



UK regulators' proposals for applying the UK Central Securities Depository Regulation to firms in the Digital Securities Sandbox

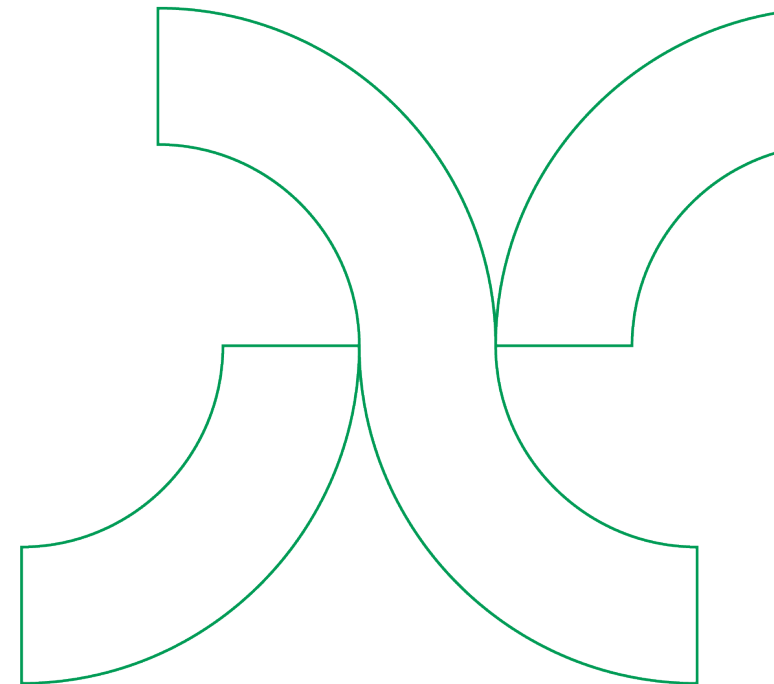
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UK regulators' proposals for applying the UK Central Securities Depository Regulation to firms in the Digital Securities Sandbox

The following table illustrates how the Bank of England and FCA propose, in their joint consultation paper published in April 2024, to modify the application of the UK Central Securities Depository Regulation to digital securities depositories (DSDs) within the UK's digital securities sandbox.

Column one sets out the current provisions of the UK CSDR. Column two highlights the changes made to the UK CSDR by the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023. These changes create what we refer to as a DSS CSDR. Column three then illustrates how the DSS CSDR applies to DSDs at gate 2 of the sandbox and the final column indicates the anticipated end state rules for DSDs.

This table is based on the FCA and Bank of England's April 2024 consultation and as such, the ultimate application of the UK CSDR to DSDs remains subject to change.



ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 1 Subject matter and scope	<p>1. This Regulation lays down requirements for the settlement of financial instruments in the United Kingdom and rules on the organisation and conduct of central securities depositories (CSDs) to promote safe, efficient and smooth settlement.</p> <p>2. This Regulation applies to the settlement of all financial instruments and activities of CSDs unless otherwise specified in this Regulation.</p> <p>3.</p> <p>4. Articles 10 to 20, 22 to 24 and 27, Article 28(6), Article 30(4) and Articles 46 and 47, the provisions of Title IV and the requirements to report to competent authorities or to comply with their orders under this Regulation, do not apply to the Bank of England or to other public bodies charged with or intervening in the management of public debt in the United Kingdom in relation to any CSD which the aforementioned bodies directly manage under the responsibility of the same management body, which has access to the funds of those bodies and which is not a separate entity.</p>	<p>1. This Regulation lays down requirements for the settlement of financial instruments in the United Kingdom and rules on the organisation and conduct of central securities depositories (CSDs) to promote safe, efficient and smooth settlement.</p> <p>2. This Regulation applies to the settlement of all financial instruments and activities of CSDs unless otherwise specified in this Regulation.</p> <p>3.</p> <p>4. Articles 10 to 20, 22 to 24 and 27, Article 28(6), Article 30(4) and Articles 46 and 47, the provisions of Title IV and the requirements to report to competent authorities or to comply with their orders under this Regulation, do not apply to the Bank of England or to other public bodies charged with or intervening in the management of public debt in the United Kingdom in relation to any CSD which the aforementioned bodies directly manage under the responsibility of the same management body, which has access to the funds of those bodies and which is not a separate entity.</p>	Remains in the DSS CSDR	Remains in the DSS CSDR
Article 2 Definitions	<p>1. For the purposes of this Regulation, the following definitions apply:</p> <p>(1) 'central securities depository' or 'CSD' means a legal person established in the United Kingdom that operates a securities settlement system referred to in point (3) of Section A of the Annex and provides at least one other core service listed in Section A of the Annex;</p> <p>(2) 'third-country CSD' means any legal entity established in a third country that provides a similar service to the core service referred to in point (3) of Section A of the Annex and performs at least one other core service listed in Section A of the Annex;</p> <p>(3) 'immobilisation' means the act of concentrating the location of physical securities in a CSD or third-country CSD in a way that enables subsequent transfers to be made by book entry;</p> <p>(4) 'dematerialised form' means the fact that financial instruments exist only as book entry records;</p> <p>(5) 'receiving CSD' means the CSD which receives the request of another CSD or third-country CSD to have access to its services through a CSD link;</p> <p>(6) 'requesting CSD' means the CSD or third-country CSD which requests access to the services of a CSD through a CSD link;</p>	<p>1. For the purposes of this Regulation, the following definitions apply:</p> <p>(1) 'central securities depository' or 'CSD' means a legal person established in the United Kingdom that operates a securities settlement system referred to in point (3) of Section A of the Annex and provides at least one other core service listed in Section A of the Annex;</p> <p><i>Treat the definition of "central securities depository" or "CSD" as including a sandbox entrant that is approved to carry-out DSS activities under regulation 3(5)(b).</i></p> <p>(2) 'third-country CSD' means any legal entity established in a third country that provides a similar service to the core service referred to in point (3) of Section A of the Annex and performs at least one other core service listed in Section A of the Annex;</p> <p>(3) 'immobilisation' means the act of concentrating the location of physical securities in a CSD or third-country CSD in a way that enables subsequent transfers to be made by book entry;</p> <p><i>Treat the definition of "immobilisation" as excluding the word "physical".</i></p>	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations

ARTICLE	UK CSDR	DSS CSD	GATE 2 BANK RULES	END STATE RULES
Article 2 Definitions	<p>(7) 'settlement' means the completion of a securities transaction where it is concluded with the aim of discharging the obligations of the parties to that transaction through the transfer of cash or securities, or both;</p> <p>(8) 'financial instruments' or 'securities' means financial instruments as specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001</p> <p>(9) 'transfer order' means a transfer order as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 at paragraph (b) of the definition thereof;</p> <p>(10) 'securities settlement system' means a system in relation to which a designation order made under regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1997 is in force that is not operated by a recognised clearing house whose activity consists of the execution of transfer orders;</p> <p>(10A) 'SSS' means a securities settlement system or a similar service operated by a CSD or third-country CSD;</p> <p>(11) 'settlement internaliser' means any institution which executes transfer orders on behalf of clients or on its own account other than through a securities settlement system;</p> <p>(12) 'intended settlement date' means the date that is entered into the securities settlement system as the settlement date and on which the parties to a securities transaction agree that settlement is to take place;</p> <p>(13) 'settlement period' means the time period between the trade date and the intended settlement date;</p> <p>(14) 'business day' shall cover both day and night-time settlements and shall encompass all events happening during the business cycle of a securities settlement system;</p> <p>(15) 'settlement fail' means the non-occurrence of settlement, or partial settlement of a securities transaction on the intended settlement date, due to a lack of securities or cash and regardless of the underlying cause;</p> <p>(16) 'central counterparty' or 'CCP' means a CCP as defined in point (1) of Article 2 of Regulation (EU) No 648/2012;</p> <p>(16A) 'UK CCP' means a recognised central counterparty as defined in section 285 of FSMA;</p>	<p>(4) 'dematerialised form' means the fact that financial instruments exist only as book entry records; <i>Treat the definition of "dematerialised form" as including FMI sandbox instruments that are recorded or settled on a sandbox entrant's platform.</i></p> <p>(5) 'receiving CSD' means the CSD which receives the request of another CSD or third-country CSD to have access to its services through a CSD link;</p> <p>(6) 'requesting CSD' means the CSD or third-country CSD which requests access to the services of a CSD through a CSD link;</p> <p>(7) 'settlement' means the completion of a securities transaction where it is concluded with the aim of discharging the obligations of the parties to that transaction through the transfer of cash or securities, or both;</p> <p>(8) 'financial instruments' or 'securities' means financial instruments as specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 <i>Treat the definition of "financial instruments" or "securities" as being FMI sandbox instruments under regulation 3(7).</i></p> <p>(9) 'transfer order' means a transfer order as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 at paragraph (b) of the definition thereof; <i>Treat the definition of "transfer order" as meaning the definition in the Financial Markets Insolvency (Settlement Finality) Regulations 1999 (1).</i></p> <p>(10) 'securities settlement system' means a system in relation to which a designation order made under regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1997 is in force that is not operated by a recognised clearing house whose activity consists of the execution of transfer orders;</p> <p>(10A) 'SSS' means a securities settlement system or a similar service operated by a CSD or third-country CSD;</p> <p>(11) 'settlement internaliser' means any institution which executes transfer orders on behalf of clients or on its own account other than through a securities settlement system;</p> <p>(12) 'intended settlement date' means the date that is entered into the securities settlement system as the settlement date and on which the parties to a securities transaction agree that settlement is to take place;</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 2 Definitions	(17) 'competent authority' means the authority designated by regulation 2 of the Central Securities Depositories Regulations 2014	(13) 'settlement period' means the time period between the trade date and the intended settlement date;		
	(18)	(14) 'business day' shall cover both day and night-time settlements and shall encompass all events happening during the business cycle of a securities settlement system;		
	(19) 'participant' means any participant as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999;	(15) 'settlement fail' means the non-occurrence of settlement, or partial settlement of a securities transaction on the intended settlement date, due to a lack of securities or cash and regardless of the underlying cause;		
	(20) 'participation' means participation within the meaning of the first sentence of point (2) of Article 2 of Directive 2013/34/EU, or the ownership, direct or indirect, of 20 % or more of the voting rights or capital of an undertaking;	(16) 'central counterparty' or 'CCP' means a CCP as defined in point (1) of Article 2 of Regulation (EU) No 648/2012;		
	(21) 'control' means the relationship between two undertakings as described in section 1162 of the Companies Act 2006, together with Schedule 7 to that Act;	(16A) 'UK CCP' means a recognised central counterparty as defined in section 285 of FSMA;		
	(22) 'subsidiary' means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006, together with Schedule 7 to that Act;	(17) 'competent authority' means the authority designated by regulation 2 of the Central Securities Depositories Regulations 2014		
	(23)	(18)		
	(24)	(19) 'participant' means any participant as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999;		
	(25) 'branch' means a place of business in the United Kingdom other than a head office which is a part of a CSD or third-country CSD which has no legal personality and which provides CSD services for which the CSD has been authorised or the third-country CSD has been recognised;	(20) 'participation' means participation within the meaning of the first sentence of point (2) of Article 2 of Directive 2013/34/EU, or the ownership, direct or indirect, of 20 % or more of the voting rights or capital of an undertaking;	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations
	(26) 'default' in relation to a participant means a situation where insolvency proceedings within the meaning of regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 are opened against that participant;	(21) 'control' means the relationship between two undertakings as described in section 1162 of the Companies Act 2006, together with Schedule 7 to that Act;		
	(27) 'delivery versus payment' or 'DVP' means a securities settlement mechanism which links a transfer of securities with a transfer of cash in a way that the delivery of securities occurs if and only if the corresponding transfer of cash occurs and vice versa;	(22) 'subsidiary' means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006, together with Schedule 7 to that Act;		
	(28) 'securities account' means an account on which securities may be credited or debited;	(23)		
		(24)		
	(25) 'branch' means a place of business in the United Kingdom other than a head office which is a part of a CSD or third-country CSD which has no legal personality and which provides CSD services for which the CSD has been authorised or the third-country CSD has been recognised;			
	(26) 'default' in relation to a participant means a situation where insolvency proceedings within the meaning of regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 are opened against that participant;			

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 2</p> <p>Definitions</p>	<p>(29) 'CSD link' means an arrangement between CSDs or third-country CSDs whereby a CSD or third-country CSD becomes a participant in the SSS of a CSD or third-country CSD in order to facilitate the transfer of securities from the participants of the latter CSD or third-country CSD to the participants of the former CSD or third-country CSD or an arrangement whereby a CSD or third-country CSD accesses a CSD or third-country CSD indirectly via an intermediary. CSD links include standard links, customised links, indirect links, and interoperable links;</p> <p>(30) 'standard link' means a CSD link whereby a CSD or third-country CSD becomes a participant in the SSS of a CSD or third-country CSD under the same terms and conditions as applicable to any other participant in the SSS operated by the latter;</p> <p>(31) 'customised link' means a CSD link whereby a CSD or third-country CSD that becomes a participant in the SSS of a CSD or third-country CSD is provided with additional specific services to the services normally provided by that CSD or third-country CSD to participants in the SSS;</p> <p>(32) 'indirect link' means an arrangement between a CSD or third-country CSD and a third party other than a CSD or third-country CSD, that is a participant in the SSS of a CSD or third-country CSD. Such a link is set up by a CSD or third-country CSD in order to facilitate the transfer of securities to its participants from the participants of another CSD or third-country CSD;</p> <p>(33) 'interoperable link' means a CSD link whereby CSDs or third-country CSDs agree to establish mutual technical solutions for settlement in the SSS that they operate;</p> <p>(34) 'international open communication procedures and standards' means internationally accepted standards for communication procedures, such as standardised messaging formats and data representation, which are available on a fair, open and non-discriminatory basis to any interested party;</p> <p>(35) 'transferable securities' has the meaning in point (24) of Article 2(1) of Regulation EU (No) 600/2014/EU;</p> <p>(36)</p> <p>(37) 'money-market instruments' has the meaning in point (25A) of Article 2(1) of Regulation (EU) No 600/2014;</p>	<p>(27) 'delivery versus payment' or 'DVP' means a securities settlement mechanism which links a transfer of securities with a transfer of cash in a way that the delivery of securities occurs if and only if the corresponding transfer of cash occurs and vice versa;</p> <p>Treat the definition of "delivery versus payment" or "DVP" as including a transfer of securities with a transfer of cash that may be linked to a settlement mechanism operating across one or more systems.</p> <p>(28) 'securities account' means an account on which securities may be credited or debited;</p> <p><i>Treat the definition of "securities account" as including an account or wallet either in digital or electronic form.</i></p> <p>(29) 'CSD link' means an arrangement between CSDs or third-country CSDs whereby a CSD or third-country CSD becomes a participant in the SSS of a CSD or third-country CSD in order to facilitate the transfer of securities from the participants of the latter CSD or third-country CSD to the participants of the former CSD or third-country CSD or an arrangement whereby a CSD or third-country CSD accesses a CSD or third-country CSD indirectly via an intermediary. CSD links include standard links, customised links, indirect links, and interoperable links;</p> <p>(30) 'standard link' means a CSD link whereby a CSD or third-country CSD becomes a participant in the SSS of a CSD or third-country CSD under the same terms and conditions as applicable to any other participant in the SSS operated by the latter;</p> <p>(31) 'customised link' means a CSD link whereby a CSD or third-country CSD that becomes a participant in the SSS of a CSD or third-country CSD is provided with additional specific services to the services normally provided by that CSD or third-country CSD to participants in the SSS;</p> <p>(32) 'indirect link' means an arrangement between a CSD or third-country CSD and a third party other than a CSD or third-country CSD, that is a participant in the SSS of a CSD or third-country CSD. Such a link is set up by a CSD or third-country CSD in order to facilitate the transfer of securities to its participants from the participants of another CSD or third-country CSD;</p> <p>(33) 'interoperable link' means a CSD link whereby CSDs or third-country CSDs agree to establish mutual technical solutions for settlement in the SSS that they operate;</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 2 Definitions	<p>(38) 'units in collective investment undertakings' has the meaning in paragraph 3 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;</p> <p>(39) 'emission allowance' has the meaning in paragraph 11 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, excluding derivatives in emission allowances;</p> <p>(40) 'regulated market' has the meaning in point (13) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(41) 'multilateral trading facility' or 'MTF' has the meaning in point (14) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(42) 'trading venue' has the meaning in point (16) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(42A) 'UK trading venue' has the meaning in point (16A) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(43) 'settlement agent' means settlement agent as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999;</p> <p>(44)</p> <p>(45) 'management body' means the body or bodies of a CSD, appointed in accordance with the law applicable within the United Kingdom or any part of the United Kingdom, which is empowered to set the CSD's strategy, objectives and overall direction, and which oversees and monitors management decision-making and includes persons who effectively direct the business of the CSD.</p> <p>Where, according to the law applicable within the United Kingdom or any part of the United Kingdom, a management body comprises different bodies with specific functions, the requirements of this Regulation shall apply only to members of the management body to whom the law applicable within the United Kingdom or any part of the United Kingdom assigns the respective responsibility;</p> <p>(46) 'senior management' means those natural persons who exercise executive functions within a CSD and who are responsible and accountable to the management body for the day-to-day management of that CSD;</p> <p>(47) 'financial collateral arrangement' means a financial collateral arrangement as defined in regulation 3(1) of the Financial Collateral Arrangements (No.2) Regulations 2003;</p>	<p>(34) 'international open communication procedures and standards' means internationally accepted standards for communication procedures, such as standardised messaging formats and data representation, which are available on a fair, open and non-discriminatory basis to any interested party;</p> <p><i>Treat the definition of "international open communication procedures and standards" as including such other communication procedure and standard as approved in the FMI sandbox arrangements.</i></p> <p>(35) 'transferable securities' has the meaning in point (24) of Article 2(1) of Regulation EU (No) 600/2014/EU;</p> <p>(36)</p> <p>(37) 'money-market instruments' has the meaning in point (25A) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(38) 'units in collective investment undertakings' has the meaning in paragraph 3 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;</p> <p>(39) 'emission allowance' has the meaning in paragraph 11 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, excluding derivatives in emission allowances;</p> <p>(40) 'regulated market' has the meaning in point (13) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(41) 'multilateral trading facility' or 'MTF' has the meaning in point (14) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(42) 'trading venue' has the meaning in point (16) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(42A) 'UK trading venue' has the meaning in point (16A) of Article 2(1) of Regulation (EU) No 600/2014;</p> <p>(43) 'settlement agent' means settlement agent as defined in regulation 2(1) of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999;</p> <p>(44)</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 2 Definitions	<p>(48) 'FCA' means the Financial Conduct Authority;</p> <p>(49) 'PRA' means the Prudential Regulation Authority;</p> <p>(50) 'recognised clearing house' means a recognised clearing house as defined in section 285(1)(b) of FSMA;</p> <p>(51) 'FSMA' means the Financial Services and Markets Act 2000;</p> <p>(52) 'Directive 2013/36/EU UK law' has the meaning in Article 4(A)(1) of Regulation (EU) No 575/2013;</p> <p>(53) references to a 'third country' (including in expressions including the words "third country") are to be read as references to a country other than the United Kingdom;</p> <p>(54) references to 'the UK law on markets in financial instruments' are to the law applicable within the United Kingdom or any part of the United Kingdom which was relied on immediately before IP completion day to implement Directive 2014/65/EU and its implementing measures –</p> <p>(a) as they have effect on IP completion day, in the case of rules made by the FCA or by the PRA under FSMA, and</p> <p>(b) as amended from time to time, in all other cases;</p> <p>(55) references to "data protection legislation" have the meaning in the Data Protection Act 2018.</p> <p>(56) A reference to the PRA Rulebook is to the rulebook published by the PRA containing rules made by that Authority under FSMA as that rulebook has effect on 1 January 2022.</p> <p>2. The Treasury may by regulations specify measures to further specify the non-banking-type ancillary services set out in points (1) to (4) of Section B of the Annex and the banking-type ancillary services set out in Section C of the Annex.</p>	<p>(45) 'management body' means the body or bodies of a CSD, appointed in accordance with the law applicable within the United Kingdom or any part of the United Kingdom, which is empowered to set the CSD's strategy, objectives and overall direction, and which oversees and monitors management decision-making and includes persons who effectively direct the business of the CSD.</p> <p>Where, according to the law applicable within the United Kingdom or any part of the United Kingdom, a management body comprises different bodies with specific functions, the requirements of this Regulation shall apply only to members of the management body to whom the law applicable within the United Kingdom or any part of the United Kingdom assigns the respective responsibility;</p> <p>(46) 'senior management' means those natural persons who exercise executive functions within a CSD and who are responsible and accountable to the management body for the day-to-day management of that CSD;</p> <p>(47) 'financial collateral arrangement' means a financial collateral arrangement as defined in regulation 3(1) of the Financial Collateral Arrangements (No.2) Regulations 2003;</p> <p>(48) 'FCA' means the Financial Conduct Authority;</p> <p>(49) 'PRA' means the Prudential Regulation Authority;</p> <p>(50) 'recognised clearing house' means a recognised clearing house as defined in section 285(1)(b) of FSMA;</p> <p>(51) 'FSMA' means the Financial Services and Markets Act 2000;</p> <p>(52) 'Directive 2013/36/EU UK law' has the meaning in Article 4(A)(1) of Regulation (EU) No 575/2013;</p> <p>(53) references to a 'third country' (including in expressions including the words "third country") are to be read as references to a country other than the United Kingdom;</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 2 Definitions		<p>(54) references to 'the UK law on markets in financial instruments' are to the law applicable within the United Kingdom or any part of the United Kingdom which was relied on immediately before IP completion day to implement Directive 2014/65/EU and its implementing measures –</p> <p>(a) as they have effect on IP completion day, in the case of rules made by the FCA or by the PRA under FSMA, and</p> <p>(b) as amended from time to time, in all other cases;</p> <p>(55) references to "data protection legislation" have the meaning in the Data Protection Act 2018.</p> <p>(56) A reference to the PRA Rulebook is to the rulebook published by the PRA containing rules made by that Authority under FSMA as that rulebook has effect on 1 January 2022.</p> <p>2. The Treasury may by regulations specify measures to further specify the non-banking-type ancillary services set out in points (1) to (4) of Section B of the Annex and the banking-type ancillary services set out in Section C of the Annex.</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>
Article 3 Book-entry form	<p>1. Provision did not apply before document was retained.</p> <p>2. Where a transaction in transferable securities takes place on a UK trading venue the relevant securities shall be recorded in book-entry form in a CSD or third-country CSD on or before the intended settlement date, unless they have already been so recorded. Where transferable securities are transferred following a financial collateral arrangement, those securities shall be recorded in book-entry form in a CSD or third-country CSD on or before the intended settlement date, unless they have already been so recorded.</p>	<p>1. Provision did not apply before document was retained.</p> <p>2. Where a transaction in transferable securities takes place on a UK trading venue the relevant securities shall be recorded in book-entry form in a CSD or third-country CSD on or before the intended settlement date, unless they have already been so recorded.</p> <p>Where transferable securities are transferred following a financial collateral arrangement, those securities shall be recorded in book-entry form in a CSD or third-country CSD on or before the intended settlement date, unless they have already been so recorded.</p> <p><i>Treat the reference to "book entry" as including a form of recording of transferable securities using developing technology.</i></p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>	<p>Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations</p>
Article 4 Enforcement	<p>1.</p> <p>2. The competent authority shall ensure that the first sub-paragraph of Article 3(2) of this Regulation is applied where transferable securities are admitted to trading or traded on UK trading venues.</p> <p>3. The competent authority shall ensure that the second sub-paragraph of Article 3(2) of this Regulation is applied where transferable securities admitted to trading or traded on UK trading venues are transferred following a financial collateral arrangement.</p>	<p>1.</p> <p>2. The competent authority shall ensure that the first sub-paragraph of Article 3(2) of this Regulation is applied where transferable securities are admitted to trading or traded on UK trading venues.</p> <p>The competent authority shall ensure that the second sub-paragraph of Article 3(2) of this Regulation is applied where transferable securities admitted to trading or traded on UK trading venues are transferred following a financial collateral arrangement.</p>	<p>Remains in the DSS CSDR</p>	<p>Remains in the DSS CSDR</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 5 Intended settlement date	<p>1. Any participant in a securities settlement system that settles in that system on its own account or on behalf of a third-party transactions in transferable securities, money-market instruments, units in collective investment undertakings and emission allowances shall settle such transactions on the intended settlement date.</p> <p>2. As regards transactions in transferable securities referred to in paragraph 1 which are executed on a UK trading venue, the intended settlement date shall be no later than on the second business day after the trading takes place. That requirement shall not apply to transactions which are negotiated privately but executed on a UK trading venue, to transactions which are executed bilaterally but reported to a UK trading venue or to the first transaction where the transferable securities concerned are subject to initial recording in book-entry form pursuant to Article 3(2).</p> <p>3. The competent authority shall ensure that paragraph 1 is applied.</p> <p>The competent authority for the supervision of trading venues shall ensure that paragraph 2 is applied.</p>	<p>1. Any participant in a securities settlement system that settles in that system on its own account or on behalf of a third-party transactions in transferable securities, money-market instruments, units in collective investment undertakings and emission allowances shall settle such transactions on the intended settlement date.</p> <p>2. As regards transactions in transferable securities referred to in paragraph 1 which are executed on a UK trading venue, the intended settlement date shall be no later than on the second business day after the trading takes place. That requirement shall not apply to transactions which are negotiated privately but executed on a UK trading venue, to transactions which are executed bilaterally but reported to a UK trading venue or to the first transaction where the transferable securities concerned are subject to initial recording in book-entry form pursuant to Article 3(2).</p> <p>3. The competent authority shall ensure that paragraph 1 is applied.</p> <p>The competent authority for the supervision of trading venues shall ensure that paragraph 2 is applied.</p>	Remains in the DSS CSDR	Remains in the DSS CSDR
Article 6 Measures to prevent settlement fails			Not onshored into UK CSDR	
Article 7 Measures to address settlement fails			Not onshored into UK CSDR	
Article 8 Enforcement			Not onshored into UK CSDR	

