides reporting services, b) Types of services. c) Details regarding the data provided, including the legal basis and the purpose. 	Files, documents
11	Providing information, data and statistics to market/census bureaus or other governmental or inter-governmental entities	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides services, b) Types of services. c) Details regarding the data provided, including the legal basis and the purpose. 	Files, documents
12	Providing IT services	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services. c) Details regarding the IT services. 	Files, documents
13	Providing cash accounts to, and accepting deposits from, participants in a securities settlement system and holders of securities accounts, within the meaning of point 1 of Annex I of Directive 2013/36/EU of the European Parliament and of the Council ⁽¹⁾	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Cash accounts details, c) Currency, d) Deposits amounts, e) End of day balances of the cash accounts provided by the CSD or the designated credit institution (for each currency) 	Files, documents

No.	Ancillary Services under Regulation (EU) No 909/2014	Types of records	Format
14	Providing cash credit for reimbursement no later than the following business day, cash lending to pre-finance corporate actions and lending securities to holders of securities accounts, within the meaning of point 2 of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides services, b) Types of services c) Details regarding each operation, including volume and value of securities/cash serviced, ISIN, d) Types of collateral used, e) Collateral valuation, f) Purpose of operations, g) Information about any incidents in relation to such services and remedial actions, including follow-up. 	Files, documents
15	Payment services involving processing of cash and foreign exchange transactions, within the meaning of point 4 of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services, c) Details regarding each operation, including volume of cash, and purpose of operation. 	Files, documents
16	Guarantees and commitments related to securities lending and borrowing, within the meaning of point 6 of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services, c) Details regarding each operation, including volume and value of securities/cash, and purpose of operation. 	Files, documents
17	Treasury activities involving foreign exchange and transferable securities related to managing participants' long balances, within the meaning of points 7(b) and (e) of Annex I to Directive 2013/36/EU	<ul style="list-style-type: none"> a) Identification of the entities for which the CSD provides the services, b) Types of services, c) Details regarding each operation, including volume and value of securities/cash, and purpose of operation. 	Files, documents

(¹) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of 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 (OJ L 176, 27.6.2013, p. 338).

Table 4

Business records

No	Item	Format	Description
1	Organisational charts	Charts	Management body, senior management, relevant committees, operational units and all other units or divisions of the CSD

No	Item	Format	Description
2	Identities of the shareholders or persons (natural or legal persons), that exercise direct or indirect control over the management of the CSD or that hold participations in the capital of the CSD and the amounts of those holdings	S = Shareholder/M = Member D = Direct/I = Indirect N = Natural person/L = Legal person Amount of the holding = Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.	Shareholders or persons that exercise direct or indirect control over the management of the CSD or hold participations in the capital of the CSD (fields to be added for each of the relevant shareholder/person)
3	CSD participations in the capital of other legal entities	Free text Amount of the holding = Up to 20 numerical characters including decimals. At least one character before and one character after the decimal mark shall be populated. The decimal mark is not counted as a numerical character. The negative symbol, if populated, is not counted as a numerical character.	Identification of each legal entity (fields to be added for each legal entity)
4	Documents attesting the policies, procedures and processes required under the CSD's organisational requirements and in relation to the services provided by the CSD	Files, documents	
5	Minutes of management body meetings and of meetings of senior management committees and other committees of the CSD	Files, documents	
6	Minutes of the meetings of user committee(s)	Files, documents	
7	Minutes of the meetings with consultation groups composed of participants and clients, if any	Files, documents	
8	Internal and external audit reports, risk management reports, compliance and internal control reports, including responses from senior management to such reports	Files, documents	
9	All outsourcing contracts	Files, documents	
10	Business continuity policy and disaster recovery plan	Files, documents	