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 9 Settlement internalisers	<p>1. Settlement internalisers shall report to the competent authority on a quarterly basis the aggregated volume and value of all securities transactions that they settle outside securities settlement systems.</p> <p>2. The Bank of England may make regulatory technical standards further specifying the content of such reporting.</p> <p>3. The Bank of England may make implementing technical standards to establish standard forms, templates and procedures for the reporting and transmission of information referred to in paragraph 1.</p>	<p>1. Settlement internalisers shall report to the competent authority on a quarterly basis the aggregated volume and value of all securities transactions that they settle outside securities settlement systems.</p> <p>2. The Bank of England may make regulatory technical standards further specifying the content of such reporting.</p> <p>3. The Bank of England may make implementing technical standards to establish standard forms, templates and procedures for the reporting and transmission of information referred to in paragraph 1.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 10 Competent authority	CSD shall be authorised and supervised by the competent authority.	<p>CSD shall be authorised and supervised by the competent authority.</p> <p><i>Treat "competent authority" as including an appropriate regulator or the appropriate regulators acting jointly by or under these Regulations.</i></p>	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations
Article 11 Designation of the competent authority			Not onshored into UK CSDR	
Article 12 Relevant authorities			Not onshored into UK CSDR	
Article 13 Exchange of information	1. Competent authorities and other bodies or natural and legal persons receiving confidential information in the exercise of their duties under this Regulation shall use it only in the course of their duties.	1. Competent authorities and other bodies or natural and legal persons receiving confidential information in the exercise of their duties under this Regulation shall use it only in the course of their duties.	Remains in the DSS CSDR	Remains in the DSS CSDR
Article 14 Cooperation between authorities			Not onshored into UK CSDR	
Article 15 Emergency situations			Not onshored into UK CSDR	