No	Item	Format	Description
11	Records reflecting all assets and liabilities and capital accounts of the CSD	Files, documents	
12	Records reflecting all costs and revenues, including costs and revenues which are accounted separately in accordance with Article 34(6) of Regulation (EU) No 909/2014	Files, documents	
13	Formal complaints received	Free text	For each formal complaint: information on complainant's name and address; date of receiving the complaint; names of all persons identified in the complaint; description of the nature of the complaint; content and outcome of the complaint; date when the complaint was resolved.
14	Information on any interruption or dysfunction of services	Free text	Records of any interruption or dysfunction of services, including a detailed report on the timing, effects of such interruption or dysfunction and remedial actions taken
15	Records of the results of the back and stress tests performed for the CSDs providing banking-type ancillary services	Files, documents	
16	Written communications with the competent authority, ESMA and relevant authorities	Files, documents	
17	Legal opinions received in accordance with the relevant provisions on organisational requirements provided in Chapter VII of Delegated Regulation (EU) 2017/392	Files, documents	
18	Legal documentation regarding CSD link arrangements in accordance with Chapter XII of Delegated Regulation (EU) 2017/392	Files, documents	
19	Tariffs and fees applied to the different services, including any discount or rebate	Free text	

ANNEX V

Forms and templates for access procedures

(Articles 33(6), 49(6), 52(4) and 53(5) of Regulation (EU) No 909/2014)

Table 1

Template for the request to establish a CSD link or for the request for access between a CSD and a CCP or a trading venue**I. General information**

Sender: requesting party	
Addressee: receiving party	
Date of request for access	
Reference number given by the requesting party	

II. Identification of requesting party

Corporate name of requesting party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the request (name, function, phone number, email address)	Name	Function	Phone	Email

III. Services that form the object of the request

Types of services	
Description of services	

IV. Identification of authorities

Name and contact details of the competent authority of the requesting party	Name	Function	Phone	Email
Name and contact details of the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014	Name	Function	Phone	Email

V. Any other relevant information and/or documents

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Table 2

Template for the response granting access following a request to establish a CSD link or a request for access between a CSD and a CCP or a trading venue

I. General information

Sender: receiving party	
Addressee: requesting party	
Date of request for access	
Reference number given by the requesting party	
Date of receipt of the request for access	
Reference number given by the receiving party	

II. Identification of the receiving CSD

Corporate name of receiving party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request (name, function, phone number, email address)	Name	Function	Phone	Email

III. Identification of the requesting party

Corporate name of the requesting party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the request (name, function, phone number, email address)	Name	Function	Phone	Email
Access granted	YES			

IV. Identification of authorities

Name and contact details of the competent authority of the receiving party (main liaison, name, function, phone number, email address)	Name	Function	Phone	Email
Name and contact details of the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 (main liaison, name, function, phone number, email address)	Name	Function	Phone	Email

V. Any other relevant information and/or documents

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Table 3

Template for the refusal of access to a CSD

I. General information				
Sender: receiving CSD				
Addressee: requesting party				
Date of request for access				
Reference number given by the requesting party				
Date of receipt of the request for access				
Reference number given by the receiving CSD				
II. Identification of the receiving CSD				
Corporate name of receiving CSD				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request for access	Name	Function	Phone	Email
III. Identification of the requesting party				
Corporate name of the requesting party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the request for access	Name	Function	Phone	Email
IV. Risk analysis of the request for access				
Legal risks resulting from the provision of services				
Financial risks resulting from the provision of services				
Operational risks resulting from the provision of services				
V. Outcome of the risk analysis				
Access would affect the risk profile of the CSD	YES		NO	
Access would affect the smooth and orderly functioning of the financial markets	YES		NO	
Access would cause systemic risk	YES		NO	

In case of refusal of access, a summary of the reasons for such a refusal	
Deadline for complaint by the requesting party to the competent authority of the receiving CSD	
Access granted	NO

VI. Identification of authorities

Name and contact details of the competent authority of the receiving CSD	Name	Function	Phone	Email
Name and contact details of the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014	Name	Function	Phone	Email

VII. Any other relevant information and/or documents

Table 4

Template for the refusal of access to the transaction feeds of a CCP or a trading venue

I. General information				
Sender: receiving party				
Addressee: requesting CSD				
Date of request for access				
Reference number given by the requesting CSD				
Date of receipt of the request for access				
Reference number given by the receiving party				
II. Identification of the receiving party				
Corporate name of receiving party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request for access (name, function, phone number, email address)				
III. Identification of the requesting CSD				
Corporate name of the requesting CSD				

Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the request for access (name, function, phone number, email address)				
IV. Risk analysis of the request for access				
Risks resulting from the provision of services				
V. Outcome of the risk analysis				
Access would affect the smooth and orderly functioning of the financial markets	YES	NO		
Access would cause systemic risk	YES	NO		
A summary of the reasons for such a refusal				
Deadline for complaint by the requesting CSD to the competent authority of the receiving party				
Access granted	NO			
VI. Identification of authorities				
Name and contact details of the competent authority of the receiving party (main liaison, name, function, phone number, email address)	Name	Function	Phone	Email
Name and contact details of the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 (main liaison, name, function, phone number, email address)	Name	Function	Phone	Email
VII. Any other relevant information and/or documents				

Table 5

Template for the complaint for refusal of access to a CSD

I. General information	
Sender: requesting party	
Addressee: competent authority of receiving CSD	
Date of request for access	
Reference number given by the requesting party	
Date of receipt of request for access	
Reference number given by the receiving CSD	

II. Identification of the requesting party

Corporate name of requesting party

Country of origin

Legal address

LEI

Name and contact details of the person responsible for the request for access (name, function, phone number, email address)

III. Identification of the receiving CSD

Corporate name of the receiving CSD

Country of origin

Legal address

Name and contact details of the person responsible for the assessment of the request for access

Name

Function

Phone

Email

IV. Comments of the requesting party in relation to the risk assessment of the request for access conducted by the receiving CSD and the reasons for refusal of access

Comments of the requesting party on the legal risks resulting from the provision of services

Comments of the requesting party on the financial risks resulting from the provision of services

Comments of the requesting party on the operational risks resulting from the provision of services

Comments of the requesting party concerning the refusal to provide the services referred to in point (1) of Section A of the Annex to Regulation (EU) No 909/2014 applicable to the specific issue of securities.

Comments of the requesting party on the reasons of the receiving party for refusal of access

Any relevant additional information

V. Annexes

Copy of the initial application for access submitted by the requesting party to the receiving CSD

Copy of the response of the receiving CSD to the initial request for access

VI. Any other relevant information and/or documents

Table 6

Template for the complaint for refusal of access to the transaction feeds of a CCP or a trading venue

I. General information

Sender: requesting CSD	
Addressee: competent authority of receiving party	
Date of request for access	
Reference number given by the requesting CSD	
Date of receipt of request for access	
Reference number given by the receiving party	

II. Identification of the requesting CSD

Corporate name of requesting CSD	
Country of origin	
Legal address	
LEI	
Name and contact details of the person responsible for the request for access (name, function, phone number, email address)	

III. Identification of the receiving party

Corporate name of receiving party									
Country of origin									
Legal address									
Name and contact details of the person responsible for the assessment of the request for access	<table border="1"> <thead> <tr> <th>Name</th> <th>Function</th> <th>Phone</th> <th>Email</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Name	Function	Phone	Email				
Name	Function	Phone	Email						

IV. Comments of the requesting CSD in relation to the risk assessment of the request for access conducted by the receiving party and the reasons for refusal of access

Comments of the requesting CSD on the risks resulting from the provision of services	
Comments of the requesting CSD on the reasons of the receiving party for refusal of access	
Any relevant additional information	

V. Annexes

Copy of the initial application for access submitted by the requesting CSD to the receiving party

Copy of the response of the receiving party to the initial request for access

VI. Any other relevant information and/or documents

Table 7

Template for the consultation of other authorities on the assessment of refusal of access or for referral to ESMA

I. General information

Sender: competent authority of the receiving party	
Addressee: (a) the competent authority of the place of establishment of the requesting participant; or (b) the competent authority of the place of establishment of the requesting issuer; or (c) the competent authority of the requesting CSD and the relevant authority of the requesting CSD referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014; or (d) the competent authority of the requesting CCP or trading venue and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014; or (e) ESMA (in case of referral to ESMA)	
Date of the request for access	
Reference number given by the requesting party	
Date of receipt of the request for access	
Reference number given by the receiving party	
Date of receipt of refusal of access complaint	
Reference number given by the competent authority of the receiving party	

II. Identification of authorities

Name and contact details of the competent authority of the receiving party	Name	Function	Phone	Email
Where applicable, name and contact details of the relevant authority of the receiving party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014	Name	Function	Phone	Email

III. Identification of the requesting party

Corporate name of requesting party	
Country of origin	
Legal address	
LEI	
Name and contact details of the person assuming the responsibility of the request for access (name, function, phone number, email address)	