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 16 Authorisation of a CSD	<p>1. Any legal person that falls within the definition of CSD shall obtain an authorisation from the competent authority before commencing its activities.</p> <p>2. The authorisation shall specify the core services listed in Section A of the Annex and non-banking-type ancillary services permitted under Section B of the Annex, which the CSD is authorised to provide.</p> <p>3. A CSD shall comply at all times with the conditions necessary for authorisation.</p> <p>4. A CSD as well as its independent auditors, shall, without undue delay, inform the competent authority of any substantive changes affecting the compliance with the conditions for authorisation.</p>	<p>1. Any legal person that falls within the definition of CSD shall obtain an authorisation from the competent authority before commencing its activities.</p> <p>2. The authorisation shall specify the core services listed in Section A of the Annex and non-banking-type ancillary services permitted under Section B of the Annex, which the CSD is authorised to provide.</p> <p>3. A CSD shall comply at all times with the conditions necessary for authorisation.</p> <p>4. A CSD as well as its independent auditors, shall, without undue delay, inform the competent authority of any substantive changes affecting the compliance with the conditions for authorisation.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>
Article 17 Procedure for granting authorisation	<p>1. The applicant CSD shall submit an application for authorisation to the competent authority.</p> <p>2. The application for authorisation shall be accompanied by all information necessary to enable the competent authority to satisfy itself that the applicant CSD has established, at the time of the authorisation, all the necessary arrangements to meet its obligations as laid down in this Regulation. The application for authorisation shall include a programme of operations setting out the types of business envisaged and the structural organisation of the CSD.</p> <p>3. Within 30 working days from the receipt of the application, the competent authority shall assess whether the application is complete. If the application is not complete, the competent authority shall set a time limit by which the applicant CSD has to provide additional information. The competent authority shall inform the applicant CSD when the application is considered to be complete.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8. Within six months from the submission of a complete application, the competent authority shall inform the applicant CSD in writing with a fully reasoned decision whether the authorisation has been granted or refused.</p>	<p>1. authorisation to the competent authority.</p> <p>2. The application for authorisation shall be accompanied by all information necessary to enable the competent authority to satisfy itself that the applicant CSD has established, at the time of the authorisation, all the necessary arrangements to meet its obligations as laid down in this Regulation. The application for authorisation shall include a programme of operations setting out the types of business envisaged and the structural organisation of the CSD.</p> <p>3. Within 30 working days from the receipt of the application, the competent authority shall assess whether the application is complete. If the application is not complete, the competent authority shall set a time limit by which the applicant CSD has to provide additional information. The competent authority shall inform the applicant CSD when the application is considered to be complete.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8. Within six months from the submission of a complete application, the competent authority shall inform the applicant CSD in writing with a fully reasoned decision whether the authorisation has been granted or refused.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 17 Procedure for granting authorisation	<p>9. The Bank of England may make regulatory technical standards to specify the information that the applicant CSD is to provide to the competent authority in the application for authorisation.</p> <p>10. The Bank of England may make implementing technical standards to establish standard forms, templates and procedures for the application for authorisation.</p>	<p>9. The Bank of England may make regulatory technical standards to specify the information that the applicant CSD is to provide to the competent authority in the application for authorisation.</p> <p>The Bank of England may make implementing technical standards to establish standard forms, templates and procedures for the application for authorisation.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 18 Effects of the authorisation	<p>1. The activities of the authorised CSD shall be limited to the provision of services covered by its authorisation or by notification in accordance with Article 19(8).</p> <p>2. Securities settlements systems governed by the law applicable within the United Kingdom or any part of the United Kingdom may be operated only by authorised CSDs, the Bank of England (or other public bodies charged with or intervening in the management of public debt in the United Kingdom) acting as a CSD and third country CSDs that are recognised in accordance with Article 25.</p> <p>3. An authorised CSD may have a participation only in a legal person whose activities are limited to the provision of services listed in Sections A and B of the Annex, unless such a participation is approved by its competent authority on the basis that it does not significantly increase the risk profile of the CSD.</p> <p>4. The Bank of England may make regulatory technical standards to specify the criteria to be taken into account by the competent authority to approve the participation of CSDs in legal persons other than those providing the services listed in Sections A and B of the Annex. Such criteria may include whether the services provided by that legal person are complementary to the services provided by a CSD, and the extent of the CSD's exposure to liabilities arising from such participation.</p>	<p>1. The activities of the authorised CSD shall be limited to the provision of services covered by its authorisation or by notification in accordance with Article 19(8).</p> <p>2. Securities settlements systems governed by the law applicable within the United Kingdom or any part of the United Kingdom may be operated only by authorised CSDs, the Bank of England (or other public bodies charged with or intervening in the management of public debt in the United Kingdom) acting as a CSD and third country CSDs that are recognised in accordance with Article 25.</p> <p>3. An authorised CSD may have a participation only in a legal person whose activities are limited to the provision of services listed in Sections A and B of the Annex, unless such a participation is approved by its competent authority on the basis that it does not significantly increase the risk profile of the CSD.</p> <p>4. The Bank of England may make regulatory technical standards to specify the criteria to be taken into account by the competent authority to approve the participation of CSDs in legal persons other than those providing the services listed in Sections A and B of the Annex. Such criteria may include whether the services provided by that legal person are complementary to the services provided by a CSD, and the extent of the CSD's exposure to liabilities arising from such participation.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 19</p> <p>Extension and outsourcing of activities and services</p>	<p>1. An authorised CSD shall submit an application for authorisation to the competent authority where it wishes to outsource a core service to a third party under Article 30 or extend its activities to one or more of the following:</p> <p>(a) additional core services listed in Section A of the Annex, not covered by the initial authorisation;</p> <p>(b) ancillary services permitted under, but not explicitly listed in Section B of the Annex, not covered by the initial authorisation;</p> <p>(c) the operation of another securities settlement system;</p> <p>(d) the settlement of all or part of the cash leg of its securities settlement system in the books of another settlement agent;</p> <p>(e) setting up an interoperable link, including those with third-country CSDs.</p> <p>2. The granting of authorisation under paragraph 1 shall follow the procedure laid down in Article 17.</p> <p>The competent authority shall inform the applicant CSD whether the authorisation has been granted or refused within three months of the submission of a complete application.</p> <p>3. CSDs that intend to establish an interoperable link shall submit an application for authorisation as required under point (e) of paragraph 1, to the competent authority.</p> <p>4. The authority referred to in paragraph 3 shall refuse to authorise a link only where such a CSD link would threaten the smooth and orderly functioning of the financial markets or cause systemic risk.</p> <p>5. Interoperable links of CSDs that outsource some of their services related to those interoperable links to a public entity in accordance with Article 30(5) and CSD links that are not referred to in point (e) of paragraph 1 shall not be subject to authorisation under that point but shall be notified to the competent authority prior to their implementation by providing all relevant information that allows the competent authority to assess compliance with the requirements provided in Article 48.</p>	<p>1. An authorised CSD shall submit an application for authorisation to the competent authority where it wishes to outsource a core service to a third party under Article 30 or extend its activities to one or more of the following:</p> <p>(a) additional core services listed in Section A of the Annex, not covered by the initial authorisation;</p> <p>(b) ancillary services permitted under, but not explicitly listed in Section B of the Annex, not covered by the initial authorisation;</p> <p>(c) the operation of another securities settlement system;</p> <p>(d) the settlement of all or part of the cash leg of its securities settlement system in the books of another settlement agent;</p> <p>(e) setting up an interoperable link, including those with third-country CSDs.</p> <p>2. The granting of authorisation under paragraph 1 shall follow the procedure laid down in Article 17.</p> <p>The competent authority shall inform the applicant CSD whether the authorisation has been granted or refused within three months of the submission of a complete application.</p> <p>3. CSDs that intend to establish an interoperable link shall submit an application for authorisation as required under point (e) of paragraph 1, to the competent authority.</p> <p>4. The authority referred to in paragraph 3 shall refuse to authorise a link only where such a CSD link would threaten the smooth and orderly functioning of the financial markets or cause systemic risk.</p> <p>5. Interoperable links of CSDs that outsource some of their services related to those interoperable links to a public entity in accordance with Article 30(5) and CSD links that are not referred to in point (e) of paragraph 1 shall not be subject to authorisation under that point but shall be notified to the competent authority prior to their implementation by providing all relevant information that allows the competent authority to assess compliance with the requirements provided in Article 48.</p>	<p>19.1 An authorised CSD shall submit an application for authorisation to the competent authority Where not already permitted by its SAN, a DSD must submit a request to vary its SAN to the Bank where it wishes to outsource a core service to a third party under Article 30 or extend its activities to one or more of the following:</p> <p>(a) additional core services listed in Section A of the Annex, not covered by the initial authorisation Chapter 4;</p> <p>(b) ancillary services permitted under, but not explicitly listed in Section B of the Annex, not covered by the initial authorisation Chapter 4;</p> <p>(c) the operation of a Securities Settlement System or another Securities Settlement System;</p> <p>(d) the settlement of all or part of the cash leg of its any Securities Settlement System it operates in the books of another settlement agent; (9)</p> <p>(e) setting up an interoperable link, including those with third-country CSDs.</p> <p>19.2 The granting of authorisation under paragraph 1 shall follow the procedure laid down in Article 17. The competent authority shall inform the applicant CSD whether the authorisation has been granted or refused within three months of the submission of a complete application. [Note: left blank]</p> <p>19.3 GSDs that intend A DSD that intends to establish an interoperable link shall submit an application for authorisation must make a request to vary its SAN as required under point subparagraph (e) of paragraph 1, to the competent authority Bank, where the SAN does not already permit them to do so.</p> <p>19.4 The authority referred to in paragraph 3 shall refuse to authorise a link only where such a GSD link would threaten the smooth and orderly functioning of the financial markets or cause systemic risk. [Note: left blank]</p> <p>19.5 Interoperable links of GSDs that outsource some of their services related to those interoperable links to a public entity in accordance with Article 30(5) and CSD DSD links that are not referred to in point subparagraph (e) of paragraph 1 shall not be subject to authorisation under that point a requirement to vary the SAN but must shall be notified to the competent authority Bank prior to their implementation by providing all relevant information that allows the competent authority Bank to assess compliance with the requirements provided in Article 48 and Chapter 3.</p>	<p>19.1 Where not already permitted by its SAN, a DSD must submit a request to vary its SAN to the Bank where it wishes to outsource a core service to a third party under Article 30 or extend its activities to one or more of the following:</p> <p>(a) additional core services listed in Section A of Chapter 46;</p> <p>(b) ancillary services permitted under, but not explicitly listed in Section B of Chapter 46;</p> <p>(c) the operation of a Securities Settlement System or another Securities Settlement System;</p> <p>(d) the settlement of all or part of the cash leg of any Securities Settlement System it operates in the books of another settlement agent;</p> <p>(e) setting up an interoperable link.</p> <p>19.2</p> <p>19.3 A DSD that intends to establish an interoperable link must make a request to vary its SAN as required under subparagraph (e) of paragraph 1, to the Bank, where the SAN does not already permit them to do so.</p> <p>19.4</p> <p>19.5 DSD links that are not referred to in point subparagraph (e) of paragraph 1 shall not be subject to a requirement to vary the SAN but must be notified to the Bank prior to their implementation by providing all relevant information that allows the Bank to assess compliance with the requirements provided in Article 48 and Chapter 35.</p> <p>19.6 A DSD may maintain or establish a link with a third country CSD in accordance with the conditions and procedures provided in this Article. Where links are established with a third country CSD the information provided by the requesting DSD must allow the Bank to evaluate whether such links fulfil the requirements provided in Article 48 or the requirements that are equivalent to those provided in Article 48 and Chapter 35.</p> <p>19.7</p> <p>19.8 A DSD must notify the Bank of the additional ancillary services explicitly listed in Section B of Chapter 4 prior to their provision.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 19 Extension and outsourcing of activities and services	<p>6. A CSD may maintain or establish a link with a third-country CSD in accordance with the conditions and procedures provided in this Article. Where links are established with a third-country CSD the information provided by the CSD shall allow the competent authority to evaluate whether such links fulfil the requirements provided in Article 48 or the requirements that are equivalent to those provided in Article 48.</p> <p>7. The competent authority shall require a CSD to discontinue a CSD link that has been notified when such link does not fulfil the requirements provided for in Article 48 and thereby would threaten the smooth and orderly functioning of the financial markets or cause systemic risk.</p> <p>8. The additional ancillary services explicitly listed in Section B of the Annex shall not be subject to authorisation, but shall be notified to the competent authority prior to their provision.</p>	<p>6. A CSD may maintain or establish a link with a third-country CSD in accordance with the conditions and procedures provided in this Article. Where links are established with a third-country CSD the information provided by the CSD shall allow the competent authority to evaluate whether such links fulfil the requirements provided in Article 48 or the requirements that are equivalent to those provided in Article 48.</p> <p>7. The competent authority shall require a CSD to discontinue a CSD link that has been notified when such link does not fulfil the requirements provided for in Article 48 and thereby would threaten the smooth and orderly functioning of the financial markets or cause systemic risk.</p> <p>8. The additional ancillary services explicitly listed in Section B of the Annex shall not be subject to authorisation, but shall be notified to the competent authority prior to their provision.</p>	<p>19.6 A CSD DSD may maintain or establish a link with a third-country CSD in accordance with the conditions and procedures provided in this Article. Where links are established with a third-country CSD the information provided by the requesting CSD DSD shall must allow the Bank to evaluate whether such links fulfil the requirements provided in Article 48 or the requirements that are equivalent to those provided in Article 48 and Chapter 3.</p> <p>19.7 The competent authority shall require a CSD to discontinue a CSD link that has been notified when such link does not fulfil the requirements provided for in Article 48 and thereby would threaten the smooth and orderly functioning of the financial markets or cause systemic risk. [Note: left blank]</p> <p>19.8 A DSD must notify the Bank of the additional ancillary services explicitly listed in Section B of the Annex shall not be subject to authorisation, but shall be notified to the competent authority prior Chapter 4 prior to their provision.</p>	
Article 20 Withdrawal of authorisation	<p>1. Without prejudice to any remedial actions or measures under Title V, the competent authority shall withdraw the authorisation in any of the following circumstances, where the CSD:</p> <p>(a) has not made use of the authorisation during 12 months, expressly renounces the authorisation or has provided no services or performed no activity during the preceding six months;</p> <p>(b) has obtained the authorisation by making false statements or by any other unlawful means;</p> <p>(c) no longer complies with the conditions under which authorisation was granted and has not taken the remedial actions requested by the competent authority within a set time-frame;</p> <p>(d) has seriously or systematically infringed the requirements laid down in this Regulation or, where applicable, in the UK law on markets in financial instruments or Regulation (EU) No 600/2014.</p> <p>2.</p> <p>3.</p> <p>4. The competent authority may limit the withdrawal of authorisation to a particular service, activity, or financial instrument.</p>	<p>1. Without prejudice to any remedial actions or measures under Title V, the competent authority shall withdraw the authorisation in any of the following circumstances, where the CSD:</p> <p>(a) has not made use of the authorisation during 12 months, expressly renounces the authorisation or has provided no services or performed no activity during the preceding six months;</p> <p>(b) has obtained the authorisation by making false statements or by any other unlawful means;</p> <p>(c) no longer complies with the conditions under which authorisation was granted and has not taken the remedial actions requested by the competent authority within a set time-frame;</p> <p>(d) has seriously or systematically infringed the requirements laid down in this Regulation or, where applicable, in the UK law on markets in financial instruments or Regulation (EU) No 600/2014.</p> <p>2.</p> <p>3.</p> <p>4. The competent authority may limit the withdrawal of authorisation to a particular service, activity, or financial instrument.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 20 Withdrawal of authorisation	5. A CSD shall establish, implement and maintain adequate procedures ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another CSD or third-country CSD4 in the event of a withdrawal of authorisation referred to in paragraph 1.	5. A CSD shall establish, implement and maintain adequate procedures ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another CSD or third-country CSD4 in the event of a withdrawal of authorisation referred to in paragraph 1.	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 21 CSD register	1. The name of each CSD or third-country CSD operating in compliance with this Regulation and to which authorisation or recognition has been granted pursuant to Article 16, 19 or 25 shall be entered in a register specifying the services and, where applicable, classes of financial instruments for which the CSD or third-country CSD has been authorised. The register shall include CSD links. The competent authority shall make the register available on its dedicated website and keep it up to date.	1. The name of each CSD or third-country CSD operating in compliance with this Regulation and to which authorisation or recognition has been granted pursuant to Article 16, 19 or 25 shall be entered in a register specifying the services and, where applicable, classes of financial instruments for which the CSD or third-country CSD has been authorised. The register shall include CSD links. The competent authority shall make the register available on its dedicated website and keep it up to date.	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 22 Review and evaluation	<p>1. The competent authority shall, at least on an annual basis, review the arrangements, strategies, processes and mechanisms implemented by a CSD with respect to compliance with this Regulation and evaluate the risks to which the CSD is, or might be, exposed or which it creates for the smooth functioning of securities markets.</p> <p>2. The competent authority shall require the CSD to submit to the competent authority an adequate recovery plan to ensure continuity of its critical operations.</p> <p>3. The competent authority shall ensure that an adequate resolution plan is established and maintained for each CSD so as to ensure continuity of at least its core functions, having regard to the size, systemic importance, nature, scale and complexity of the activities of the CSD concerned and any relevant resolution plan established in accordance with the Bank Recovery and Resolution (No.2) Order 2014.</p> <p>4. The competent authority shall establish the frequency and depth of the review and evaluation referred to in paragraph 1 having regard to the size, systemic importance, nature, scale and complexity of the activities of the CSD concerned. The review and evaluation shall be updated at least on an annual basis.</p> <p>5. The competent authority shall subject the CSD to on-site inspections.</p> <p>6.</p> <p>7.</p> <p>8.</p>	<p>1. The competent authority shall, at least on an annual basis, review the arrangements, strategies, processes and mechanisms implemented by a CSD with respect to compliance with this Regulation and evaluate the risks to which the CSD is, or might be, exposed or which it creates for the smooth functioning of securities markets.</p> <p>2. The competent authority shall require the CSD to submit to the competent authority an adequate recovery plan to ensure continuity of its critical operations.</p> <p>3. The competent authority shall ensure that an adequate resolution plan is established and maintained for each CSD so as to ensure continuity of at least its core functions, having regard to the size, systemic importance, nature, scale and complexity of the activities of the CSD concerned and any relevant resolution plan established in accordance with the Bank Recovery and Resolution (No.2) Order 2014.</p> <p>4. The competent authority shall establish the frequency and depth of the review and evaluation referred to in paragraph 1 having regard to the size, systemic importance, nature, scale and complexity of the activities of the CSD concerned. The review and evaluation shall be updated at least on an annual basis.</p> <p>5. The competent authority shall subject the CSD to on-site inspections.</p> <p>6.</p> <p>7.</p> <p>8.</p>		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 22 Review and evaluation	<p>9. The competent authority shall require a CSD that does not meet the requirements of this Regulation to take at an early stage the necessary actions or steps to address the situation.</p> <p>10. The Bank of England may make regulatory technical standards to specify the following:</p> <p>(a) the information that the CSD is to provide to the competent authority for the purposes of the review and evaluation referred to in paragraph 1.</p> <p>11. The Bank of England may make implementing technical standards to determine standard forms, templates and procedures for the provision of information referred to in the first subparagraph of paragraph 10.</p>	<p>9. The competent authority shall require a CSD that does not meet the requirements of this Regulation to take at an early stage the necessary actions or steps to address the situation.</p> <p>10. The Bank of England may make regulatory technical standards to specify the following:</p> <p>(a) the information that the CSD is to provide to the competent authority for the purposes of the review and evaluation referred to in paragraph 1.</p> <p>11. The Bank of England may make implementing technical standards to determine standard forms, templates and procedures for the provision of information referred to in the first subparagraph of paragraph 10.</p>		
Article 23 Freedom to provide services in another Member State			Not onshored into UK CSDR	
Article 24 Cooperation between authorities of the home Member State and of the host Member State and peer review			Not onshored into UK CSDR	
Article 25 Third countries	<p>1. Third-country CSDs may provide services referred to in the Annex within the United Kingdom, including through setting up a branch.</p> <p>2. Notwithstanding paragraph 1, a third-country CSD that intends to provide the core services referred to in points (1) and (2) of Section A of the Annex in relation to financial instruments constituted under the law applicable within the United Kingdom or any part of the United Kingdom or to set up a branch in the United Kingdom is subject to the procedure referred to in paragraphs 4 to 11 of this Article.</p> <p>3. A CSD may maintain or establish a link with a third-country CSD in accordance with Article 48.</p>	<p>1. Third-country CSDs may provide services referred to in the Annex within the United Kingdom, including through setting up a branch.</p> <p>2. Notwithstanding paragraph 1, a third-country CSD that intends to provide the core services referred to in points (1) and (2) of Section A of the Annex in relation to financial instruments constituted under the law applicable within the United Kingdom or any part of the United Kingdom or to set up a branch in the United Kingdom is subject to the procedure referred to in paragraphs 4 to 11 of this Article.</p> <p>3. A CSD may maintain or establish a link with a third-country CSD in accordance with Article 48.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 25 Third countries</p>	<p>4. After consulting the authorities referred to in paragraph 5, the competent authority may recognise a third-country CSD that has applied for recognition to provide the services referred to in paragraph 2, where the following conditions are met:</p> <p>(a) the Treasury has made regulations in accordance with paragraph 9;</p> <p>(b) the third-country CSD is subject to effective authorisation, supervision and oversight or, if the securities settlement system is operated by a central bank, oversight, ensuring full compliance with the prudential requirements applicable in that third country;</p> <p>(c) cooperation arrangements between the competent authority and the responsible authorities in that third country ('responsible third-country authorities') have been established pursuant to paragraph 10;</p> <p>(d) where relevant, the third-country CSD takes the necessary measures to allow its users to comply with the relevant law applicable within the United Kingdom or any part of the United Kingdom and the adequacy of those measures has been confirmed by the competent authority.</p> <p>5. When assessing whether the conditions referred to in paragraph 4 are met, the competent authority shall consult:</p> <p>(a)</p> <p>(b)</p> <p>(c) the responsible third-country authorities entrusted with the authorisation, supervision and oversight of third-country CSDs.</p> <p>6. The third-country CSD referred to in paragraph 2 shall submit its application for recognition to the competent authority.</p> <p>The applicant third-country CSD shall provide the competent authority with all information deemed to be necessary for its recognition. Within 30 working days from the receipt of the application, the competent authority shall assess whether the application is complete. If the application is not complete, the competent authority shall set a time limit by which the applicant third-country CSD has to provide additional information.</p> <p>The recognition decision shall be based on the criteria laid down in paragraph 4.</p>	<p>4. After consulting the authorities referred to in paragraph 5, the competent authority may recognise a third-country CSD that has applied for recognition to provide the services referred to in paragraph 2, where the following conditions are met:</p> <p>(a) the Treasury has made regulations in accordance with paragraph 9;</p> <p>(b) the third-country CSD is subject to effective authorisation, supervision and oversight or, if the securities settlement system is operated by a central bank, oversight, ensuring full compliance with the prudential requirements applicable in that third country;</p> <p>(c) cooperation arrangements between the competent authority and the responsible authorities in that third country ('responsible third-country authorities') have been established pursuant to paragraph 10;</p> <p>(d) where relevant, the third-country CSD takes the necessary measures to allow its users to comply with the relevant law applicable within the United Kingdom or any part of the United Kingdom and the adequacy of those measures has been confirmed by the competent authority.</p> <p>5. When assessing whether the conditions referred to in paragraph 4 are met, the competent authority shall consult:</p> <p>(a)</p> <p>(b)</p> <p>(c) the responsible third-country authorities entrusted with the authorisation, supervision and oversight of third-country CSDs.</p> <p>6. The third-country CSD referred to in paragraph 2 shall submit its application for recognition to the competent authority.</p> <p>The applicant third-country CSD shall provide the competent authority with all information deemed to be necessary for its recognition. Within 30 working days from the receipt of the application, the competent authority shall assess whether the application is complete. If the application is not complete, the competent authority shall set a time limit by which the applicant third-country CSD has to provide additional information.</p> <p>The recognition decision shall be based on the criteria laid down in paragraph 4.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 25 Third countries	<p>Within six months from the submission of a complete application, the competent authority shall inform the applicant third-country CSD in writing with a fully reasoned decision whether the recognition has been granted or refused.</p> <p>Recognition under this Article must be granted only for services listed in the Annex and the decision granting recognition must specify the services which the third-country CSD is recognised to provide or perform.</p> <p>The applicant third-country CSD must, without undue delay, notify the competent authority of any material changes affecting the condition for recognition in point (b) of paragraph 4.</p> <p>6A. A third-country CSD recognised under paragraph 4 must, without undue delay, notify the competent authority of any material changes affecting the condition for recognition in point (b) of paragraph 4.</p> <p>7. Where the third-country CSD, duly recognised under paragraph 4, provides CSD services in the United Kingdom, the competent authority may request the responsible third country authorities to:</p> <ul style="list-style-type: none"> (a) report periodically on the third-country CSD's activities in the United Kingdom, including for the purpose of collecting statistics; (b) communicate, within an appropriate time-frame, the identity of the issuers and participants in the securities settlement systems operated by the third-country CSD which provides services in the United Kingdom and any other relevant information concerning the activities of that third-country CSD in the United Kingdom. <p>8. The competent authority shall, after consulting the authorities referred to in paragraph 5, review the recognition of the third-country CSD in the event of extensions by the third-country CSD in the United Kingdom of its services under the procedure laid down in paragraphs 4, 5 and 6.</p> <p>The competent authority shall withdraw the recognition of the third-country CSD where the conditions laid down in paragraph 4 are no longer met, or in the circumstances referred to in Article 20.</p> <p>The competent authority may –</p> <ul style="list-style-type: none"> (a) limit the withdrawal to a particular service; and (b) direct that the withdrawal is to have effect subject to such transitional arrangements as the competent authority considers necessary or expedient. 	<p>Within six months from the submission of a complete application, the competent authority shall inform the applicant third-country CSD in writing with a fully reasoned decision whether the recognition has been granted or refused.</p> <p>Recognition under this Article must be granted only for services listed in the Annex and the decision granting recognition must specify the services which the third-country CSD is recognised to provide or perform.</p> <p>The applicant third-country CSD must, without undue delay, notify the competent authority of any material changes affecting the condition for recognition in point (b) of paragraph 4.</p> <p>6A. A third-country CSD recognised under paragraph 4 must, without undue delay, notify the competent authority of any material changes affecting the condition for recognition in point (b) of paragraph 4.</p> <p>7. Where the third-country CSD, duly recognised under paragraph 4, provides CSD services in the United Kingdom, the competent authority may request the responsible third country authorities to:</p> <ul style="list-style-type: none"> (a) report periodically on the third-country CSD's activities in the United Kingdom, including for the purpose of collecting statistics; (b) communicate, within an appropriate time-frame, the identity of the issuers and participants in the securities settlement systems operated by the third-country CSD which provides services in the United Kingdom and any other relevant information concerning the activities of that third-country CSD in the United Kingdom. <p>8. The competent authority shall, after consulting the authorities referred to in paragraph 5, review the recognition of the third-country CSD in the event of extensions by the third-country CSD in the United Kingdom of its services under the procedure laid down in paragraphs 4, 5 and 6.</p> <p>The competent authority shall withdraw the recognition of the third-country CSD where the conditions laid down in paragraph 4 are no longer met, or in the circumstances referred to in Article 20.</p> <p>The competent authority may –</p> <ul style="list-style-type: none"> (a) limit the withdrawal to a particular service; and (b) direct that the withdrawal is to have effect subject to such transitional arrangements as the competent authority considers necessary or expedient. 	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 25 Third countries</p>	<p>9. The Treasury may by regulations specify a third country which, in the opinion of the Treasury, has legal and supervisory arrangements which ensure that third-country CSDs authorised in that third country comply with legally binding requirements which are in effect equivalent to the requirements laid down in this Regulation, that those third-country CSDs are subject to effective supervision, oversight and enforcement in that third country on an ongoing basis and that the legal framework of that third country provides for an effective equivalent system for the recognition of third-country CSDs authorised under third country legal regimes and CSDs authorised under the law applicable in the United Kingdom.</p> <p>In making the determination referred to in the first subparagraph, the Treasury may also consider whether the legal and supervisory arrangements of a third country reflect the internationally agreed CPSS-IOSCO standards, in so far as the latter do not conflict with the requirements laid down in this Regulation.</p> <p>10. The competent authority shall establish cooperation arrangements with the responsible third-country authorities whose legal and supervisory frameworks have been recognised as equivalent to this Regulation in accordance with paragraph 9. Such arrangements shall specify at least:</p> <p>(a) the mechanism for the exchange of information between the competent authority and the third-country responsible authorities, including access to all information regarding the third-country CSDs authorised in third countries that is requested by the competent authority and in particular access to information in the cases referred to in paragraph 7;</p> <p>(b) the mechanism for prompt notification of the competent authority where a third-country responsible authority deems a third-country CSD that it is supervising to infringe the conditions of its authorisation or of other applicable law;</p> <p>(c) the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.</p> <p>Where a cooperation agreement provides for transfers of personal data by a public authority of the United Kingdom, such transfers shall comply with the provisions of data protection legislation.</p>	<p>9. The Treasury may by regulations specify a third country which, in the opinion of the Treasury, has legal and supervisory arrangements which ensure that third-country CSDs authorised in that third country comply with legally binding requirements which are in effect equivalent to the requirements laid down in this Regulation, that those third-country CSDs are subject to effective supervision, oversight and enforcement in that third country on an ongoing basis and that the legal framework of that third country provides for an effective equivalent system for the recognition of third-country CSDs authorised under third country legal regimes and CSDs authorised under the law applicable in the United Kingdom.</p> <p>In making the determination referred to in the first subparagraph, the Treasury may also consider whether the legal and supervisory arrangements of a third country reflect the internationally agreed CPSS-IOSCO standards, in so far as the latter do not conflict with the requirements laid down in this Regulation.</p> <p>10. The competent authority shall establish cooperation arrangements with the responsible third-country authorities whose legal and supervisory frameworks have been recognised as equivalent to this Regulation in accordance with paragraph 9. Such arrangements shall specify at least:</p> <p>(a) the mechanism for the exchange of information between the competent authority and the third-country responsible authorities, including access to all information regarding the third-country CSDs authorised in third countries that is requested by the competent authority and in particular access to information in the cases referred to in paragraph 7;</p> <p>(b) the mechanism for prompt notification of the competent authority where a third-country responsible authority deems a third-country CSD that it is supervising to infringe the conditions of its authorisation or of other applicable law;</p> <p>(c) the procedures concerning the coordination of supervisory activities including, where appropriate, on-site inspections.</p> <p>Where a cooperation agreement provides for transfers of personal data by a public authority of the United Kingdom, such transfers shall comply with the provisions of data protection legislation.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 25 Third countries	<p>11. Where a third-country CSD has been recognised, in accordance with paragraphs 4 to 8, it may provide services referred to in the Annex within the United Kingdom, including by setting up a branch.</p> <p>12. The Bank of England may make regulatory technical standards to specify the information that the applicant third-country CSD is to provide to the competent authority in its application for recognition under paragraph 6.</p>	<p>11. Where a third-country CSD has been recognised, in accordance with paragraphs 4 to 8, it may provide services referred to in the Annex within the United Kingdom, including by setting up a branch.</p> <p>12. The Bank of England may make regulatory technical standards to specify the information that the applicant third-country CSD is to provide to the competent authority in its application for recognition under paragraph 6.</p>	Disappplied in SI and not replaced by Bank rules	Disappplied in SI and not replaced by Bank rules
Article 26 General provisions	<p>1. A CSD shall have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.</p> <p>2. A CSD shall adopt policies and procedures which are sufficiently effective so as to ensure compliance with this Regulation, including compliance of its managers and employees with all the provisions of this Regulation.</p> <p>3. A CSD shall maintain and operate effective written organisational and administrative arrangements to identify and manage any potential conflicts of interest between itself, including its managers, employees, members of the management body or any person directly or indirectly linked to them, and its participants or their clients. It shall maintain and implement adequate resolution procedures where possible conflicts of interest occur.</p> <p>4. A CSD shall make its governance arrangements and the rules governing its activity available to the public.</p> <p>5. A CSD shall have appropriate procedures for its employees to report internally potential infringements of this Regulation through a specific channel.</p> <p>6. A CSD shall be subject to regular and independent audits. The results of these audits shall be communicated to the management body and made available to the competent authority and, where appropriate taking into account potential conflicts of interest between the members of the user committee and the CSD, to the user committee.</p>	<p>1. A CSD shall have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.</p> <p>2. A CSD shall adopt policies and procedures which are sufficiently effective so as to ensure compliance with this Regulation, including compliance of its managers and employees with all the provisions of this Regulation.</p> <p>3. A CSD shall maintain and operate effective written organisational and administrative arrangements to identify and manage any potential conflicts of interest between itself, including its managers, employees, members of the management body or any person directly or indirectly linked to them, and its participants or their clients. It shall maintain and implement adequate resolution procedures where possible conflicts of interest occur.</p> <p>4. A CSD shall make its governance arrangements and the rules governing its activity available to the public.</p> <p>5. A CSD shall have appropriate procedures for its employees to report internally potential infringements of this Regulation through a specific channel.</p> <p>6. A CSD shall be subject to regular and independent audits. The results of these audits shall be communicated to the management body and made available to the competent authority and, where appropriate taking into account potential conflicts of interest between the members of the user committee and the CSD, to the user committee.</p>	<p>26.1 A GSD shall A DSD must have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.</p> <p>26.2 A GSD shall A DSD must adopt policies and procedures which are sufficiently effective so as to ensure compliance with this Regulation the DSS CSDR and the rules, including compliance of its managers and employees with all the provisions of this Regulation DSS CSDR and the rules.</p> <p>26.3 A GSD shall A DSD must maintain and operate effective written organisational and administrative arrangements to identify and manage any potential conflicts of interest between itself, including its managers, employees, members of the management body or any person directly or indirectly linked to them, and its participants or their clients. It shall must maintain and implement adequate resolution procedures where possible conflicts of interest occur.</p> <p>26.4 A GSD shall make its governance arrangements and the rules governing its activity available to the public. [Note: left blank]</p> <p>26.5 A DSD must have appropriate procedures for its employees to report internally potential infringements of the DSS CSDR or the rules, through a specific channel.</p> <p>26.6 A GSD shall be subject to regular and independent audits. The results of these audits shall be communicated to the management body and made available to the competent authority and, where appropriate taking into account potential conflicts of interest between the members of the user committee and the GSD, to the user committee. [Note: left blank]</p>	<p>26.1 A DSD must have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.</p> <p>26.2 A DSD must adopt policies and procedures which are sufficiently effective so as to ensure compliance with the DSS CSDR and the rules, including compliance of its managers and employees with all the provisions of DSS CSDR and the rules.</p> <p>26.3 A DSD must maintain and operate effective written organisational and administrative arrangements to identify and manage any potential conflicts of interest between itself, including its managers, employees, members of the management body or any person directly or indirectly linked to them, and its participants or their clients. It must maintain and implement adequate resolution procedures where possible conflicts of interest occur.</p> <p>26.4 [Note: left blank] A DSD must make its governance arrangements and the rules governing its activity available to the public.</p> <p>26.5 A DSD must have appropriate procedures for its employees to report internally potential infringements of the DSS CSDR or the rules through a specific channel.</p> <p>26.6 [Note: left blank] A DSD must be subject to regular and independent audits. A DSD must communicate the results of these audits to the management body and make them available to the Bank and, where appropriate taking into account potential conflicts of interest between the members of the user committee and the DSD, to the user committee.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 26</p> <p>General provisions</p>	<p>7. Where a CSD is part of a group of undertakings including other CSDs, third country CSDs or credit institutions referred to in Title IV, it shall adopt detailed policies and procedures specifying how the requirements laid down in this Article apply to the group and to the different entities in the group.</p> <p>8. The Bank of England may make regulatory technical standards specifying at the CSD level and at the group level as referred to in paragraph 7:</p> <p>(a) the monitoring tools for the risks of the CSDs referred to in paragraph 1;</p> <p>(b) the responsibilities of the key personnel in respect of the risks of the CSDs referred to in paragraph 1;</p> <p>(c) the potential conflicts of interest referred to in paragraph 3;</p> <p>(d) the audit methods referred to in paragraph 6; and</p> <p>(e) the circumstances in which it would be appropriate, taking into account potential conflicts of interest between the members of the user committee and the CSD, to share audit findings with the user committee in accordance with paragraph 6.</p>	<p>7. Where a CSD is part of a group of undertakings including other CSDs, third country CSDs or credit institutions referred to in Title IV, it shall adopt detailed policies and procedures specifying how the requirements laid down in this Article apply to the group and to the different entities in the group.</p> <p>8. The Bank of England may make regulatory technical standards specifying at the CSD level and at the group level as referred to in paragraph 7:</p> <p>(a) the monitoring tools for the risks of the CSDs referred to in paragraph 1;</p> <p>(b) the responsibilities of the key personnel in respect of the risks of the CSDs referred to in paragraph 1;</p> <p>(c) the potential conflicts of interest referred to in paragraph 3;</p> <p>(d) the audit methods referred to in paragraph 6; and</p> <p>(e) the circumstances in which it would be appropriate, taking into account potential conflicts of interest between the members of the user committee and the CSD, to share audit findings with the user committee in accordance with paragraph 6.</p>	<p>26.7 Where a CSD DSD is part of a group of undertakings including other CSDs, third country CSDs or credit institutions referred to in Title IV Article 54 to 60, it shall must adopt detailed policies and procedures specifying how the requirements laid down in this Article apply to the group and to the different entities in the group.</p> <p>26.8 The Bank of England may make regulatory technical standards specifying at the CSD level and at the group level as referred to in paragraph 7:</p> <p>(a) the monitoring tools for the risks of the CSDs referred to in paragraph 1;</p> <p>(b) the responsibilities of the key personnel in respect of the risks of the CSDs referred to in paragraph 1;</p> <p>(c) the potential conflicts of interest referred to in paragraph 3;</p> <p>(d) the audit methods referred to in paragraph 6; and the circumstances in which it would be appropriate, taking into account potential conflicts of interest between the members of the user committee and the CSD, to share audit findings with the user committee in accordance with paragraph 6.</p>	<p>26.7 Where a DSD is part of a group of undertakings including, for example, CSDs, third country CSDs or credit institutions referred to in Articles 54 to 60, it must adopt detailed policies and procedures specifying how the requirements laid down in this Article apply to the group and to the different entities in the group.</p>
<p>Article 27</p> <p>Senior management, management body and shareholders</p>	<p>1. The senior management of a CSD shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the CSD.</p> <p>2. A CSD shall have a management body of which at least one third, but no less than two, of its members are independent.</p> <p>3. The remuneration of the independent and other non-executive members of the management body shall not be linked to the business performance of the CSD.</p> <p>4. The management body shall be composed of suitable members of sufficiently good repute with an appropriate mix of skills, experience and knowledge of the entity and of the market. The non-executive members of the management body shall decide on a target for the representation of the under-represented gender in the management body and prepare a policy on how to increase the number of the under-represented gender in order to meet that target. The target, policy and its implementation shall be made public.</p>	<p>1. The senior management of a CSD shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the CSD.</p> <p>2. A CSD shall have a management body of which at least one third, but no less than two, of its members are independent.</p> <p>3. The remuneration of the independent and other non-executive members of the management body shall not be linked to the business performance of the CSD.</p> <p>4. The management body shall be composed of suitable members of sufficiently good repute with an appropriate mix of skills, experience and knowledge of the entity and of the market. The non-executive members of the management body shall decide on a target for the representation of the under-represented gender in the management body and prepare a policy on how to increase the number of the under-represented gender in order to meet that target. The target, policy and its implementation shall be made public.</p>	<p>27.1 A DSD must ensure that the senior management of a CSD shall DSD must be of sufficiently good repute and experience so as to ensure the sound and prudent management of the CSD DSD.</p> <p>27.2 A CSD shall have a management body of which at least one third, but no less than two, of its members are independent. [Note: left blank]</p> <p>27.3 The remuneration of the independent and other non-executive members of the management body shall not be linked to the business performance of the CSD. [Note: left blank]</p> <p>27.4 The management body shall be composed of suitable members of sufficiently good repute with an appropriate mix of skills, experience and knowledge of the entity and of the market. The non-executive members of the management body shall decide on a target for the representation of the under-represented gender in the management body and prepare a policy on how to increase the number of the under-represented gender in order to meet that target. The target, policy and its implementation shall be made public. [Note: left blank]</p>	<p>27.1 A DSD must ensure that the senior management of a DSD must be of sufficiently good repute and experience so as to ensure the sound and prudent management of the DSD.</p> <p>27.2 [Note: left blank] A DSD must have a management body of which at least one third, but no less than two, of its members are independent.</p> <p>27.3 [Note: left blank] A DSD must ensure that the remuneration of the independent and other non-executive members of the management body must not be linked to the business performance of the DSD.</p> <p>27.4 [Note: left blank] A DSD must ensure that the management body is composed of suitable members of sufficiently good repute with an appropriate mix of skills, experience and knowledge of the entity and of the market. The DSD must ensure that the non-executive members of the management body decide on a target for the representation of the under-represented gender in the management body and prepare a policy on how to increase the number of the under-represented gender in order to meet that target. The target, policy and its implementation must be made public.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 27 Senior management, management body and shareholders	<p>5. A CSD shall clearly determine the role and responsibilities of the management body in accordance with the relevant law applicable within the United Kingdom or of any part of the United Kingdom. A CSD shall make the minutes of the meetings of the management body available to the competent authority and the auditor upon request.</p> <p>6. The CSD's shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the CSD shall be suitable to ensure the sound and prudent management of the CSD.</p> <p>7. A CSD shall:</p> <p>(a) provide the competent authority with, and make public, information regarding the ownership of the CSD, and in particular, the identity and scale of interests of any parties in a position to exercise control over the operation of the CSD;</p> <p>(b) inform and seek approval from the competent authority of any decision to transfer ownership rights which give rise to a change in the identity of the persons exercising control over the operation of the CSD. After receiving approval from the competent authority, the CSD shall make public the transfer of ownership rights.</p> <p>Any natural or legal person shall inform without undue delay the CSD and its competent authority of a decision to acquire or dispose of its ownership rights that give rise to a change in the identity of the persons exercising control over the operation of the CSD.</p> <p>8. Within 60 working days from the receipt of the information referred to in paragraph 7, the competent authority shall take a decision on the proposed changes in the control of the CSD. The competent authority shall refuse to approve proposed changes in the control of the CSD where there are objective and demonstrable grounds for believing that they would pose a threat to the sound and prudent management of the CSD or to the ability of the CSD to comply with this Regulation.</p>	<p>5. A CSD shall clearly determine the role and responsibilities of the management body in accordance with the relevant law applicable within the United Kingdom or of any part of the United Kingdom. A CSD shall make the minutes of the meetings of the management body available to the competent authority and the auditor upon request.</p> <p>6. The CSD's shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the CSD shall be suitable to ensure the sound and prudent management of the CSD.</p> <p>7. A CSD shall:</p> <p>(a) provide the competent authority with, and make public, information regarding the ownership of the CSD, and in particular, the identity and scale of interests of any parties in a position to exercise control over the operation of the CSD;</p> <p>(b) inform and seek approval from the competent authority of any decision to transfer ownership rights which give rise to a change in the identity of the persons exercising control over the operation of the CSD. After receiving approval from the competent authority, the CSD shall make public the transfer of ownership rights.</p> <p>Any natural or legal person shall inform without undue delay the CSD and its competent authority of a decision to acquire or dispose of its ownership rights that give rise to a change in the identity of the persons exercising control over the operation of the CSD.</p> <p>8. Within 60 working days from the receipt of the information referred to in paragraph 7, the competent authority shall take a decision on the proposed changes in the control of the CSD. The competent authority shall refuse to approve proposed changes in the control of the CSD where there are objective and demonstrable grounds for believing that they would pose a threat to the sound and prudent management of the CSD or to the ability of the CSD to comply with this Regulation.</p> <p><i>Treat the reference to "this Regulation" in Article 27(8) as including a reference to any rules made by the appropriate regulator under regulation 7 and any technical standards made by the Bank of England under regulation 8, in so far as these rules or technical standards are on the subject matter of a provision of UK CSDR that is disapplied by this Schedule.</i></p>	<p>27.5 A CSD shall A DSD must clearly determine the role and responsibilities of the management body in accordance with the relevant law applicable within the United Kingdom or of any part of the United Kingdom. A GSD shall DSD must make the minutes of the meetings of the management body available to the competent authority and the auditor Bank upon request.</p> <p>27.6 The GSD's shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the GSD shall be suitable to ensure the sound and prudent management of the GSD. [Note: left blank]</p>	<p>27.5 A DSD must clearly determine the role and responsibilities of the management body in accordance with the relevant law applicable within the United Kingdom or of any part of the United Kingdom. A DSD must make the minutes of the meetings of the management body available to the Bank upon request.</p> <p>27.6 [Note: left blank] <u>The DSD's shareholders and persons who are in a position to exercise, directly or indirectly, control over the management of the DSD must be suitable to ensure the sound and prudent management of the DSD.</u></p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 27</p> <p>Senior management, management body and shareholders</p>		<p><i>Treat this article as modified to provide that regulations 5F to 5J of the Central Securities Depositories Regulations 2014 are included as a new Article 27(9).</i></p> <p>9. Interpretation of Part 5</p> <p>5F. In Part 5 –</p> <p>“acquisition” means a transfer of ownership rights which gives rise to a change in the identity of the persons exercising control over the operation of a recognised CSD;</p> <p>“Article 27 notice” means a notification by a person under Article 27(7) of the CSD regulation of a proposed acquisition;</p> <p>“assessment period” means the period of 60 working days referred to in Article 27(8) of the CSD regulation;</p> <p>“control” means the relationship between two undertakings as described in section 1162 of, and Schedule 7 to, the Companies Act 2006.</p> <p>“proposed acquisition” means a decision to transfer ownership rights which gives rise to a change in the identity of the persons exercising control over the operation of a recognised CSD;</p> <p>“restriction notice” has the meaning given by regulation 5I;</p> <p>“shares” has the meaning given by section 422 of the Act (controller), but section 422A of the Act M20 (disregarded holdings) does not apply.</p> <p>“voting power” has the meaning given by section 422 of the Act.</p> <p>“working day” means a day other than –</p> <ul style="list-style-type: none"> (a) Saturday or Sunday, (b) Christmas Day or Good Friday, or (c) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 M21 in any part of the United Kingdom. <p>Powers of Bank in relation to proposed acquisition</p> <p>5G. –</p> <p>(i) The Bank may before the end of a period of 14 working days starting with the day on which it receives an Article 27 notice, by notice in writing, require the person who gave the Article 27 notice –</p> <ul style="list-style-type: none"> (a) to provide specified information or information of a specified description; or (b) (b) to provide specified documents or documents of a specified description. 		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 27 Senior management, management body and shareholders</p>		<p>(2) <u>Subsection (1) only applies to information or documents which the Bank reasonably requires in order to decide whether there are objective and demonstrable grounds for believing that a proposed acquisition would pose a threat to the sound and prudent management of the recognised CSD or to the ability of the recognised CSD to comply with the CSD regulation.</u></p> <p>(3) <u>The information or documents must be provided or produced –</u></p> <p>(a) <u>before the end of such period as may be specified; and</u></p> <p>(b) <u>at such place as may be specified.</u></p> <p>(4) <u>The Bank may require any information provided under this regulation to be provided in such a form as it may reasonably require.</u></p> <p>(5) <u>The Bank may require –</u></p> <p>(a) <u>any information provided, whether in a document or otherwise, to be verified in such a manner, or</u></p> <p>(b) <u>any document produced to be authenticated in such a manner, as it may reasonably require.</u></p> <p>(6) <u>In this regulation, “specified” means specified in the notice.</u></p> <p>(7) <u>For the purposes of Article 27(8) of the CSD regulation, the information referred to in Article 27(7) of that regulation is not received until the Bank receives all the information and documents required under this regulation, and where the Bank has imposed a requirement under paragraph (4) or (5), that requirement has been complied with.</u></p> <p>Procedure in relation to proposed acquisition</p> <p>5H.–</p> <p>(1) <u>If the Bank gives a person (“P”) notice of its decision under Article 27(8) of the CSD regulation that it opposes a proposed acquisition, P may refer the Bank’s decision to the Tribunal.</u></p> <p>(2) <u>The notice under Article 27(8) of the CSD regulation must –</u></p> <p>(a) <u>give reasons for the decision;</u></p> <p>(b) <u>inform P that P may make representations to the Bank within such period as may be specified in the notice (whether or not P has referred the matter to the Tribunal); and</u></p> <p>(c) <u>inform P of P’s right to refer the matter to the Tribunal, and give an indication of the procedure on such a reference.</u></p>		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p data-bbox="96 153 224 185">Article 27</p> <p data-bbox="96 196 224 312">Senior management, management body and shareholders</p>		<p data-bbox="768 153 1205 220">(3) <u>The Bank may extend the period allowed under the notice under Article 27(8) of the CSD regulation for making representations.</u></p> <p data-bbox="768 228 1205 320">(4) <u>If, having considered any representations made by P, the Bank decides to rescind the notice under Article 27(8) of the CSD regulation, it must give P written notice.</u></p> <p data-bbox="768 328 1205 445">(5) <u>If, having considered any representations made by P, the Bank decides not to rescind the notice under Article 27(8) of the CSD regulation, it must give P written notice which must comply with paragraph (2)(c).</u></p> <p data-bbox="768 453 1205 545">(6) <u>Part 9 of the Act (hearings and appeals) applies to references to the Tribunal under this regulation as it applies to references to the Tribunal under the Act.</u></p> <p data-bbox="768 553 931 571">Restriction notices</p> <p data-bbox="768 579 801 596">51.–</p> <p data-bbox="768 604 1144 671">(1) <u>The Bank may give notice in writing (a “restriction notice”) to a person (“P”) in the following circumstances.</u></p> <p data-bbox="768 679 1025 697">(2) <u>The circumstances are that –</u></p> <p data-bbox="768 705 1178 772">(a) <u>P has taken a decision in relation to which P is required to give the Bank an Article 27 notice; and</u></p> <p data-bbox="768 780 1205 956">(b) <u>P has made the acquisition –</u></p> <p data-bbox="768 807 1111 825">(i) <u>without giving the Article 27 notice,</u></p> <p data-bbox="768 833 1178 900">(ii) <u>before the expiry date of the assessment period (unless the Bank has approved the acquisition), or</u></p> <p data-bbox="768 908 1205 956">(iii) <u>in contravention of the Bank’s decision under Article 27(8) of the CSD regulation.</u></p> <p data-bbox="768 963 1205 1056">(3) <u>In a restriction notice, the Bank may direct that shares or voting power to which the notice relates are, until further notice, subject to one or more of the following restrictions –</u></p> <p data-bbox="768 1064 1205 1179">(a) <u>except by court order, an agreement to transfer or a transfer of any such shares or voting power or, in the case of unissued shares, any agreement to transfer or transfer of the right to be issued with them, is void;</u></p> <p data-bbox="768 1187 1099 1204">(b) <u>no voting power is to be exercisable;</u></p> <p data-bbox="768 1212 1205 1305">(c) <u>no further shares are to be issued in pursuance of any right of the holder of any such shares or voting power or in pursuance of any offer made to their holder;</u></p> <p data-bbox="768 1313 1205 1406">(d) <u>except in a liquidation, no payment is to be made of any sums due from the body corporate on any such shares, whether in respect of capital or otherwise.</u></p>		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 27</p> <p>Senior management, management body and shareholders</p>		<p>(4) A restriction notice takes effect –</p> <p>(a) immediately; or</p> <p>(b) on such date as may be specified in the notice.</p> <p>(5) A restriction notice does not extinguish rights which would be enjoyable but for the notice.</p> <p>(6) A copy of the restriction notice must be given to –</p> <p>(a) the recognised CSD in question; and</p> <p>(b) in the case of shares or voting power held in a parent undertaking M22 of a recognised CSD, the parent undertaking.</p> <p>(7) A person to whom the Bank gives a restriction notice may refer the matter to the Tribunal.</p> <p>(8) Part 9 of the Act (hearings and appeals) applies to references to the Tribunal under this regulation as it applies to references to the Tribunal under the Act.</p> <p>Orders for sale of shares</p> <p>5J. –</p> <p>(1) The court may, on the application of the Bank, order the sale of shares or the disposition of voting power in the following circumstances.</p> <p>(2) The circumstances are that –</p> <p>(a) a person (“P”) has taken a decision in relation to which P is required to give the Bank an Article 27 notice; and</p> <p>(b) P has made the acquisition –</p> <p>(i) without giving the Article 27 notice,</p> <p>(ii) before the expiry date of the assessment period (unless the Bank has approved the acquisition), or</p> <p>(iii) in contravention of the Bank’s decision under Article 27(8) of the CSD regulation.</p> <p>(3) Where the court orders the sale of shares or disposition of voting power it may –</p> <p>(a) if a restriction notice has been given in relation to the shares or voting power, order that the restrictions cease to apply; and</p> <p>(b) make any further order.</p>		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 27</p> <p>Senior management, management body and shareholders</p>		<p><u>(4) Where the court makes an order under this regulation, it must take into account the level of holding that P would have been entitled to acquire, or to continue to hold, without contravening the Bank's decision under Article 27(8) of the CSD regulation.</u></p> <p><u>(5) If shares are sold or voting power disposed of in pursuance of an order under this regulation, any proceeds, less the costs of the sale or disposition, must be paid into court for the benefit of the persons beneficially interested in them; and any such person may apply to the court for payment of the whole or a part of the proceeds.</u></p> <p><u>(6) The jurisdiction conferred by this regulation may be exercised by the High Court or in Scotland, the Court of Session.</u></p> <p><i>Treat article 27(9) as further modified to provide that –</i></p> <p><i>(a) any reference in regulation 5F to 5J to a “recognised CSD” is a reference to a “CSD” under Article 2(f)(1) of DSS CSDR;</i></p> <p><i>(b) any reference to the CSD regulation is a reference to DSS CSDR;</i></p> <p><i>(c) any reference to the Act is a reference to FSMA 2000;</i></p> <p><i>(d) in regulation 5G(2) any reference to DSS CSDR (in place of CSDR) as a result of paragraph (b) above is to be treated as including a reference to any rules made by the appropriate regulator under regulation 7 and any technical standards modified by the Bank of England under regulation 8, insofar as these rules or technical standards are on the subject matter of a provision of UK CSDR that is disapplied by this Schedule;</i></p> <p><i>(e) any reference to “this regulation” or to any part of regulation 5F to 5J includes a reference to the regulations as modified under this Article 27(9).</i></p>		