IV. Identification of the receiving party

Corporate name of receiving party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request for access	Name	Function	Phone	Email

V. Assessment by the competent authority of the receiving party

Comments of the competent authority concerning: (a) the reasons of the receiving party for refusal of access, and (b) the arguments of the requesting party				
Where applicable, comments of the relevant authority of the receiving party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014				
Refusal to grant access is deemed unjustified	YES		NO	
Reasons provided by the competent authority of the receiving party in support of its assessment				

VI. Annexes

Copy of the initial application for access submitted by the requesting party to the receiving party

Copy of the response of the receiving party to the initial request for access

Copy of the complaint from the requesting party regarding the refusal of access

VII. Any other relevant information and/or documents

Table 8

Template for the response to the consultation by the competent authority or other authorities on the assessment of refusal of access, and for referral to ESMA

I. General information

Sender: (a) the competent authority of the place of establishment of the requesting participant; or (b) the competent authority of the place of establishment of the requesting issuer; or (c) the competent authority of the requesting CSD and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014; or (d) the competent authority of the requesting CCP or trading venue and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014.	
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Addressee: (a) competent authority of the receiving party; or (b) ESMA	
Date of the request for access	
Reference number given by the requesting party	
Date of receipt of the request for access	
Reference number given by the receiving party	
Date of receipt of the complaint for refusal of access	
Reference number given by the competent authority of the receiving party	
Date of receipt of the assessment provided by the competent authority to the receiving party	
Reference number given by the competent authority of the requesting party	

II. Identification of the authority that submits the response to the assessment by the competent authority of the receiving party

Name and contact details of:	Name	Function	Phone	Email
(a) the competent authority of the place of establishment of the requesting participant; or (b) the competent authority of the place of establishment of the requesting issuer; or (c) the competent authority of the requesting CSD and the relevant authority of the requesting CSD referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014; or (d) the competent authority of the requesting CCP or trading venue and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014.				

III. Identification of the requesting party

Corporate name of requesting party	
Country of origin	
Legal address	
LEI	
Name and contact details of the person responsible for the request for access (name, function, phone number, email address)	

IV. Identification of the receiving party

Corporate name of receiving party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request for access	Name	Function	Phone	Email

V. Assessment by the competent authority of the receiving party

Comments concerning: (a) the reasons of the receiving party for refusal of access; (b) the arguments provided by the requesting party; (c) the reasons provided by the competent authority of the receiving party in support of its assessment.			
Refusal to grant access is deemed unjustified	YES	NO	
Reasons provided by the authority in support of its assessment			

VI. Where relevant, assessment by the relevant authority of the requesting party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014

Comments concerning: (a) the reasons of the receiving party for refusal of access; (b) the arguments provided by the requesting party; (c) the reasons provided by the competent authority of the receiving party in support of its assessment.			
Refusal to grant access is deemed unjustified	YES	NO	
Reasons provided by the authority in support of its assessment			

VII. Annexes

Copy of the complaint of the requesting party regarding the refusal of access, including a copy of the information provided under Annex I

Copy of the assessment by the competent authority of the receiving party of the complaint launched by the requesting party concerning the refusal of access, including a copy of the information provided under Annex II

VIII. Any other relevant information and/or documents

Table 9

Template for the response to the complaint for refusal of access**I. General information**

Sender: competent authority of the receiving party	
Addressees: (a) requesting party; (b) receiving party; (c) the competent authority of the place of establishment of the requesting participant; or (d) the competent authority of the place of establishment of the requesting issuer; or (e) in case of CSD links, the competent authority of the requesting CSD and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014; or (f) in case of access by a trading venue or a CCP, the competent authority of the requesting CCP or trading venue and the relevant authority referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014.	
Date of the request for access	
Reference number given by the requesting party	
Date of receipt of the request for access	
Reference number given by the receiving party	
Date of receipt of the complaint for refusal of access	
Reference number given by the competent authority of the receiving party	
Date of receipt of the assessment by the competent authority of the requesting party and, where applicable, of the relevant authority of the requesting party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014	
Reference number given by the competent authority of the requesting party or, where applicable, of the relevant authority of the requesting party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014	

II. Identification of the authority submitting the response to the complaint concerning a refusal of access

Name and contact details of the competent authority of the receiving party	Name	Function	Phone	Email
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III. Identification of the requesting party