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 28 User committee</p>	<p>1. A CSD shall establish user committees for each securities settlement system it operates, which shall be composed of representatives of issuers and of participants in such securities settlement systems. The advice of the user committee shall be independent from any direct influence by the management of the CSD.</p> <p>2. A CSD shall define in a non-discriminatory way the mandate for each established user committee, the governance arrangements necessary to ensure its independence and its operational procedures, as well as the admission criteria and the election mechanism for user committee members. The governance arrangements shall be publicly available and shall ensure that the user committee reports directly to the management body and holds regular meetings.</p> <p>3. User committees shall advise the management body on key arrangements that impact on their members, including the criteria for accepting issuers or participants in their respective securities settlement systems and on service level.</p> <p>4. User committees may submit a non-binding opinion to the management body containing detailed reasons regarding the pricing structures of the CSD.</p> <p>5. Without prejudice to the right of the competent authority to be duly informed, the members of the user committees shall be bound by confidentiality. Where the chairman of a user committee determines that a member has an actual or a potential conflict of interest in relation to a particular matter, that member shall not be allowed to vote on that matter.</p> <p>6. A CSD shall promptly inform the competent authority and the user committee of any decision in which the management body decides not to follow the advice of the user committee. The user committee may inform the competent authority of any areas in which it considers that the advice of the user committee has not been followed.</p>	<p>1. A CSD shall establish user committees for each securities settlement system it operates, which shall be composed of representatives of issuers and of participants in such securities settlement systems. The advice of the user committee shall be independent from any direct influence by the management of the CSD.</p> <p>2. A CSD shall define in a non-discriminatory way the mandate for each established user committee, the governance arrangements necessary to ensure its independence and its operational procedures, as well as the admission criteria and the election mechanism for user committee members. The governance arrangements shall be publicly available and shall ensure that the user committee reports directly to the management body and holds regular meetings.</p> <p>3. User committees shall advise the management body on key arrangements that impact on their members, including the criteria for accepting issuers or participants in their respective securities settlement systems and on service level.</p> <p>4. User committees may submit a non-binding opinion to the management body containing detailed reasons regarding the pricing structures of the CSD.</p> <p>5. Without prejudice to the right of the competent authority to be duly informed, the members of the user committees shall be bound by confidentiality. Where the chairman of a user committee determines that a member has an actual or a potential conflict of interest in relation to a particular matter, that member shall not be allowed to vote on that matter.</p> <p>6. A CSD shall promptly inform the competent authority and the user committee of any decision in which the management body decides not to follow the advice of the user committee. The user committee may inform the competent authority of any areas in which it considers that the advice of the user committee has not been followed.</p>		<p>28.1. A DSD must establish user committees for each Securities Settlement System it operates, which must be composed of representatives of issuers and of participants in such Securities Settlement Systems. The advice of the user committee must be independent from any direct influence by the management of the DSD.</p> <p>28.2 A DSD must define in a non-discriminatory way the mandate for each established user committee, the governance arrangements necessary to ensure its independence and its operational procedures, as well as the admission criteria and the election mechanism for user committee members. The governance arrangements must be publicly available and must ensure that the user committee reports directly to the management body and holds regular meetings.</p> <p>28.3 A DSD must ensure that the terms of reference of the user committees provide for the user committee to advise the management body on key arrangements that impact on their members, including the criteria for accepting issuers or participants in their respective Securities Settlement Systems and on service level.</p> <p>28.4 A DSD must allow user committees to submit a non-binding opinion to the management body containing detailed reasons regarding the pricing structures of the DSD.</p> <p>28.5 Without prejudice to the right of the Bank to be duly informed, the DSD must ensure that the members of the user committees are bound by confidentiality. The DSD must ensure that where the chairman of a user committee determines that a member has an actual or a potential conflict of interest in relation to a particular matter, that member must not be allowed to vote on that matter.</p> <p>28.6 A DSD must promptly inform the Bank and the user committee of any decision in which the management body decides not to follow the advice of the user committee. The DSD must allow the user committee to inform the Bank of any areas in which it considers that the advice of the user committee has not been followed.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 29 Record keeping</p>	<p>1. A CSD shall maintain, for a period of at least 10 years, all its records on the services and activities, including on the ancillary services referred to in Sections B and C of the Annex, so as to enable the competent authority to monitor the compliance with the requirements under this Regulation.</p> <p>2. A CSD shall make the records referred to in paragraph 1 available upon request to the competent authority and any other public authority which under the law applicable within the United Kingdom or of any part of the United Kingdom has a power to require access to such records for the purpose of fulfilling their mandate.</p> <p>3. The Bank of England may make regulatory technical standards to specify the details of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p> <p>4. The Bank of England may make implementing technical standards to establish the format of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p>	<p>1. A CSD shall maintain, for a period of at least 10 years, all its records on the services and activities, including on the ancillary services referred to in Sections B and C of the Annex, so as to enable the competent authority to monitor the compliance with the requirements under this Regulation.</p> <p>2. A CSD shall make the records referred to in paragraph 1 available upon request to the competent authority and any other public authority which under the law applicable within the United Kingdom or of any part of the United Kingdom has a power to require access to such records for the purpose of fulfilling their mandate.</p> <p>3. The Bank of England may make regulatory technical standards to specify the details of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p> <p>4. The Bank of England may make implementing technical standards to establish the format of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p>	<p>29.1 A CSD shall A DSD must maintain, for a period of at least 10 5 years, all its records on the services and activities, including on the ancillary services referred to in Sections B and C of the Annex Chapter 4, so as to enable the competent authority Bank to monitor the compliance with the requirements under this Regulation the DSS CSDR and the rules.</p> <p>29.2 A CSD shall A DSD must make the records referred to in paragraph 1 available upon request to the competent authority Bank and any other public authority which under the law applicable within the United Kingdom or of any part of the United Kingdom has a power to require access to such records for the purpose of fulfilling their mandate.</p> <p>29.3 The Bank of England may make regulatory technical standards to specify the details of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p> <p>29.4 The Bank of England may make implementing technical standards to establish the format of the records referred to in paragraph 1 to be retained for the purpose of monitoring the compliance of CSDs with the provisions of this Regulation.</p>	<p>29.1 A DSD must maintain, for a period of at least 10 years, all its records on the services and activities, including on the ancillary services referred to in Sections B and C of Chapter 46, so as to enable the Bank to monitor the compliance with the requirements under the DSS CSDR and the rules.</p> <p>29.2 A DSD must make the records referred to in paragraph 1 available upon request to the Bank and any other public authority which under the law applicable within the United Kingdom or of any part of the United Kingdom has a power to require access to such records for the purpose of fulfilling their mandate.</p>
<p>Article 30 Outsourcing</p>	<p>1. Where a CSD outsources services or activities to a third party, it shall remain fully responsible for discharging all of its obligations under this Regulation and shall comply at all times with the following conditions:</p> <p>(a) outsourcing does not result in the delegation of its responsibility;</p> <p>(b) the relationship and obligations of the CSD towards its participants or issuers are not altered;</p> <p>(c) the conditions for the authorisation of the CSD do not effectively change;</p> <p>(d) outsourcing does not prevent the exercise of supervisory and oversight functions, including on-site access to acquire any relevant information needed to fulfil those functions;</p> <p>(e) outsourcing does not result in depriving the CSD of the systems and controls necessary to manage the risks it faces;</p>	<p>1. Where a CSD outsources services or activities to a third party, it shall remain fully responsible for discharging all of its obligations under this Regulation and shall comply at all times with the following conditions:</p> <p>(a) outsourcing does not result in the delegation of its responsibility;</p> <p>(b) the relationship and obligations of the CSD towards its participants or issuers are not altered;</p> <p>(c) the conditions for the authorisation of the CSD do not effectively change;</p> <p>(d) outsourcing does not prevent the exercise of supervisory and oversight functions, including on-site access to acquire any relevant information needed to fulfil those functions;</p> <p>(e) outsourcing does not result in depriving the CSD of the systems and controls necessary to manage the risks it faces;</p>	<p>30.1 Where a GSD DSD outsources services or activities to a third party, it shall must remain fully responsible for discharging all of its obligations under this Regulation the DSS CSDR and the rules and shall must comply at all times with the following conditions:</p> <p>(a) outsourcing does not result in the delegation of its responsibility;</p> <p>(b) the relationship and obligations of the CSD DSD towards its participants or issuers are not altered;</p> <p>(c) the any conditions for the authorisation of the GSD and permissions given in the SAN of the DSD do not effectively change;</p> <p>(d) outsourcing does not prevent the exercise of supervisory and oversight functions, including on-site access to acquire any relevant information needed to fulfil those functions;</p> <p>(e) outsourcing does not result in depriving the GSD DSD of the systems and controls necessary to manage the risks it faces;</p>	<p>30.1 Where a DSD outsources services or activities to a third party, it must remain fully responsible for discharging all of its obligations under the DSS CSDR and the rules and must comply at all times with the following conditions:</p> <p>(a) outsourcing does not result in the delegation of its responsibility;</p> <p>(b) the relationship and obligations of the DSD towards its participants or issuers are not altered;</p> <p>(c) any conditions and permissions given in the SAN of the DSD do not effectively change;</p> <p>(d) outsourcing does not prevent the exercise of supervisory and oversight functions, including on-site access to acquire any relevant information needed to fulfil those functions;</p> <p>(e) outsourcing does not result in depriving the DSD of the systems and controls necessary to manage the risks it faces;</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 30 Outsourcing</p>	<p>(f) the CSD retains the expertise and resources necessary for evaluating the quality of the services provided, the organisational and capital adequacy of the service provider, for supervising the outsourced services effectively and for managing the risks associated with the outsourcing on an ongoing basis;</p> <p>(g) the CSD has direct access to the relevant information of the outsourced services;</p> <p>(h) the service provider cooperates with the competent authority in connection with the outsourced activities;</p> <p>(i) the CSD ensures that the service provider meets the standards set down by the relevant data protection law which would apply if the service providers were established in the United Kingdom. The CSD is responsible for ensuring that those standards are set out in a contract between the parties and that those standards are maintained.</p> <p>2. The CSD shall define in a written agreement its rights and obligations and those of the service provider. The outsourcing agreement shall allow the CSD to terminate the agreement.</p> <p>3. A CSD and a service provider shall make available upon request to the competent authority all information necessary to enable them to assess the compliance of the outsourced activities with the requirements of this Regulation.</p> <p>4. The outsourcing of a core service shall be subject to authorisation under Article 19 by the competent authority.</p> <p>5. Paragraphs 1 to 4 shall not apply where a CSD outsources some of its services or authority to a public entity and where that outsourcing is governed by a dedicated legal, regulatory and operational framework which has been jointly agreed and formalised by the public entity and the relevant CSD and agreed by the competent authorities on the basis of the requirements established in this Regulation.</p>	<p>(f) the CSD retains the expertise and resources necessary for evaluating the quality of the services provided, the organisational and capital adequacy of the service provider, for supervising the outsourced services effectively and for managing the risks associated with the outsourcing on an ongoing basis;</p> <p>(g) the CSD has direct access to the relevant information of the outsourced services;</p> <p>(h) the service provider cooperates with the competent authority in connection with the outsourced activities;</p> <p>(i) the CSD ensures that the service provider meets the standards set down by the relevant data protection law which would apply if the service providers were established in the United Kingdom. The CSD is responsible for ensuring that those standards are set out in a contract between the parties and that those standards are maintained.</p> <p>2. The CSD shall define in a written agreement its rights and obligations and those of the service provider. The outsourcing agreement shall allow the CSD to terminate the agreement.</p> <p>3. A CSD and a service provider shall make available upon request to the competent authority all information necessary to enable them to assess the compliance of the outsourced activities with the requirements of this Regulation.</p> <p>4. The outsourcing of a core service shall be subject to authorisation under Article 19 by the competent authority.</p> <p>5. Paragraphs 1 to 4 shall not apply where a CSD outsources some of its services or authority to a public entity and where that outsourcing is governed by a dedicated legal, regulatory and operational framework which has been jointly agreed and formalised by the public entity and the relevant CSD and agreed by the competent authorities on the basis of the requirements established in this Regulation.</p>	<p>(f) the GSD DSD retains the expertise and resources necessary for evaluating the quality of the services provided, the organisational and capital adequacy of the service provider, for supervising the outsourced services effectively and for managing the risks associated with the outsourcing on an ongoing basis;</p> <p>(g) the GSD DSD has direct access to the relevant information of the outsourced services;</p> <p>(h) the service provider cooperates with the competent authority Bank in connection with the outsourced activities;</p> <p>(i) the GSD DSD ensures that the service provider meets the standards set down by the relevant data protection law which would apply if the service providers were established in the United Kingdom. The GSD DSD is responsible for ensuring that those standards are set out in a contract between the parties and that those standards are maintained.</p> <p>30.2 The GSD DSD shall define in a written agreement its rights and obligations and those of the service provider. The outsourcing agreement shall allow the GSD DSD to terminate the agreement.</p> <p>30.3 A GSD and a service provider shall A DSD must and must procure that a service provider to the DSD make available upon request to the competent authority Bank all information necessary to enable them the Bank to assess the compliance of the outsourced activities with the requirements of this Regulation the DSS CSDR and the rules.</p> <p>30.4 The outsourcing of a core service shall be subject to authorisation under Article 19 by the competent authority.</p> <p>30.5 Paragraphs 1 to 4 shall not apply where a CSD outsources some of its services or authority to a public entity and where that outsourcing is governed by a dedicated legal, regulatory and operational framework which has been jointly agreed and formalised by the public entity and the relevant CSD and agreed by the competent authorities on the basis of the requirements established in this Regulation.</p>	<p>(e) outsourcing does not result in depriving the DSD of the systems and controls necessary to manage the risks it faces;</p> <p>(f) the DSD retains the expertise and resources necessary for evaluating the quality of the services provided, the organisational and capital adequacy of the service provider, for supervising the outsourced services effectively and for managing the risks associated with the outsourcing on an ongoing basis;</p> <p>(g) the DSD has direct access to the relevant information of the outsourced services;</p> <p>(h) the service provider cooperates with the Bank in connection with the outsourced activities;</p> <p>(i) the DSD ensures that the service provider meets the standards set down by the relevant data protection law which would apply if the service providers were established in the United Kingdom. The DSD is responsible for ensuring that those standards are set out in a contract between the parties and that those standards are maintained.</p> <p>30.2 The DSD must define in a written agreement its rights and obligations and those of the service provider. The outsourcing agreement must allow the DSD to terminate the agreement.</p> <p>30.3 A DSD must and must procure that a service provider to the DSD make available upon request to the Bank all information necessary to enable the Bank to assess the compliance of the outsourced activities with the requirements of the DSS CSDR and the rules.</p>
<p>Article 31 Services provided by parties other than CSDs</p>	<p>Not onshored into UK CSDR</p>			

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 32</p> <p>General provisions</p>	<p>1. A CSD shall have clearly defined goals and objectives that are achievable, such as in the areas of minimum service levels, risk-management expectations and business priorities.</p> <p>2. A CSD shall have transparent rules for the handling of complaints.</p>	<p>1. A CSD shall have clearly defined goals and objectives that are achievable, such as in the areas of minimum service levels, risk-management expectations and business priorities.</p> <p>2. A CSD shall have transparent rules for the handling of complaints.</p>	<p>32.1 A CSD shall <u>A DSD</u> must have clearly defined goals and objectives that are achievable, such as in the areas of minimum service levels, risk-management expectations and business priorities. <u>including around the level of service it aims to provide to its users and business priorities.</u></p> <p>32.2 A CSD shall have transparent rules for the handling of complaints.</p>	<p>32.1 A DSD must have clearly defined goals and objectives that are achievable, including around the level of service it aims to provide to its users <u>such as in the areas of minimum service levels, risk management expectations and business priorities.</u></p> <p>32.2 A DSD must have transparent rules for the handling of complaints.</p>
<p>Article 33</p> <p>Requirements for participation</p>	<p>1. For each securities settlement system it operates a CSD shall have publicly disclosed criteria for participation which allow fair and open access for all legal persons that intend to become participants. Such criteria shall be transparent, objective, and non-discriminatory so as to ensure fair and open access to the CSD with due regard to risks to financial stability and the orderliness of markets. Criteria that restrict access shall be permitted only to the extent that their objective is to justifiably control a specified risk for the CSD.</p> <p>2. A CSD shall treat requests for access promptly by providing a response to such requests within one month at the latest and shall make the procedures for treating access requests publicly available.</p> <p>3. A CSD shall deny access to a participant meeting the criteria referred to in paragraph 1 only where duly justified in writing and based on a comprehensive risk assessment.</p> <p>In the event of a refusal, the requesting participant has the right to complain to the competent authority of the CSD that has refused access.</p> <p>The competent authority shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting participant with a reasoned reply.</p> <p>Where the refusal by the CSD to grant access to the requesting participant is deemed to be unjustified, the competent authority of the CSD that has refused access shall issue an order requiring that CSD to grant access to the requesting participant.</p> <p>4. A CSD shall have objective and transparent procedures for the suspension and orderly exit of participants that no longer meet the criteria for participation referred to in paragraph 1.</p>	<p>1. For each securities settlement system it operates a CSD shall have publicly disclosed criteria for participation which allow fair and open access for all legal persons that intend to become participants. Such criteria shall be transparent, objective, and non-discriminatory so as to ensure fair and open access to the CSD with due regard to risks to financial stability and the orderliness of markets. Criteria that restrict access shall be permitted only to the extent that their objective is to justifiably control a specified risk for the CSD.</p> <p>2. A CSD shall treat requests for access promptly by providing a response to such requests within one month at the latest and shall make the procedures for treating access requests publicly available.</p> <p>3. A CSD shall deny access to a participant meeting the criteria referred to in paragraph 1 only where duly justified in writing and based on a comprehensive risk assessment.</p> <p>In the event of a refusal, the requesting participant has the right to complain to the competent authority of the CSD that has refused access.</p> <p>The competent authority shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting participant with a reasoned reply.</p> <p>Where the refusal by the CSD to grant access to the requesting participant is deemed to be unjustified, the competent authority of the CSD that has refused access shall issue an order requiring that CSD to grant access to the requesting participant.</p> <p>4. A CSD shall have objective and transparent procedures for the suspension and orderly exit of participants that no longer meet the criteria for participation referred to in paragraph 1.</p>	<p>33.1 For each Securities Settlement Systems it operates a CSD shall <u>DSD must</u> have publicly disclosed defined criteria for participation, which allow fair and open access for all legal persons that intend to become participants. Such criteria shall be transparent, objective, and non-discriminatory so as to ensure fair and open access to the CSD with due regard to risks to financial stability and the orderliness of markets. Criteria that restrict access shall be permitted only to the extent that their objective is to justifiably control a specified risk for the CSD. <u>A DSD must provide these criteria to the Bank on request.</u></p> <p>33.2 A CSD shall treat requests for access promptly by providing a response to such requests within one month at the latest and shall make the procedures for treating access requests publicly available. <u>[Note: left blank]</u></p> <p>33.3 A CSD shall deny access to a participant meeting the criteria referred to in paragraph 1 only where duly justified in writing and based on a comprehensive risk assessment.</p> <p>In the event of a refusal, the requesting participant has the right to complain to the competent authority of the CSD that has refused access:</p> <p>The competent authority shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting participant with a reasoned reply.</p> <p>Where the refusal by the CSD to grant access to the requesting participant is deemed to be unjustified, the competent authority of the CSD that has refused access shall issue an order requiring that CSD to grant access to the requesting participant. <u>[Note: left blank]</u></p> <p>33.4 A CSD shall have objective and transparent procedures for the suspension and orderly exit of participants that no longer meet the criteria for participation referred to in paragraph 1. <u>[Note: left blank]</u></p>	<p>33.1 For each Securities Settlement System it operates a DSD must have <u>defined publicly disclosed</u> criteria for participation. <u>A DSD must provide these criteria to the Bank on request, which allow fair and open access for all legal persons that intend to become participants. Such criteria shall be transparent, objective, and non-discriminatory so as to ensure fair and open access to the DSD with due regard to risks to financial stability and the orderliness of markets. Criteria that restrict access shall be permitted only to the extent that their objective is to justifiably control a specified risk for the DSD.</u></p> <p>33.2 <u>[Note: left blank]</u> A DSD must treat requests for access promptly by providing a response to such requests within one month at the latest and must make the procedures for treating access requests publicly available.</p> <p>33.3 <u>[Note: left blank]</u> A DSD must deny access to a participant meeting the criteria referred to in paragraph 1 only where duly justified in writing and based on a comprehensive risk assessment.</p> <p>33.4 <u>[Note: left blank]</u> A DSD must have objective and transparent procedures for the suspension and orderly exit of participants that no longer meet the criteria for participation referred to in paragraph 1.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 33 Requirements for participation	<p>5. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the competent authority when assessing the reasons for refusal in accordance with paragraph 3 and the elements of the procedure referred to in paragraph 3.</p> <p>6. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraph 3.</p>	<p>5. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the competent authority when assessing the reasons for refusal in accordance with paragraph 3 and the elements of the procedure referred to in paragraph 3.</p> <p>6. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraph 3.</p>	<p>33.5 The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the competent authority when assessing the reasons for refusal in accordance with paragraph 3 and the elements of the procedure referred to in paragraph 3. [Note: left blank]</p> <p>33.6 The Bank of England may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraph 3. [Note: left blank]</p>	<p>33.5 [Note: left blank]</p> <p>33.6 [Note: left blank]</p>
	Article 34 Transparency	<p>1. For each securities settlement system it operates, as well as for each of the other core services it performs, a CSD shall publicly disclose the prices and fees associated with the core services listed in Section A of the Annex that they provide. It shall disclose the prices and fees of each service and function provided separately, including discounts and rebates and the conditions to benefit from those reductions. It shall allow its clients separate access to the specific services provided.</p> <p>2. A CSD shall publish its price list so as to facilitate the comparison of offers and to allow clients to anticipate the price they shall have to pay for the use of services.</p> <p>3. A CSD shall be bound by its published pricing policy for its core services.</p> <p>4. A CSD shall provide its clients with information that allows reconciling invoices with the published price lists.</p> <p>5. A CSD shall disclose to all clients information that allows them to assess the risks associated with the services provided.</p> <p>6. A CSD shall account separately for costs and revenues of the core services provided and shall disclose that information to the competent authority.</p> <p>7. A CSD shall account for the cost and revenue of the ancillary services provided as a whole and shall disclose that information to the competent authority.</p>	<p>1. For each securities settlement system it operates, as well as for each of the other core services it performs, a CSD shall publicly disclose the prices and fees associated with the core services listed in Section A of the Annex that they provide. It shall disclose the prices and fees of each service and function provided separately, including discounts and rebates and the conditions to benefit from those reductions. It shall allow its clients separate access to the specific services provided.</p> <p>2. A CSD shall publish its price list so as to facilitate the comparison of offers and to allow clients to anticipate the price they shall have to pay for the use of services.</p> <p>3. A CSD shall be bound by its published pricing policy for its core services.</p> <p>4. A CSD shall provide its clients with information that allows reconciling invoices with the published price lists.</p> <p>5. A CSD shall disclose to all clients information that allows them to assess the risks associated with the services provided.</p> <p>6. A CSD shall account separately for costs and revenues of the core services provided and shall disclose that information to the competent authority.</p> <p>7. A CSD shall account for the cost and revenue of the ancillary services provided as a whole and shall disclose that information to the competent authority.</p>	<p>34.1 For each Securities Settlement System it operates, as well as for each of the other core services it performs, a DSD must publicly disclose the prices and fees associated with the core services listed in Section A of Chapter 6 that it provides. It must disclose the prices and fees of each service and function provided separately, including discounts and rebates and the conditions to benefit from those reductions. It must allow its clients separate access to the specific services provided.</p> <p>34.2 A DSD must publish its price list so as to facilitate the comparison of offers and to allow clients to anticipate the price they shall have to pay for the use of services.</p> <p>34.3 A DSD must be bound by its published pricing policy for its core services.</p> <p>34.4 A DSD must provide its clients with information that allows reconciling invoices with the published price lists.</p> <p>34.5 A DSD must disclose to all clients information that allows them to assess the risks associated with the services provided.</p> <p>34.6 A DSD must account separately for costs and revenues of the core services provided and must disclose that information to the Bank.</p> <p>34.7 A DSD must account for the cost and revenue of the ancillary services provided as a whole and must disclose that information to the Bank.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 34 Transparency	8. In order to ensure effective application of United Kingdom competition rules and enable the identification, inter alia, of cross-subsidisation of ancillary services by core services, a CSD shall maintain analytical accounting for its activities. Such analytical accounts shall at least separate the costs and revenues associated with each of its core services from those associated with ancillary services.	8. In order to ensure effective application of United Kingdom competition rules and enable the identification, inter alia, of cross-subsidisation of ancillary services by core services, a CSD shall maintain analytical accounting for its activities. Such analytical accounts shall at least separate the costs and revenues associated with each of its core services from those associated with ancillary services.		34.8 In order to ensure effective application of United Kingdom competition rules and enable the identification, inter alia, of cross-subsidisation of ancillary services by core services, a DSD must maintain analytical accounting for its activities. Such analytical accounts must at least separate the costs and revenues associated with each of its core services from those associated with ancillary services.
Article 35 Communication procedures with participants and other market infrastructures	CSDs shall use in their communication procedures with participants of the securities settlement systems they operate, and with the market infrastructures they interface with international open communication procedures and standards for messaging and reference data in order to facilitate efficient recording, payment and settlement.	CSDs shall use in their communication procedures with participants of the securities settlement systems they operate, and with the market infrastructures they interface with international open communication procedures and standards for messaging and reference data in order to facilitate efficient recording, payment and settlement.		35.1 A DSD must use in its communication procedures with participants of the Securities Settlement Systems they operate, and with the market infrastructures they interface with international open communication procedures and standards for messaging and reference data in order to facilitate efficient recording, payment and settlement.
Article 36 General provisions	For each securities settlement system it operates a CSD shall have appropriate rules and procedures, including robust accounting practices and controls, to help ensure the integrity of securities issues, and reduce and manage the risks associated with the safekeeping and settlement of transactions in securities.	For each securities settlement system it operates a CSD shall have appropriate rules and procedures, including robust accounting practices and controls, to help ensure the integrity of securities issues, and reduce and manage the risks associated with the safekeeping and settlement of transactions in securities.	36.1 For each securities settlement system it operates a CSD DSD must have appropriate rules and procedures, including robust accounting practices and controls, to help ensure the integrity of securities issues, and reduce and manage the risks associated with the safekeeping and settlement of transactions in securities.	36.1 For each Securities Settlement System it operates a DSD must have appropriate rules and procedures, including robust accounting practices and controls, to help ensure the integrity of securities issues, and reduce and manage the risks associated with the safekeeping and settlement of transactions in securities.
Article 37 Integrity of the issue	<p>1. A CSD shall take appropriate reconciliation measures to verify that the number of securities making up a securities issue or part of a securities issue submitted to the CSD is equal to the sum of securities recorded on the securities accounts of the participants of the securities settlement system operated by the CSD and, where relevant, on owner accounts maintained by the CSD. Such reconciliation measures shall be conducted at least daily.</p> <p>2. Where appropriate and if other entities are involved in the reconciliation process for a certain securities issue, such as the issuer, registrars, issuance agents, transfer agents, common depositories, other CSDs, third-country CSDs or other entities, the CSD and any such entities shall organise adequate cooperation and information exchange measures with each other so that the integrity of the issue is maintained.</p>	<p>1. A CSD shall take appropriate reconciliation measures to verify that the number of securities making up a securities issue or part of a securities issue submitted to the CSD is equal to the sum of securities recorded on the securities accounts of the participants of the securities settlement system operated by the CSD and, where relevant, on owner accounts maintained by the CSD. Such reconciliation measures shall be conducted at least daily.</p> <p>2. Where appropriate and if other entities are involved in the reconciliation process for a certain securities issue, such as the issuer, registrars, issuance agents, transfer agents, common depositories, other CSDs, third-country CSDs or other entities, the CSD and any such entities shall organise adequate cooperation and information exchange measures with each other so that the integrity of the issue is maintained.</p>	<p>37.1 A CSD DSD must take appropriate reconciliation measures to verify that the number of securities making up a securities issue or part of a securities issue submitted to the CSD DSD is equal to the sum of securities recorded on the securities accounts of the participants of the Securities Settlement System operated by the CSD DSD and or, where relevant, on owner accounts maintained by the CSD DSD, including those held at other CSDs for the purposes of immobilising assets held in other book-entry forms or forms of recording of securities using developing technology. Such reconciliation measures shall be conducted at least daily.</p> <p>37.2 Where appropriate and if other entities are involved in the reconciliation process for a certain securities issue, such as the issuer, registrars, issuance agents, transfer agents, common depositories, other CSDs, third-country CSDs or other entities, the CSD DSD and any such entities shall must organise adequate cooperation and information exchange measures with each other between itself and any such entities so that the integrity of the issue is maintained.</p>	<p>37.1 A DSD must take appropriate reconciliation measures to verify that the number of securities making up a securities issue or part of a securities issue submitted to the DSD is equal to the sum of securities recorded on the securities accounts of the participants of the Securities Settlement System operated by the DSD or, where relevant, on owner accounts maintained by the DSD, including those held at other CSDs for the purposes of immobilising assets held in other book-entry forms or forms of recording of securities using developing technology. Such reconciliation measures must be conducted at least daily.</p> <p>37.2 Where appropriate and if other entities are involved in the reconciliation process for a certain securities issue, such as the issuer, registrars, issuance agents, transfer agents, common depositories, other CSDs, third-country CSDs or other entities, the DSD must organise adequate cooperation and information exchange measures between itself and any such entities so that the integrity of the issue is maintained.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 37 Integrity of the issue	<p>3. Securities overdrafts, debit balances or securities creation shall not be allowed in a securities settlement system operated by a CSD.</p> <p>4. The Bank of England may make regulatory technical standards to specify the reconciliation measures a CSD is to take under paragraphs 1, 2 and 3.</p>	<p>3. Securities overdrafts, debit balances or securities creation shall not be allowed in a securities settlement system operated by a CSD.</p> <p>4. The Bank of England may make regulatory technical standards to specify the reconciliation measures a CSD is to take under paragraphs 1, 2 and 3.</p>	<p>37.3 Where a DSD operates a Securities Settlement System, it must not allow securities overdrafts, debit balances or securities creation shall not be allowed in a securities settlement system operated by a CSD: within that Securities Settlement System.</p> <p>37.4 The Bank of England may make regulatory technical standards to specify the reconciliation measures a CSD is to take under paragraphs 1, 2 and 3.</p>	<p>37.3 Where a DSD operates a Securities Settlement System, it must not allow securities overdrafts, debit balances or securities creation within that Securities Settlement System.</p>
Article 38 Protection of securities of participants and those of their clients	<p>1. For each securities settlement system it operates, a CSD shall keep records and accounts that shall enable it, at any time and without delay, to segregate in the accounts with the CSD, the securities of a participant from those of any other participant and, if applicable, from the CSD's own assets.</p> <p>2. A CSD shall keep records and accounts that enable any participant to segregate the securities of the participant from those of the participant's clients.</p> <p>3. A CSD shall keep records and accounts that enable any participant to hold in one securities account the securities that belong to different clients of that participant ('omnibus client segregation')</p> <p>4. A CSD shall keep records and accounts that enable a participant to segregate the securities of any of the participant's clients, if and as required by the participant ('individual client segregation').</p> <p>5. A participant shall offer its clients at least the choice between omnibus client segregation and individual client segregation and inform them of the costs and risks associated with each option.</p> <p>6. CSDs and their participants shall publicly disclose the levels of protection and the costs associated with the different levels of segregation that they provide and shall offer those services on reasonable commercial terms. Details of the different levels of segregation shall include a description of the main legal implications of the respective levels of segregation offered, including information on the insolvency law applicable in the relevant jurisdictions.</p>	<p>1. For each securities settlement system it operates, a CSD shall keep records and accounts that shall enable it, at any time and without delay, to segregate in the accounts with the CSD, the securities of a participant from those of any other participant and, if applicable, from the CSD's own assets.</p> <p>2. A CSD shall keep records and accounts that enable any participant to segregate the securities of the participant from those of the participant's clients.</p> <p>3. A CSD shall keep records and accounts that enable any participant to hold in one securities account the securities that belong to different clients of that participant ('omnibus client segregation')</p> <p>4. A CSD shall keep records and accounts that enable a participant to segregate the securities of any of the participant's clients, if and as required by the participant ('individual client segregation').</p> <p>5. A participant shall offer its clients at least the choice between omnibus client segregation and individual client segregation and inform them of the costs and risks associated with each option.</p> <p>6. CSDs and their participants shall publicly disclose the levels of protection and the costs associated with the different levels of segregation that they provide and shall offer those services on reasonable commercial terms. Details of the different levels of segregation shall include a description of the main legal implications of the respective levels of segregation offered, including information on the insolvency law applicable in the relevant jurisdictions.</p>	<p>38.1 For each Securities Settlement System (19) it operates, a CSD DSD shall keep records and accounts that shall must enable it, at any time and without delay, to segregate in the accounts with the CSD DSD, the securities of a participant from those of any other participant and, if applicable, from the CSD DSD's own assets.</p> <p>38.2 A CSD DSD shall must keep records and accounts that enable any participant to segregate the securities of the participant from those of the participant's clients.</p> <p>38.3 A CSD DSD shall must keep records and accounts that enable any participant to hold in one securities account the securities that belong to different clients of that participant ('omnibus client segregation').</p> <p>38.4 A CSD DSD shall must keep records and accounts that enable a participant to segregate the securities of any of the participant's clients, if and as required by the participant ('individual client segregation').</p> <p>38.5 A participant shall offer its clients at least the choice between omnibus client segregation and individual client segregation and inform them of the costs and risks associated with each option: [Note: left blank]</p> <p>38.6 CSDs and their participants shall publicly disclose the levels of protection and the costs associated with the different levels of segregation that they provide and shall offer those services on reasonable commercial terms. Details of the different levels of segregation shall include a description of the main legal implications of the respective levels of segregation offered, including information on the insolvency law applicable in the relevant jurisdictions. [Note: left blank]</p>	<p>38.1 For each Securities Settlement System it operates, a DSD must keep records and accounts that must enable it, at any time and without delay, to segregate in the accounts with the DSD, the securities of a participant from those of any other participant and, if applicable, from the DSD's own assets.</p> <p>38.2 A DSD must keep records and accounts that enable any participant to segregate the securities of the participant from those of the participant's clients.</p> <p>38.3 A DSD must keep records and accounts that enable any participant to hold in one securities account the securities that belong to different clients of that participant ('omnibus client segregation').</p> <p>38.4 A DSD must keep records and accounts that enable a participant to segregate the securities of any of the participant's clients, if and as required by the participant ('individual client segregation').</p> <p>38.5 [Note: left blank] A DSD must take all reasonable steps to ensure that a participant offers its clients at least the choice between omnibus client segregation and individual client segregation and inform them of the costs and risks associated with each option.</p> <p>38.6 [Note: left blank] A DSD must, and must take all reasonable steps to ensure that its participants, publicly disclose the levels of protection and the costs associated with the different levels of segregation that they provide and must offer those services on reasonable commercial terms. Details of the different levels of segregation must include a description of the main legal implications of the respective levels of segregation offered, including information on the insolvency law applicable in the relevant jurisdictions.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 38</p> <p>Protection of securities of participants and those of their clients</p>	<p>7. A CSD shall not use for any purpose securities that do not belong to it. A CSD may however use securities of a participant where it has obtained that participant's prior express consent. The CSD shall require its participants to obtain any necessary prior consent from their clients.</p>	<p>7. A CSD shall not use for any purpose securities that do not belong to it. A CSD may however use securities of a participant where it has obtained that participant's prior express consent. The CSD shall require its participants to obtain any necessary prior consent from their clients.</p>	<p>38.7 A CSD DSD must not use for any purpose securities that do not belong to it. A CSD DSD may however use securities of a participant where it has obtained that participant's prior express consent. The CSD DSD must require its participants to obtain any necessary prior consent from their clients.</p>	<p>38.7 A DSD must not use for any purpose securities that do not belong to it. A DSD may however use securities of a participant where it has obtained that participant's prior express consent. The DSD must require its participants to obtain any necessary prior consent from their clients.</p>
<p>Article 39</p> <p>Settlement finality</p>	<p>1. A CSD shall ensure that the securities settlement system it operates offers adequate protection to participants. The competent authority shall designate and notify the securities settlement systems operated by CSDs according to the procedures referred to in regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>2. A CSD shall ensure that each securities settlement system that it operates defines the moments of entry and of irrevocability of transfer orders in that securities settlement system in accordance with regulation 20 of, and paragraph 5 of the Schedule to, the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>3. A CSD shall disclose the rules governing the finality of transfers of securities and cash in a securities settlement system.</p> <p>4. Paragraphs 2 and 3 shall apply without prejudice to the provisions applicable to CSD links, and without prejudice to paragraph 8 of Article 48.</p> <p>5. A CSD shall take all reasonable steps to ensure that, in accordance with the rules referred to in paragraph 3, finality of transfers of securities and cash referred to in paragraph 3 is achieved either in real time or intra-day and in any case no later than by the end of the business day of the actual settlement date.</p> <p>6. Where the CSD offers the services referred to in Article 40(2), it shall ensure that the cash proceeds of securities settlements shall be available for recipients to use no later than by the end of the business day of the intended settlement date.</p> <p>7. All securities transactions against cash between direct participants in a securities settlement system operated by a CSD and settled in that securities settlement system shall be settled on a DVP basis.</p>	<p>1. A CSD shall ensure that the securities settlement system it operates offers adequate protection to participants. The competent authority shall designate and notify the securities settlement systems operated by CSDs according to the procedures referred to in regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>2. A CSD shall ensure that each securities settlement system that it operates defines the moments of entry and of irrevocability of transfer orders in that securities settlement system in accordance with regulation 20 of, and paragraph 5 of the Schedule to, the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>3. A CSD shall disclose the rules governing the finality of transfers of securities and cash in a securities settlement system.</p> <p>4. Paragraphs 2 and 3 shall apply without prejudice to the provisions applicable to CSD links, and without prejudice to paragraph 8 of Article 48.</p> <p>5. A CSD shall take all reasonable steps to ensure that, in accordance with the rules referred to in paragraph 3, finality of transfers of securities and cash referred to in paragraph 3 is achieved either in real time or intra-day and in any case no later than by the end of the business day of the actual settlement date.</p> <p>6. Where the CSD offers the services referred to in Article 40(2), it shall ensure that the cash proceeds of securities settlements shall be available for recipients to use no later than by the end of the business day of the intended settlement date.</p> <p>7. All securities transactions against cash between direct participants in a securities settlement system operated by a CSD and settled in that securities settlement system shall be settled on a DVP basis.</p>	<p>39.1 A CSD DSD must ensure that the Securities Settlement System it operates offers adequate protection to participants. The competent authority shall designate and notify the securities settlement systems operated by CSDs according to the procedures referred to in regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>39.2 A CSD DSD must ensure that each Securities Settlement System that it operates defines the moments of entry and of irrevocability of transfer orders in that Securities Settlement System in accordance with regulation 20 of, and paragraph 5 of the Schedule to, the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>39.3 A CSD DSD must disclose the rules governing the finality of transfers of securities and cash in a Securities Settlement System it operates.</p> <p>39.4 Paragraphs 2 and 3 shall apply without prejudice to the provisions applicable to CSD DSD links, and without prejudice to paragraph 8 of Article 48.</p> <p>39.5 A CSD DSD must take all reasonable steps to ensure that, in accordance with the rules referred to in paragraph 3, finality of transfers of securities and cash referred to in paragraph 3 is achieved either in real time or intra-day and in any case no later than by the end of the business day of the actual settlement date.</p> <p>39.6 Where the CSD DSD offers the services referred to in Article 40(2) 40.2, it shall must ensure that the cash proceeds of securities settlements shall be are available for recipients to use no later than by the end of the business day of the intended settlement date.</p> <p>39.7 All securities transactions against cash between direct participants in a Securities Settlement System operated by a CSD DSD and settled in that Securities Settlement System shall must be settled on a DVP basis.