Corporate name of requesting party	
Country of origin	
Legal address	
LEI	
Name and contact details of the person responsible for the request for access (name, function, phone number, email address)	

IV. Identification of receiving party

Corporate name of receiving party				
Country of origin				
Legal address				
LEI				
Name and contact details of the person responsible for the assessment of the request for access	Name	Function	Phone	Email

V. Assessment by the competent authority of the receiving party

Comments concerning: (a) the reasons of the receiving party for refusal of access; (b) the arguments provided by the requesting party; (c) the reasons provided by the authority of the requesting party in support of its assessment.				
Where applicable, comments of the relevant authority of the receiving party referred to in point (a) of Article 12(1) of Regulation (EU) No 909/2014 concerning: (a) the reasons of the receiving party for refusal of access; (b) the arguments provided by the requesting party; (c) the reasons provided by the authority of the requesting party in support of its assessment.				
Refusal to grant access is deemed unjustified	YES		NO	
Reasons provided by the competent authority of the receiving party in support of its assessment				

VI. Order requiring the receiving party to grant access to the requesting party

When the refusal to grant access is deemed unjustified, a copy of the order requiring the receiving party to grant access to the requesting party, including the applicable deadline for compliance.

VII. Any other relevant information and/or documents

ANNEX VI

Forms and templates for the consultation of authorities prior to granting authorisation to provide banking-type ancillary services

(Article 55(8) of Regulation (EU) No 909/2014)

SECTION 1

Template for transmitting the relevant information and requesting of issuance of a reasoned opinion

[Name of the competent authority responsible for assessing the application for authorisation]

Contact details of the competent authority responsible for assessing the application for authorisation

Name of person(s) responsible for further contacts:

Function:

Telephone number:

Email address:

- (1) On [date of submission of the application for authorisation], [Name of the applicant CSD] submitted its application for authorisation to [designate a credit institution to provide/provide] ⁽¹⁾ banking-type ancillary services to [Name of the competent authority responsible for assessing the application for authorisation] in accordance with Article 55(1) of Regulation (EU) No 909/2014.
- (2) [Name of the competent authority responsible for assessing the application for authorisation] has examined the completeness of the application and considers it to be complete.
- (3) [Name of the competent authority responsible for assessing the application for authorisation] hereby transmits all the information included in the application, attached as an Annex [Competent Authority should ensure this information is sent as an Annex to this letter], to all authorities referred to in Article 55(5) of Regulation (EU) No 909/2014, and requests a reasoned opinion from the authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014 within 30 days from the date of receipt of this letter. It is required from each authority to acknowledge receipt of this application and related information attached on the day of receipt. Where an authority does not provide an opinion within 30 days, it shall be deemed to have a positive opinion.

Done at on [insert date]

On behalf of [Name of competent authority responsible for assessing the application for authorisation],

[signature]

The list of Addressees, including authorities entitled to issue a reasoned opinion:

1. [Competent Authority to list the Authorities referred to in Article 55(4) of Regulation (EU) No 909/2014]

SECTION 2

Reasoned opinion template

[Name of the authority issuing the reasoned opinion]

Contact details of the authority issuing a reasoned opinion

Name of person(s) responsible for further contacts:

Function:

⁽¹⁾ The appropriate reference should be used, depending on the case and the specific entity should be identified.

Telephone number:

Email address:

- (1) On [date of submission of the application for authorisation], [Name of the applicant CSD] submitted its application for authorisation to [designate a credit institution/provide] ^(?) banking-type ancillary services to [Name of the competent authority responsible for assessing the application for authorisation] in accordance with Article 55(1) of Regulation (EU) No 909/2014.
- (2) [Name of the Competent Authority] has examined the completeness of the application, transmitted the information included in the application to [provide list of authorities, including the EBA and ESMA, and required a reasoned opinion from [the authority concerned] in accordance with Article 55(5) of Regulation (EU) No 909/2014. The request was received on [date ...].
- (3) Having regard to Article 55(5) of Regulation (EU) No 909/2014, [Name of the authority concerned issuing the reasoned opinion] is hereby issuing this reasoned opinion on the application.

Reasoned opinion: [choose one option: Positive or Negative]

[Full and detailed justification in case of a negative reasoned opinion ...]