</p>	<p>39.1 A DSD must ensure that any Securities Settlement System it operates offers adequate protection to participants. Any Securities Settlement Systems operated by a DSD must be designated under regulation 4 of the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>39.2 A DSD must ensure that each Securities Settlement System that it operates defines the moments of entry and of irrevocability of transfer orders in that Securities Settlement System in accordance with regulation 20 of, and paragraph 5 of the Schedule to, the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.</p> <p>39.3 A DSD must disclose the rules governing the finality of transfers of securities and cash in any Securities Settlement System it operates.</p> <p>39.4 Paragraphs 2 and 3 apply without prejudice to the provisions applicable to DSD links, and without prejudice to paragraph 8 of Article 48.</p> <p>39.5 A DSD must take all reasonable steps to ensure that, in accordance with the rules referred to in paragraph 3, finality of transfers of securities and cash referred to in paragraph 3 is achieved either in real time or intra-day and in any case no later than by the end of the business day of the actual settlement date.</p> <p>39.6 Where the DSD offers the services referred to in Article 40.2, it must ensure that the cash proceeds of securities settlements are available for recipients to use no later than by the end of the business day of the intended settlement date.</p> <p>39.7 All securities transactions against cash between direct participants in a Securities Settlement System operated by a DSD and settled in that Securities Settlement System must be settled on a DVP basis.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 40 Cash settlement	<p>1. For transactions denominated in the currency of the country where the settlement takes place, a CSD shall settle the cash payments of its securities settlement system through accounts opened with a central bank of issue of the relevant currency where practical and available.</p> <p>2. Where it is not practical and available to settle in central bank accounts as provided in paragraph 1, a CSD may offer to settle the cash payments for all or part of its securities settlement systems through accounts opened with a credit institution or through its own accounts. If a CSD offers to settle in accounts opened with a credit institution or through its own accounts, it shall do so in accordance with the provisions of Title IV.</p> <p>3. A CSD shall ensure that any information provided to market participants about the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts is clear, fair and not misleading. A CSD shall make available sufficient information to clients or potential clients to allow them to identify and evaluate the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts and shall provide such information on request.</p>	<p>1. For transactions denominated in the currency of the country where the settlement takes place, a CSD shall settle the cash payments of its securities settlement system through accounts opened with a central bank of issue of the relevant currency where practical and available.</p> <p>2. Where it is not practical and available to settle in central bank accounts as provided in paragraph 1, a CSD may offer to settle the cash payments for all or part of its securities settlement systems through accounts opened with a credit institution or through its own accounts. If a CSD offers to settle in accounts opened with a credit institution or through its own accounts, it shall do so in accordance with the provisions of Title IV.</p> <p>3. A CSD shall ensure that any information provided to market participants about the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts is clear, fair and not misleading. A CSD shall make available sufficient information to clients or potential clients to allow them to identify and evaluate the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts and shall provide such information on request.</p>	<p>40.1 For transactions denominated in the currency of the country where the settlement takes place, a CSD shall DSD must settle the cash payments of its a Securities Settlement System it operates through accounts opened with a central bank of issue of the relevant currency where practical and available.</p> <p>40.2 Where it is not practical and available to settle in central bank accounts as provided in paragraph 1, a CSD DSD may offer to settle the cash payments for all or part of its securities settlement systems through accounts opened with a credit institution or through its own accounts, with permission to accept deposits under Part 4A of FSMA 2000, or through its own accounts. If a CSD DSD offers to settle in accounts opened with a credit institution or through its own accounts, it shall do so in accordance with the provisions of Title IV Articles 54 to 60.</p> <p>40.3 A CSD shall DSD must ensure that any information provided to market participants about the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts is clear, fair and not misleading. A CSD DSD shall make available sufficient information to clients or potential clients to allow them to identify and evaluate the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts and shall must provide such information on request.</p>	<p>40.1 For transactions denominated in the currency of the country where the settlement takes place, a DSD must settle the cash payments of a Securities Settlement System it operates through accounts opened with a central bank of issue of the relevant currency, where practical and available.</p> <p>40.2 40.1 Where it is not practical and available to settle in central bank accounts as provided in paragraph 1, a DSD may offer to settle the cash payments for all or part of any Securities Settlement Systems it operates through accounts opened with a credit institution with permission to accept deposits under Part 4A of FSMA 2000, or through its own accounts. If a DSD offers to settle in accounts opened with a credit institution or through its own accounts, it must do so in accordance with the provisions of Articles 54 to 60.</p> <p>40.3 A DSD must ensure that any information provided to market participants about the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts is clear, fair and not misleading. A DSD must make available sufficient information to clients or potential clients to allow them to identify and evaluate the risks and costs associated with settlement in the accounts of credit institutions or through its own accounts and must provide such information on request.</p>
	Article 41 Participant default rules and procedures	<p>1. For each securities settlement system it operates, a CSD shall have effective and clearly defined rules and procedures to manage the default of one or more of its participants ensuring that the CSD can take timely action to contain losses and liquidity pressures and continue to meet its obligations.</p> <p>2. A CSD shall make its default rules and relevant procedures available to the public.</p> <p>3. A CSD shall undertake with its participants and other relevant stakeholders periodic testing and review of its default procedures to ensure that they are practical and effective.</p>	<p>1. For each securities settlement system it operates, a CSD shall have effective and clearly defined rules and procedures to manage the default of one or more of its participants ensuring that the CSD can take timely action to contain losses and liquidity pressures and continue to meet its obligations.</p> <p>2. A CSD shall make its default rules and relevant procedures available to the public.</p> <p>3. A CSD shall undertake with its participants and other relevant stakeholders periodic testing and review of its default procedures to ensure that they are practical and effective.</p>	<p>41.1 For each Securities Settlement System it operates, a CSD shall DSD must have effective and clearly defined rules and procedures to manage the default of one or more of its participants ensuring that the CSD can take timely action to contain losses and liquidity pressures and continue to meet its obligations.</p> <p>41.2 A CSD shall make its default rules and relevant procedures available to the public.</p> <p>41.3 A CSD shall undertake with its participants and other relevant stakeholders periodic testing and review of its default procedures to ensure that they are practical and effective.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 42 General requirement	A CSD shall adopt a sound risk-management framework for comprehensively managing legal, business, operational and other direct or indirect risks, including measures to mitigate fraud and negligence.	A CSD shall adopt a sound risk-management framework for comprehensively managing legal, business, operational and other direct or indirect risks, including measures to mitigate fraud and negligence.	42.1 A GSD shall DSD must adopt a sound risk-management framework for comprehensively managing legal, business, operational and other direct or indirect risks, including measures to mitigate fraud and negligence.	42.1 A DSD must adopt a sound risk-management framework for comprehensively managing legal, business, operational and other direct or indirect risks, including measures to mitigate fraud and negligence.
Article 43 Legal risks	<p>1. For the purpose of its authorisation and supervision, as well as for the information of its clients, a CSD shall have rules, procedures, and contracts that are clear and understandable for all the securities settlement systems that it operates and all other services that it provides.</p> <p>2. A CSD shall design its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in the case of the default of a participant.</p> <p>3. A CSD conducting business in different jurisdictions shall take all reasonable steps to identify and mitigate the risks arising from potential conflicts of law across jurisdictions.</p>	<p>1. For the purpose of its authorisation and supervision, as well as for the information of its clients, a CSD shall have rules, procedures, and contracts that are clear and understandable for all the securities settlement systems that it operates and all other services that it provides.</p> <p>2. A CSD shall design its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in the case of the default of a participant.</p> <p>3. A CSD conducting business in different jurisdictions shall take all reasonable steps to identify and mitigate the risks arising from potential conflicts of law across jurisdictions.</p>	<p>43.1 For the purpose of its authorisation SAN and supervision, as well as for the information of its clients, a GSD shall DSD must have rules, procedures, and contracts that are clear and understandable for all the Securities Settlement Systems that it operates and all other services that it provides.</p> <p>43.2 A GSD shall DSD must design its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in the case of the default of a participant.</p> <p>43.3 A GSD DSD conducting business in different jurisdictions shall must take all reasonable steps to identify and mitigate the risks arising from potential conflicts of law across jurisdictions.</p>	<p>43.1 For the purpose of its SAN and supervision, as well as for the information of its clients, a DSD must have rules, procedures, and contracts that are clear and understandable for all the Securities Settlement Systems that it operates and all other services that it provides.</p> <p>43.2 A DSD must design its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in the case of the default of a participant.</p> <p>43.3 A DSD conducting business in different jurisdictions must take all reasonable steps to identify and mitigate the risks arising from potential conflicts of law across jurisdictions.</p>
Article 44 General business risk	A CSD shall have robust management and control systems as well as IT tools in order to identify, monitor and manage general business risks, including losses from poor execution of business strategy, cash flows and operating expenses.	A CSD shall have robust management and control systems as well as IT tools in order to identify, monitor and manage general business risks, including losses from poor execution of business strategy, cash flows and operating expenses.	44.1 A GSD shall DSD must have robust appropriate management and control systems as well as IT tools in order to identify, monitor and manage general business risks, including losses from poor execution of business strategy, cash flows and operating expenses.	44.1 A DSD must have appropriate robust management and control systems as well as IT tools in order to identify, monitor and manage general business risks, <u>including losses from poor execution of business strategy, cash flows and operating expenses.</u>
Article 45 Operational risks	<p>1. A CSD shall identify sources of operational risk, both internal and external, and minimise their impact through the deployment of appropriate IT tools, controls and procedures, including for all the securities settlement systems it operates.</p> <p>2. A CSD shall maintain appropriate IT tools that ensure a high degree of security and operational reliability, and have adequate capacity. IT tools shall adequately deal with the complexity, variety and type of services and activities performed so as to ensure high standards of security, and the integrity and confidentiality of the information maintained.</p> <p>3. For services that it provides as well as for each securities settlement system that it operates, a CSD shall establish, implement and maintain an adequate business continuity policy and disaster recovery plan to ensure the preservation of its services, the timely recovery of operations and the fulfilment of the CSD's obligations in the case of events that pose a significant risk of disrupting operations.</p>	<p>1. A CSD shall identify sources of operational risk, both internal and external, and minimise their impact through the deployment of appropriate IT tools, controls and procedures, including for all the securities settlement systems it operates.</p> <p>2. A CSD shall maintain appropriate IT tools that ensure a high degree of security and operational reliability, and have adequate capacity. IT tools shall adequately deal with the complexity, variety and type of services and activities performed so as to ensure high standards of security, and the integrity and confidentiality of the information maintained.</p> <p>3. For services that it provides as well as for each securities settlement system that it operates, a CSD shall establish, implement and maintain an adequate business continuity policy and disaster recovery plan to ensure the preservation of its services, the timely recovery of operations and the fulfilment of the CSD's obligations in the case of events that pose a significant risk of disrupting operations.</p>	<p>45.1 A GSD shall DSD must identify sources of operational risk, both internal and external, and minimise their impact through the deployment of appropriate IT tools, controls and procedures, including for all the Securities Settlement Systems it operates.</p> <p>45.2 A GSD shall maintain appropriate IT tools that ensure a high degree of security and operational reliability, and have adequate capacity. IT tools shall adequately deal with the complexity, variety and type of services and activities performed so as to ensure high standards of security, and the integrity and confidentiality of the information maintained. A DSD must maintain sufficiently robust IT and cyber resilience frameworks as well as incident reporting mechanisms (including to the Bank).</p>	<p>45.1 A DSD must identify sources of operational risk, both internal and external, and minimise their impact through the deployment of appropriate IT tools, controls and procedures, including for all the Securities Settlement Systems it operates.</p> <p>45.2 A DSD must maintain sufficiently robust IT and cyber resilience frameworks as well as incident reporting mechanisms (including to the Bank). <u>appropriate IT tools that ensure a high degree of security and operational reliability, and have adequate capacity. IT tools must adequately deal with the complexity, variety and type of services and activities performed so as to ensure high standards of security, and the integrity and confidentiality of the information maintained.</u></p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 45</p> <p>Operational risks</p>	<p>4. The plan referred to in paragraph 3 shall provide for the recovery of all transactions and participants' positions at the time of disruption to allow the participants of a CSD to continue to operate with certainty and to complete settlement on the scheduled date, including by ensuring that critical IT systems can promptly resume operations from the time of disruption. It shall include the setting-up of a second processing site with sufficient resources, capabilities and functionalities and appropriate staffing arrangements.</p> <p>5. The CSD shall plan and carry out a programme of tests of the arrangements referred to in paragraphs 1 to 4.</p> <p>6. A CSD shall identify, monitor and manage the risks that key participants in the securities settlement systems it operates, as well as service and utility providers, and other CSDs or other market infrastructures might pose to its operations. It shall, upon request, provide the competent authority with information on any such risk identified.</p> <p>It shall also inform the competent authority without delay of any operational incidents resulting from such risks.</p> <p>7. The Bank of England may make regulatory technical standards to specify the operational risks referred to in paragraphs 1 and 6 and the methods to test, to address or to minimise those risks, including the business continuity policies and disaster recovery plans referred to in paragraphs 3 and 4 and the methods of assessment thereof.</p>	<p>4. The plan referred to in paragraph 3 shall provide for the recovery of all transactions and participants' positions at the time of disruption to allow the participants of a GSD to continue to operate with certainty and to complete settlement on the scheduled date, including by ensuring that critical IT systems can promptly resume operations from the time of disruption. It shall include the setting-up of a second processing site with sufficient resources, capabilities and functionalities and appropriate staffing arrangements.</p> <p>5. The GSD shall plan and carry out a programme of tests of the arrangements referred to in paragraphs 1 to 4.</p> <p>6. A GSD shall identify, monitor and manage the risks that key participants in the securities settlement systems it operates, as well as service and utility providers, and other GSDs or other market infrastructures might pose to its operations. It shall, upon request, provide the competent authority with information on any such risk identified.</p> <p>It shall also inform the competent authority without delay of any operational incidents resulting from such risks.</p> <p>7. The Bank of England may make regulatory technical standards to specify the operational risks referred to in paragraphs 1 and 6 and the methods to test, to address or to minimise those risks, including the business continuity policies and disaster recovery plans referred to in paragraphs 3 and 4 and the methods of assessment thereof.</p>	<p>45.3 For services that it provides as well as for each securities settlement system that it operates, a GSD shall establish, implement and maintain an adequate business continuity policy and disaster recovery plan to ensure the preservation of its services, the timely recovery of operations and the fulfilment of the GSD's obligations in the case of events that pose a significant risk of disrupting operations. A DSD must also maintain controls to prevent, respond and recover from events that pose a significant risk of disrupting its operations, including those stemming from the use of or forms of recording securities using developing technology. This should include a business continuity and disaster recovery plan.</p> <p>45.4 The A DSD must ensure that the business continuity policy and disaster recovery plan referred to in paragraph 3 shall provide for the recovery of all transactions and participants' positions at the time of disruption to allow the participants of a GSD DSD to continue to operate with certainty and to complete settlement on the scheduled date, including by ensuring that critical IT systems can promptly resume operations from the time of disruption. It shall include the setting-up of a second processing site with sufficient resources, capabilities and functionalities and appropriate staffing arrangements.</p> <p>45.5 The GSD shall plan and carry out a programme of tests of the arrangements referred to in paragraphs 1 to 4. [Note: left blank]</p> <p>45.6 A GSD shall DSD must identify, monitor and manage the risks that key participants in the Securities Settlement Systems it operates, as well as service and utility providers, and other CSDs or other market infrastructures might pose to its operations. It shall, upon request, provide the competent authority with information on any such risk identified. It shall must also inform the competent authority Bank without delay of any operational incidents resulting from such risks.</p> <p>45.7 The Bank of England may make regulatory technical standards to specify the operational risks referred to in paragraphs 1 and 6 and the methods to test, to address or to minimise those risks, including the business continuity policies and disaster recovery plans referred to in paragraphs 3 and 4 and the methods of assessment thereof.</p>	<p>45.3 A DSD must also maintain controls to prevent, respond and recover from events that pose a significant risk of disrupting its operations, including those stemming from the use of or forms of recording securities using developing technology. This should include a business continuity and disaster recovery plan. For services that it provides as well as for each Securities Settlement System that it operates, a DSD must establish, implement and maintain an adequate business continuity policy and disaster recovery plan to ensure the preservation of its services, the timely recovery of operations and the fulfilment of the DSD's obligations in the case of events that pose a significant risk of disrupting operations.</p> <p>45.4 The A DSD must ensure that the business continuity policy and disaster recovery plan referred to in paragraph 3 shall provide provides for the recovery of all transactions and participants' positions at the time of disruption to allow the participants of a GSD DSD to continue to operate with certainty and to complete settlement on the scheduled date, including by ensuring that critical IT systems can promptly resume operations from the time of disruption. It shall include the setting-up of a second processing site with sufficient resources, capabilities and functionalities and appropriate staffing arrangements.</p> <p>45.5 45.1 A DSD must ensure that the business continuity policy and disaster recovery plan referred to in paragraph 3 provides for the recovery of all transactions and participants' positions at the time of disruption to allow the participants of a DSD to continue to operate with certainty and to complete settlement on the scheduled date, including by ensuring that critical IT systems can promptly resume operations from the time of disruption. It must include the setting-up of a second processing site with sufficient resources, capabilities and functionalities and appropriate staffing arrangements.</p> <p>45.6 A DSD must identify, monitor and manage the risks that key participants in any Securities Settlement Systems it operates, as well as service and utility providers, and other DSDs or other market infrastructures might pose to its operations. It must, upon request, provide the Bank with information on any such risk identified. It must also inform the Bank without delay of any operational incidents resulting from such risks.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 46 Investment policy</p>	<p>1. A CSD must hold its financial assets at any one or more of the following kinds of institution:</p> <p>(a) central banks;</p> <p>(b) credit institutions with permission to accept deposits under Part 4A of FSMA;</p> <p>(c) CSDs and third-country CSDs recognised by the competent authority;</p> <p>(d) third-country financial institutions that are subject to and comply with asset protection and prudential rules considered by the competent authority to be at least as stringent as those laid down in Directive 2013/36/EU UK law, Regulation (EU) No. 575/2013 and CRR rules, and which the CSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures;</p> <p>(iii) internal controls which ensure the full protection of those financial assets; and</p> <p>(iv) low credit risk based upon an internal assessment by the CSD; or</p> <p>(e) third-country CSDs which comply with asset protection rules considered by the competent authority to be at least as stringent as those laid down in this Regulation, and which the CSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures; and</p> <p>(iii) internal controls which ensure the full protection of those financial assets.</p> <p>2. A CSD shall have prompt access to its assets, where required.</p> <p>3. A CSD shall invest its financial resources only in cash or in highly liquid financial instruments with minimal market and credit risk. Those investments shall be capable of being liquidated rapidly with minimal adverse price effect.</p>	<p>1. A CSD must hold its financial assets at any one or more of the following kinds of institution:</p> <p>(a) central banks;</p> <p>(b) credit institutions with permission to accept deposits under Part 4A of FSMA;</p> <p>(c) CSDs and third-country CSDs recognised by the competent authority;</p> <p>(d) third-country financial institutions that are subject to and comply with asset protection and prudential rules considered by the competent authority to be at least as stringent as those laid down in Directive 2013/36/EU UK law; Regulation (EU) No. 575/2013 and CRR rules; and which the CSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures;</p> <p>(iii) internal controls which ensure the full protection of those financial assets; and</p> <p>(iv) low credit risk based upon an internal assessment by the CSD; or</p> <p>(e) third-country CSDs which comply with asset protection rules considered by the competent authority to be at least as stringent as those laid down in this Regulation; and which the CSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures; and</p> <p>(iii) internal controls which ensure the full protection of those financial assets.</p> <p>2. A CSD shall have prompt access to its assets, where required.</p> <p>3. A CSD shall invest its financial resources only in cash or in highly liquid financial instruments with minimal market and credit risk. Those investments shall be capable of being liquidated rapidly with minimal adverse price effect.</p>	<p>46.1 A CSD DSD must hold its financial assets at any one or more of the following kinds of institution:</p> <p>(a) central banks;</p> <p>(ba) other DSDs</p> <p>(b) credit institutions with permission to accept deposits under Part 4A of FSMA;</p> <p>(c) CSDs authorised in accordance with CSDR and third-country CSDs recognised by the competent authority under CSDR;</p> <p>(d) third-country financial institutions that are subject to and comply with asset protection and prudential rules considered by the competent authority to be which are at least as stringent as those laid down in Directive 2013/36/EU UK law, Regulation (EU) No. 575/2013 and CRR rules, and which the CSD DSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures;</p> <p>(iii) internal controls which ensure the full protection of those financial assets; and</p> <p>(iv) low credit risk based upon an internal assessment by the CSD; or</p> <p>(e) third-country CSDs which comply with asset protection rules considered by the competent authority to be at least as stringent as those laid down in this Regulation the DSS CSDR and the rules, and which the CSD DSD assesses as having</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures; and</p> <p>(iii) internal controls which ensure the full protection of those financial assets.</p> <p>46.2 A CSD DSD must have prompt access to its assets, where required.</p> <p>46.3 A CSD DSD must invest its financial resources only that are held in respect of its activities referred to in regulation 3(5)(b), or ancillary activities in regulation 3(6), of the DSS Regulations, in cash or in highly liquid financial instruments with minimal market and credit risk. Those investments shall be capable of being liquidated rapidly with minimal adverse price effect.</p>	<p>46.1 A DSD must hold its financial assets at any one or more of the following kinds of institution:</p> <p>(a) central banks;</p> <p>(ba) other DSDs</p> <p>(b) credit institutions with permission to accept deposits under Part 4A of FSMA 2000;</p> <p>(c) CSDs authorised in accordance with CSDR and third-country CSDs recognised under CSDR;</p> <p>(d) third-country financial institutions that are subject to and comply with asset protection and prudential rules which are at least as stringent as those laid down in Directive 2013/36/EU UK law, Regulation (EU) No. 575/2013 and CRR rules, and which the DSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures;</p> <p>(iii) internal controls which ensure the full protection of those financial assets; and</p> <p>(iv) low credit risk based upon an internal assessment by the DSD; or</p> <p>(e) third-country CSDs which comply with asset protection rules at least as stringent as those laid down in the DSS CSDR and the rules, and which the DSD assesses as having –</p> <p>(i) robust accounting practices;</p> <p>(ii) safekeeping procedures; and</p> <p>(iii) internal controls which ensure the full protection of those financial assets.</p> <p>46.2 A DSD must have prompt access to its assets, where required.</p> <p>46.3 A DSD must invest its financial resources that are held in respect of its activities referred to in regulation 3(5)(b); or ancillary activities in regulation 3(6); of the DSS Regulations; only in cash or in highly liquid financial instruments with minimal market and credit risk. Those investments must be capable of being liquidated rapidly with minimal adverse price effect.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 46 Investment policy	<p>4. The amount of capital, including retained earnings and reserves of a CSD which are not invested in accordance with paragraph 3 shall not be taken into account for the purposes of Article 47(f).</p> <p>5. A CSD shall ensure that its overall risk exposure to any individual institution of a kind referred to in paragraphs 1(b) to 1(e) with which it holds its financial assets remains within acceptable concentration limits.</p> <p>6. The Bank of England may make regulatory technical standards specifying the financial instruments that can be considered to be highly liquid with minimal market and credit risk as referred to in paragraph 3, the appropriate timeframe for access to assets referred to in paragraph 2 and the concentration limits as referred to in paragraph 5. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 47(8) of Regulation (EU) No 648/2012.</p>	<p>4. The amount of capital, including retained earnings and reserves of a CSD which are not invested in accordance with paragraph 3 shall not be taken into account for the purposes of Article 47(f).</p> <p>5. A CSD shall ensure that its overall risk exposure to any individual institution of a kind referred to in paragraphs 1(b) to 1(e) with which it holds its financial assets remains within acceptable concentration limits.</p> <p>6. The Bank of England may make regulatory technical standards specifying the financial instruments that can be considered to be highly liquid with minimal market and credit risk as referred to in paragraph 3, the appropriate timeframe for access to assets referred to in paragraph 2 and the concentration limits as referred to in paragraph 5. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 47(8) of Regulation (EU) No 648/2012.</p>	<p>46.4 The amount of capital, including retained earnings and reserves of a CSD which are not invested in accordance with paragraph 3 shall not be taken into account for the purposes of Article 47(f). <u>For the purposes of Article 47.1, a DSD must not take into account the amount of its capital, including retained earnings and reserves which are not invested in accordance with paragraph.</u></p> <p>46.5 A GSD shall <u>DSD must</u> ensure that its overall risk exposure to any individual institution of a kind referred to in paragraphs 1(b) to 1(e) <u>subparagraphs 1(ba) to 1(e)</u> with which it holds its financial assets remains within acceptable concentration limits.</p> <p>46.6 The Bank of England may make regulatory technical standards specifying the financial instruments that can be considered to be highly liquid with minimal market and credit risk as referred to in paragraph 3, the appropriate timeframe for access to assets referred to in paragraph 2 and the concentration limits as referred to in paragraph 5. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 47(8) of Regulation (EU) No 648/2012.</p>	<p>46.4 For the purposes of Article 47.1, a DSD must not take into account the amount of its capital, including retained earnings and reserves which are not invested in accordance with paragraph 3.</p> <p>46.5 A DSD must ensure that its overall risk exposure to any individual institution of a kind referred to in subparagraphs 1(ba) to 1(e) with which it holds its financial assets remains within acceptable concentration limits</p>