Done at on [insert date]

On behalf of [Name of the authority issuing the opinion],

[signature]

SECTION 3

Template for the reasoned decision addressing a negative reasoned opinion

[Name of the home competent authority responsible for assessing the application for authorisation]

Contact details of the competent authority responsible for assessing the application for authorisation

Name of person(s) responsible for further contacts:

Function:

Telephone number:

Email address:

- (1) On [date of submission of application for authorisation], [Name of the applicant CSD] submitted its application for authorisation to [designate a credit institution/provide] ^(?) banking-type ancillary services to [Name of the competent authority responsible for assessing the application for authorisation] in accordance with Article 55(1) of Regulation (EU) No 909/2014.
- (2) [Name of the competent authority responsible for assessing the application for authorisation] has examined the completeness of the application, transmitted the information included in the application to [all authorities mentioned in Article 55(4) of Regulation (EU) No 909/2014], and required a reasoned opinion from [all entitled authorities identified by the competent authority in accordance with points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014.

^(?) See footnote 1.

- (3) Having regard to the negative reasoned opinion(s) issued in accordance with Article 55(5) of Regulation (EU) No 909/2014 on the application by:
- [Name of authority concerned having issued an opinion] on [date of the reasoned opinion];
 - [Name of authority concerned having issued an opinion] on [date of the reasoned opinion];
 - ...
- (4) [Name of the competent authority responsible for assessing the application for authorisation] has closely examined the reasoned opinion(s) and is hereby issuing this reasoned decision in accordance with Article 55(5) of Regulation (EU) No 909/2014.

Reasoned decision addressing the negative opinion(s):

[Choose one option] Proceed/Not Proceed to grant authorisation

[Reasons and justification for determining the reasoned decision...]

Done at on [insert date]

On behalf of [Name of the competent authority responsible for assessing the application for authorisation]

[signature]

[attachment: a copy of the decision]

SECTION 4

Template for the request for ESMA assistance

[Name of the authority referring the matter to ESMA]

Contact details of the authority referring the matter to ESMA

Name of person(s) responsible for further contacts:

Function:

Telephone number:

Email address:

- (1) On [date of submission of the application for authorisation], [Name of the applicant CSD] submitted its application for authorisation to [designate a credit institution/provide] (?) banking-type ancillary services to [Name of the competent authority responsible for assessing the application for authorisation] in accordance with Article 55(1) of Regulation (EU) No 909/2014,
- (2) [Name of the competent authority responsible for assessing the application for authorisation] has examined the completeness of the application, transmitted the information included in the application [all authorities listed in Article 55(4) of Regulation (EU) No 909/2014], and required a reasoned opinion from [authorities listed in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014] in accordance with Article 55(4) of Regulation (EU) No 909/2014.
- (3) Having regard to the negative reasoned opinion(s) issued in accordance with Article 55(5) of Regulation (EU) No 909/2014 on the application by:
- [Name of authority concerned that had issued a negative reasoned opinion] on [date of the reasoned opinion],
 - [Name of Authority concerned that had issued a negative reasoned opinion] on [date of the reasoned opinion],
 - ...

(?) See footnote 1.

- (4) Having regard to the reasoned decision to proceed to grant authorisation by [Name of the competent authority responsible for assessing the application for authorisation] on [date of issuing a reasoned decision concerning the opinion] addressing the aforementioned negative reasoned opinion(s) in accordance with Article 55(5) of Regulation (EU) No 909/2014,
- (5) Having regard to the absence of agreement over the assessment of the application for authorisation by the competent authority and the authorities referred to in points (a) to (e) of Article 55(4) of Regulation (EU) No 909/2014, despite further attempts to reach such an agreement,
- (6) In accordance with Article 55(5) of Regulation (EU) No 909/2014, [name of the authority issuing the request for ESMA assistance] hereby refers the matter to ESMA for assistance, provides ESMA with a copy of the aforementioned application, reasoned opinion(s), and decision, and requests ESMA to proceed in accordance with Article 31 of Regulation (EU) No 1095/2010 within 30 days of receipt by ESMA of this referral.

Reasons for request:

[Reasons for the referral to ESMA]

Done at on [insert date]

On behalf of [Name of authority referring the matter to ESMA]

[signature]

Done at on [insert date]

On behalf of [Name of authority referring the matter to ESMA]

[signature]

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