Article 47 Capital requirements	<p>1. Capital, together with retained earnings and reserves of a CSD, shall be proportional to the risks stemming from the activities of the CSD. It shall be at all times sufficient to:</p> <p>(a) ensure that the CSD is adequately protected against operational, legal, custody, investment and business risks so that the CSD can continue to provide services as a going concern;</p> <p>(b) ensure an orderly winding-down or restructuring of the CSD's activities over an appropriate time span of at least six months under a range of stress scenarios.</p> <p>2. A CSD shall maintain a plan for the following:</p> <p>(a) the raising of additional capital should its equity capital approach or fall below the requirements laid down in paragraph 1;</p> <p>(b) ensuring the orderly winding-down or restructuring of its operations and services where the CSD is unable to raise new capital.</p>	<p>1. Capital, together with retained earnings and reserves of a CSD, shall be proportional to the risks stemming from the activities of the CSD. It shall be at all times sufficient to:</p> <p>(a) ensure that the CSD is adequately protected against operational, legal, custody, investment and business risks so that the CSD can continue to provide services as a going concern;</p> <p>(b) ensure an orderly winding-down or restructuring of the CSD's activities over an appropriate time span of at least six months under a range of stress scenarios.</p> <p>2. A CSD shall maintain a plan for the following:</p> <p>(a) the raising of additional capital should its equity capital approach or fall below the requirements laid down in paragraph 1;</p> <p>(b) ensuring the orderly winding-down or restructuring of its operations and services where the CSD is unable to raise new capital.</p>	<p>47.1 A DSD must ensure that its <u>A DSD must ensure that its</u> capital, together with retained earnings and reserves of a CSD; <u>is</u> proportional to the risks stemming from the activities of the GSD DSD. <u>DSD.</u> It shall must <u>shall</u> be at all times sufficient to <u>the greatest of the following:</u></p> <p>(a) An amount sufficient to ensure that the GSD DSD <u>DSD</u> is adequately protected against operational, legal, custody, investment and business risks so that the GSD DSD <u>DSD</u> can continue to provide services as a going concern; <u>and</u></p> <p><u>an amount sufficient to ensure an orderly winding-down or restructuring of the DSD's activities over an appropriate time span of at least six months under a range of stress scenarios.</u></p> <p><u>Or</u></p> <p>(b) ensure an orderly winding-down or restructuring of the GSD's <u>DSD's</u> activities over an appropriate time span of at least six months under a range of stress scenarios; <u>an amount at least equal to the DSD's total operational expenditure for nine months.</u></p>	<p>47.1 A DSD must ensure that its capital, together with retained earnings and reserves, <u>is</u> is <u>are</u> proportional to the risks stemming from the activities of the DSD. It must be at all times the greatest of the following <u>sufficient to:</u></p> <p>(a) an amount sufficient to ensure that the DSD is adequately protected against operational, legal, custody, investment and business risks so that the DSD can continue to provide services as a going concern; <u>and</u></p> <p><u>an amount sufficient to ensure an orderly winding-down or restructuring of the DSD's activities over an appropriate time span of at least six months under a range of stress scenarios.</u></p> <p><u>Or</u></p> <p>(b) <u>an amount at least equal to the DSD's total operational expenditure for nine months.</u> <u>ensure an orderly winding-down or restructuring of the DSD's activities over an appropriate time span of at least six months under a range of stress scenarios.</u></p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 47 Capital requirements</p>	<p>The plan shall be approved by the management body or an appropriate committee of the management body and updated regularly. Each update of the plan shall be provided to the competent authority. The competent authority may require the CSD to take additional measures or to make any alternative provision where the competent authority considers that the CSD's plan is insufficient.</p> <p>3. The Bank of England may make regulatory technical standards specifying requirements regarding the capital, retained earnings and reserves of a CSD referred to in paragraph 1.</p>	<p>The plan shall be approved by the management body or an appropriate committee of the management body and updated regularly. Each update of the plan shall be provided to the competent authority. The competent authority may require the CSD to take additional measures or to make any alternative provision where the competent authority considers that the CSD's plan is insufficient.</p> <p>3. The Bank of England may make regulatory technical standards specifying requirements regarding the capital, retained earnings and reserves of a CSD referred to in paragraph 1.</p>	<p>47.2 A CSD shall DSD must maintain a plan for the following:</p> <p>(a) the raising of additional capital should its equity capital approach or fall below the requirements laid down in paragraph 1;</p> <p>(b) ensuring the orderly winding-down or restructuring of its operations and services where the CSD is unable to raise new capital.</p> <p>A DSD must ensure that the plan shall be approved by the management body or an appropriate committee of the management body and updated regularly. A DSD must provide each update of the plan shall be provided to the competent authority to the Bank. The competent authority may require the CSD to DSD must take additional measures or to make any alternative provision where that the competent authority Bank requires where the Bank considers that the CSD's DSD's plan is insufficient.</p> <p>47.2A This article applies to a DSD in respect of its DSS activities.</p> <p>47.3 The Bank of England may make regulatory technical standards specifying requirements regarding the capital, retained earnings and reserves of a CSD referred to in paragraph 1. [Note: left blank]</p>	<p>47.2 A DSD must maintain a plan for the following:</p> <p>(a) the raising of additional capital should its equity capital approach or fall below the requirements laid down in paragraph 1;</p> <p>(b) ensuring the orderly winding-down or restructuring of its operations and services where the DSD is unable to raise new capital.</p> <p>A DSD must ensure that the plan is approved by the management body or an appropriate committee of the management body and updated regularly. A DSD must provide each update of the plan to the Bank. A DSD must take any additional measures or make any alternative provision that the Bank requires where the Bank considers that the DSD's plan is insufficient.</p> <p>47.2A This article applies to a DSD in respect of its DSS activities. A DSD must comply with the rules in Chapter 3.</p> <p>47.3 [Note: left blank] This article applies to a DSD in respect of its DSS activities.</p>
<p>Article 48 CSD links</p>	<p>1. Before establishing a CSD link and on an ongoing basis once the CSD link is established, all CSDs concerned shall identify, assess, monitor and manage all potential sources of risk for themselves and for their participants arising from the CSD link and take appropriate measures to mitigate them.</p> <p>2. CSDs that intend to establish links shall submit an application for authorisation to the competent authority as required under point (e) of Article 19(1) or notify the competent authority as required under Article 19(5).</p> <p>3. A link shall provide adequate protection to the linked CSDs and their participants, in particular as regards possible credits taken by CSDs and the concentration and liquidity risks as a result of the link arrangement.</p> <p>A link shall be supported by an appropriate contractual arrangement that sets out the respective rights and obligations of the linked CSDs and, where necessary, of the CSDs' participants.</p> <p>A contractual arrangement with cross-jurisdictional implications shall provide for an unambiguous choice of law that govern each aspect of the link's operations.</p>	<p>1. Before establishing a CSD link and on an ongoing basis once the CSD link is established, all CSDs concerned shall identify, assess, monitor and manage all potential sources of risk for themselves and for their participants arising from the CSD link and take appropriate measures to mitigate them.</p> <p>2. CSDs that intend to establish links shall submit an application for authorisation to the competent authority as required under point (e) of Article 19(1) or notify the competent authority as required under Article 19(5).</p> <p>3. A link shall provide adequate protection to the linked CSDs and their participants, in particular as regards possible credits taken by CSDs and the concentration and liquidity risks as a result of the link arrangement.</p> <p>A link shall be supported by an appropriate contractual arrangement that sets out the respective rights and obligations of the linked CSDs and, where necessary, of the CSDs' participants.</p> <p>A contractual arrangement with cross-jurisdictional implications shall provide for an unambiguous choice of law that govern each aspect of the link's operations.</p>	<p>48.1 Before establishing a CSD DSD link and on an ongoing basis once the CSD DSD link is established, all CSDs DSDs concerned shall identify, assess, monitor and manage all potential sources of risk for themselves and for their participants arising from the CSD DSD link and take appropriate measures to mitigate them.</p> <p>48.2 CSDs that intend A DSD that intends to establish links shall must submit an application for authorisation to the competent authority a request to vary its SAN to the Bank as required under point (e) of Article 19(1) 19.1 or notify the competent authority Bank as required under Article 19(5) 19.5.</p> <p>48.3 A link shall provide A DSD must ensure that a link provides adequate protection to the linked CSDs parties and their participants, in particular as regards possible credits taken by CSDs DSDs and the concentration and liquidity risks as a result of the link arrangement.</p> <p>A link shall be A DSD must ensure that a link is supported by an appropriate contractual arrangement that sets out the respective rights and obligations of the linked CSDs parties and, where necessary, of the CSDs' participants.</p>	<p>48.1 Before establishing a DSD link and on an ongoing basis once the DSD link is established, all DSDs concerned must identify, assess, monitor and manage all potential sources of risk for themselves and for their participants arising from the DSD link and take appropriate measures to mitigate them.</p> <p>48.2 A DSD that intends to establish links must submit a request to vary its SAN to the Bank as required under subparagraph (e) of Article 19.1 or notify the Bank as required under Article 19.5.</p> <p>48.3 A DSD must ensure that a link provides adequate protection to the linked parties and their participants, in particular as regards possible credits taken by DSDs and the concentration and liquidity risks as a result of the link arrangement.</p> <p>A DSD must ensure that a link is supported by an appropriate contractual arrangement that sets out the respective rights and obligations of the linked parties' participants.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 48 CSD links</p>	<p>4. In the event of a provisional transfer of securities between linked CSDs, retransfer of securities prior to the first transfer becoming final shall be prohibited.</p> <p>5. A CSD that uses an indirect link or an intermediary to operate a CSD link with another CSD or third-country CSD shall measure, monitor, and manage the additional risks arising from the use of that indirect link or intermediary and take appropriate measures to mitigate them.</p> <p>6. Linked CSDs shall have robust reconciliation procedures to ensure that their respective records are accurate.</p> <p>7. Links between CSDs and links between CSDs and third-country CSDs shall permit DVP settlement of transactions between participants in linked CSDs, where practical and feasible. Detailed reasons for any CSD link not allowing for DVP settlement shall be notified to the competent authority.</p>	<p>4. In the event of a provisional transfer of securities between linked CSDs, retransfer of securities prior to the first transfer becoming final shall be prohibited.</p> <p>5. A CSD that uses an indirect link or an intermediary to operate a CSD link with another CSD or third-country CSD shall measure, monitor, and manage the additional risks arising from the use of that indirect link or intermediary and take appropriate measures to mitigate them.</p> <p>6. Linked CSDs shall have robust reconciliation procedures to ensure that their respective records are accurate.</p> <p>7. Links between CSDs and links between CSDs and third-country CSDs shall permit DVP settlement of transactions between participants in linked CSDs, where practical and feasible. Detailed reasons for any CSD link not allowing for DVP settlement shall be notified to the competent authority.</p>	<p>A contractual arrangement with cross-jurisdictional implications shall provide for an unambiguous choice of law that govern each aspect of the link's operations. Where a linked party is a CSD, the linked DSD must ensure the contractual arrangements require the CSD to adhere to CSDR in respect of the DSD link, and to notify the DSD in the event of non-compliance or where the CSD anticipates non-compliance. The DSD must notify the Bank when it receives the notification from the CSD as soon as is practicable.</p> <p>48.4 In the event of a provisional transfer of securities between linked GSDs, retransfer of securities prior to the first transfer becoming final shall be prohibited: parties, retransfer of securities prior to the first transfer becoming final is prohibited for a DSD and a DSD must ensure that it is prohibited by contractual arrangement with any linked party which is not a DSD.</p> <p>48.5 A GSD DSD that uses an indirect link or an intermediary to operate a GSD DSD link with another GSD or third-country CSD shall linked party must measure, monitor, and manage the additional risks arising from the use of that indirect link or intermediary and take appropriate measures to mitigate them.</p> <p>48.6 Linked GSDs shall A DSD must have robust reconciliation procedures with linked parties to ensure that their respective records are accurate.</p> <p>48.7 Links between CSDs and links between CSDs and third-country CSDs shall A DSD must ensure that DSD links permit DVP settlement of transactions between participants in linked GSDs parties, where practical and feasible. Detailed reasons for any CSD link not allowing for DVP settlement shall be notified to the competent authority. A DSD must notify the Bank of detailed reasons for any DSD link not allowing for DVP settlement.</p>	<p>Where a linked party is a CSD, the linked DSD must ensure the contractual arrangements require the CSD to adhere to CSDR in respect of the DSD link, and to notify the DSD in the event of non-compliance or where the CSD anticipates non-compliance. The DSD must notify the Bank when it receives the notification from the CSD as soon as is practicable.</p> <p>48.4 In the event of a provisional transfer of securities between linked parties, retransfer of securities prior to the first transfer becoming final is prohibited for a DSD and a DSD must ensure that it is prohibited by contractual arrangement with any linked party which is not a DSD.</p> <p>48.5 A DSD that uses an indirect link or an intermediary to operate a DSD link with another linked party must measure, monitor, and manage the additional risks arising from the use of that indirect link or intermediary and take appropriate measures to mitigate them.</p> <p>48.6 A DSD must have robust reconciliation procedures with linked parties to ensure that their respective records are accurate.</p> <p>48.7 A DSD must ensure that DSD links permit DVP settlement of transactions between participants in linked parties, where practical and feasible. A DSD must notify the Bank of detailed reasons for any DSD link not allowing for DVP settlement.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 48 CSD links	<p>8. Interoperable securities settlement systems and CSDs, which use a common settlement infrastructure shall establish identical moments of:</p> <p>(a) entry of transfer orders into the system;</p> <p>(b) irrevocability of transfer orders.</p> <p>The securities settlement systems and CSDs referred to in the first subparagraph shall use equivalent rules concerning the moment of finality of transfers of securities and cash.</p> <p>9. By 18 September 2019 all interoperable links between CSDs and links between CSDs and third-country CSDs operating in the United Kingdom shall be, where applicable, DVP-settlement supporting links.</p> <p>10. The Bank of England may make regulatory technical standards to specify the conditions provided for in paragraph 3 under which each type of link arrangement provides for adequate protection of the linked CSDs and of their participants, in particular where a CSD intends to participate in the securities settlement system operated by another CSD, the monitoring and managing of additional risks referred to in paragraph 5 arising from the use of intermediaries, the reconciliation methods referred to in paragraph 6, the cases where DVP settlement through CSD links is practical and feasible as provided for in paragraph 7 and the methods of assessment thereof.</p>	<p>8. Interoperable securities settlement systems and CSDs, which use a common settlement infrastructure shall establish identical moments of:</p> <p>(a) entry of transfer orders into the system;</p> <p>(b) irrevocability of transfer orders.</p> <p>The securities settlement systems and CSDs referred to in the first subparagraph shall use equivalent rules concerning the moment of finality of transfers of securities and cash.</p> <p>9. By 18 September 2019 all interoperable links between CSDs and links between CSDs and third-country CSDs operating in the United Kingdom shall be, where applicable, DVP-settlement supporting links.</p> <p>10. The Bank of England may make regulatory technical standards to specify the conditions provided for in paragraph 3 under which each type of link arrangement provides for adequate protection of the linked CSDs and of their participants, in particular where a CSD intends to participate in the securities settlement system operated by another CSD, the monitoring and managing of additional risks referred to in paragraph 5 arising from the use of intermediaries, the reconciliation methods referred to in paragraph 6, the cases where DVP settlement through CSD links is practical and feasible as provided for in paragraph 7 and the methods of assessment thereof.</p>	<p>48.8 For interoperable securities settlement systems and CSDs DSDs, which that use a common settlement infrastructure, the DSD must establish and through contractual arrangements ensures the Securities Settlement System establishes shall establish identical moments of:</p> <p>(a) entry of transfer orders into the system;</p> <p>(b) irrevocability of transfer orders.</p> <p>The Securities Settlement Systems and CSDs DSDs referred to in the first subparagraph shall must ensure that the DSDs and Securities Settlement Systems use equivalent rules concerning the moment of finality of transfers of securities and cash.</p> <p>48.9 By 18 September 2019 all interoperable DSDs must ensure through contractual arrangements, that DSD links between CSDs and links between CSDs and third-country CSDs operating in the United Kingdom shall must be, where applicable, DVP-settlement supporting links.</p> <p>48.10 The Bank of England may make regulatory technical standards to specify the conditions provided for in paragraph 3 under which each type of link arrangement provides for adequate protection of the linked CSDs and of their participants, in particular where a CSD intends to participate in the securities settlement system operated by another CSD, the monitoring and managing of additional risks referred to in paragraph 5 arising from the use of intermediaries, the reconciliation methods referred to in paragraph 6, the cases where DVP settlement through CSD links is practical and feasible as provided for in paragraph 7 and the methods of assessment thereof. [Note: left blank]</p> <p>48.11 A DSD that has established or intends to establish a DSD link must comply with the rules in Chapter 3.</p>	<p>48.8 For interoperable Securities Settlement Systems and DSDs that use a common settlement infrastructure, the DSD must establish, and through contractual arrangements ensures the Securities Settlement System establishes, identical moments of:</p> <p>(a) entry of transfer orders into the system;</p> <p>(b) irrevocability of transfer orders.</p> <p>The DSDs referred to in the first subparagraph must ensure that the DSDs and Securities Settlement Systems use equivalent rules concerning the moment of finality of transfers of securities and cash.</p> <p>48.9 DSDs must ensure through contractual arrangements that interoperable DSD links operating in the United Kingdom must be, where applicable, DVP-settlement supporting links.</p> <p>48.10</p> <p>48.11 A DSD that has established or intends to establish a DSD link must comply with the rules in Chapter 3.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 49</p> <p>Freedom to issue in a CSD or third-country CSD</p>	<p>1. A UK issuer shall have the right to arrange for its securities admitted to trading on regulated markets or MTFs or traded on trading venues to be recorded in any CSD or third-country CSD recognised by the competent authority.</p> <p>1A. A third-country issuer shall have the right to arrange for its securities admitted to trading on regulated markets or MTFs or traded on trading venues to be recorded in any CSD.</p> <p>1B. Without prejudice to the UK issuer or third-country issuer's rights referred to in paragraphs 1 and 1A, the corporate or similar law of the country or territory under which the securities are constituted shall continue to apply.</p> <p>1C. The CSD or third-country CSD recognised by the competent authority may charge a reasonable commercial fee for the provision of its services to issuers on a cost-plus basis, unless otherwise agreed by both parties.</p> <p>2. Where an issuer submits a request for recording its securities in a CSD or third-country CSD referred to in paragraphs 1 or 1A, the CSD or third-country CSD shall treat such request promptly and in a non-discriminatory manner and provide a response to the requesting issuer within three months.</p> <p>3. A CSD or third-country CSD referred to in paragraphs 1 or 1A may refuse to provide services to an issuer. Such a refusal shall be based only on a comprehensive risk assessment or if that CSD or third-country CSD referred to in paragraphs 1 or 1A does not provide the services referred to in point (f) of Section A of the Annex in relation to securities constituted under the corporate or similar law of the relevant country or territory.</p> <p>4. Without prejudice to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, where a CSD or third-country CSD referred to in paragraphs 1 or 1A refuses to provide services to an issuer, it shall provide the requesting issuer with full written reasons for its refusal.</p> <p>In the case of a refusal, the requesting issuer shall have the right to complain to the competent authority.</p> <p>The competent authority shall duly examine the complaint by assessing the reasons for refusal provided by the CSD and shall provide the issuer with a reasoned reply.</p>	<p>1. A UK issuer shall have the right to arrange for its securities admitted to trading on regulated markets or MTFs or traded on trading venues to be recorded in any CSD or third-country CSD recognised by the competent authority.</p> <p>1A. A third-country issuer shall have the right to arrange for its securities admitted to trading on regulated markets or MTFs or traded on trading venues to be recorded in any CSD.</p> <p>1B. Without prejudice to the UK issuer or third-country issuer's rights referred to in paragraphs 1 and 1A, the corporate or similar law of the country or territory under which the securities are constituted shall continue to apply.</p> <p>1C. The CSD or third-country CSD recognised by the competent authority may charge a reasonable commercial fee for the provision of its services to issuers on a cost-plus basis, unless otherwise agreed by both parties.</p> <p>2. Where an issuer submits a request for recording its securities in a CSD or third-country CSD referred to in paragraphs 1 or 1A, the CSD or third-country CSD shall treat such request promptly and in a non-discriminatory manner and provide a response to the requesting issuer within three months.</p> <p>3. A CSD or third-country CSD referred to in paragraphs 1 or 1A may refuse to provide services to an issuer. Such a refusal shall be based only on a comprehensive risk assessment or if that CSD or third-country CSD referred to in paragraphs 1 or 1A does not provide the services referred to in point (f) of Section A of the Annex in relation to securities constituted under the corporate or similar law of the relevant country or territory.</p> <p>4. Without prejudice to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, where a CSD or third-country CSD referred to in paragraphs 1 or 1A refuses to provide services to an issuer, it shall provide the requesting issuer with full written reasons for its refusal.</p> <p>In the case of a refusal, the requesting issuer shall have the right to complain to the competent authority.</p> <p>The competent authority shall duly examine the complaint by assessing the reasons for refusal provided by the CSD and shall provide the issuer with a reasoned reply.</p>		<p>49.1B A DSD must ensure that where an issuer arranges to record its securities admitted to trading on regulated markets or MTFs or traded on trading venues records on a DSD, the corporate or similar law of the country or territory under which the securities are constituted must continue to apply.</p> <p>49.1C A DSD may charge a reasonable commercial fee for the provision of its services to issuers on a cost-plus basis, unless otherwise agreed by both parties.</p> <p>49.2 Where an issuer submits a request for recording its securities in a DSD, the DSD must treat such request promptly and in a non-discriminatory manner and provide a response to the requesting issuer within three months.</p> <p>49.3 A DSD may refuse to provide services to an issuer.</p> <p>49.4 Without prejudice to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, where a DSD refuses to provide services to an issuer, it must provide the requesting issuer with full written reasons for its refusal.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 49 Freedom to issue in a CSD or third-country CSD	<p>Where the refusal by the CSD to provide its services to an issuer is deemed to be unjustified, the responsible competent authority shall issue an order requiring the CSD to provide its services to the requesting issuer.</p> <p>5. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and the competent authority assessing the reasons for refusal in accordance with paragraphs 3 and 4, and the elements of the procedure referred to in paragraph 4.</p> <p>6. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraph 4.</p>	<p>Where the refusal by the CSD to provide its services to an issuer is deemed to be unjustified, the responsible competent authority shall issue an order requiring the CSD to provide its services to the requesting issuer.</p> <p>5. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and the competent authority assessing the reasons for refusal in accordance with paragraphs 3 and 4, and the elements of the procedure referred to in paragraph 4.</p> <p>6. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraph 4.</p>		
Article 50 Standard link access	A CSD or third-country CSD shall have the right to become a participant of a CSD and set up a standard link with that CSD in accordance with Article 33 and subject to the prior notification of the CSD link provided under Article 19(5).	A CSD or third-country CSD shall have the right to become a participant of a CSD and set up a standard link with that CSD in accordance with Article 33 and subject to the prior notification of the CSD link provided under Article 19(5).	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 51 Customised link access	<p>1. Where a CSD or third-country CSD requests a CSD to establish a customised link for having access to the latter, the receiving CSD shall reject such a request only on the basis of risk considerations. It shall not deny a request on the grounds of loss of market share.</p> <p>2. The receiving CSD may charge a reasonable commercial fee on a cost-plus basis to the requesting CSD for making customised link access available, unless otherwise agreed by both parties.</p>	<p>1. Where a CSD or third-country CSD requests a CSD to establish a customised link for having access to the latter, the receiving CSD shall reject such a request only on the basis of risk considerations. It shall not deny a request on the grounds of loss of market share.</p> <p>2. The receiving CSD may charge a reasonable commercial fee on a cost-plus basis to the requesting CSD for making customised link access available, unless otherwise agreed by both parties.</p>		51.2 The receiving DSD may charge a reasonable commercial fee on a cost-plus basis to the linked party for making customised link access available.
Article 52 Procedure for CSD links	<p>1. When a CSD or third-country CSD submits a request for access to a CSD pursuant to Articles 50 and 51, the latter shall treat such request promptly and shall provide a response to the requesting CSD within three months.</p> <p>2. A CSD shall deny access to a requesting CSD only where such access would threaten the smooth and orderly functioning of the financial markets or cause systemic risk. Such a refusal shall be based only on a comprehensive risk assessment.</p> <p>Where a CSD refuses access, it shall provide the requesting CSD with full reasons for its refusal.</p>	<p>1. When a CSD or third-country CSD submits a request for access to a CSD pursuant to Articles 50 and 51, the latter shall treat such request promptly and shall provide a response to the requesting CSD within three months.</p> <p>2. A CSD shall deny access to a requesting CSD only where such access would threaten the smooth and orderly functioning of the financial markets or cause systemic risk. Such a refusal shall be based only on a comprehensive risk assessment.</p> <p>Where a CSD refuses access, it shall provide the requesting CSD with full reasons for its refusal.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 52 Procedure for CSD links	<p>In the case of a refusal, the requesting CSD has the right to complain to the competent authority of the CSD that has refused access.</p> <p>The competent authority of the receiving CSD shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting CSD with a reasoned reply.</p> <p>Where the refusal by the CSD to grant access to the requesting CSD is deemed to be unjustified, the competent authority of the receiving CSD shall issue an order requiring that CSD to grant access to the requesting CSD.</p> <p>3. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the competent authority when assessing the reasons for refusal in accordance with paragraph 2, and the elements of the procedure referred to in paragraph 2.</p> <p>4. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedures referred to in paragraphs 1 and 2.</p>	<p>In the case of a refusal, the requesting CSD has the right to complain to the competent authority of the CSD that has refused access.</p> <p>The competent authority of the receiving CSD shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting CSD with a reasoned reply.</p> <p>Where the refusal by the CSD to grant access to the requesting CSD is deemed to be unjustified, the competent authority of the receiving CSD shall issue an order requiring that CSD to grant access to the requesting CSD.</p> <p>3. The Bank of England may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the competent authority when assessing the reasons for refusal in accordance with paragraph 2, and the elements of the procedure referred to in paragraph 2.</p> <p>4. The Bank of England may make implementing technical standards to establish standard forms and templates for the procedures referred to in paragraphs 1 and 2.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>
Article 53 Access between a CSD or third-country CSD and another market infrastructure	<p>1. A UK CCP and a UK trading venue shall provide transaction feeds on a non-discriminatory and transparent basis to a CSD or third-country CSD upon request by the CSD or third-country CSD and may charge a reasonable commercial fee for such transaction feeds to the CSD or third-country CSD on a cost-plus basis unless otherwise agreed by both parties.</p> <p>A CSD shall provide access to its securities settlement systems on a non-discriminatory and transparent basis to a CCP or a trading venue and may charge a reasonable commercial fee for such access on a cost-plus basis, unless otherwise agreed by both parties.</p> <p>2. When a party submits a request for access to another party in accordance with paragraph 1, such request shall be treated promptly and a response to the requesting party shall be provided within three months.</p>	<p>1. A UK CCP and a UK trading venue shall provide transaction feeds on a non-discriminatory and transparent basis to a CSD or third-country CSD upon request by the CSD or third-country CSD and may charge a reasonable commercial fee for such transaction feeds to the CSD or third-country CSD on a cost-plus basis unless otherwise agreed by both parties.</p> <p>A CSD shall provide access to its securities settlement systems on a non-discriminatory and transparent basis to a CCP or a trading venue and may charge a reasonable commercial fee for such access on a cost-plus basis, unless otherwise agreed by both parties.</p> <p>2. When a party submits a request for access to another party in accordance with paragraph 1, such request shall be treated promptly and a response to the requesting party shall be provided within three months.</p>		<p>53.1 A DSD must provide access to any Securities Settlement Systems it operates to a CCP or a trading venue and may charge a reasonable commercial fee for such access on a cost-plus basis.</p> <p>53.2 When a party submits a request for access to a DSD in accordance with paragraph 1, such request must be treated promptly and a response to the requesting party must be provided within three months.</p> <p>53.3 A DSD that refuses access must provide the requesting party with full written reasons for such refusal based on a comprehensive risk assessment.</p>

Article 53

Access between a CSD or third-country CSD and another market infrastructure

3. The receiving party shall deny access only where such access would affect the smooth and orderly functioning of the financial markets or cause systemic risk. It shall not deny a request on the grounds of loss of market share.

A party that refuses access shall provide the requesting party with full written reasons for such refusal based on a comprehensive risk assessment. In the case of a refusal, the requesting party has the right to complain to the competent authority.

The competent authority shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting party with a reasoned reply.

Where the refusal by a party to grant access is deemed to be unjustified, the competent authority shall issue an order requiring that party to grant access to its services within three months.

4. The relevant authority may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the relevant authority when assessing the reasons for refusal in accordance with paragraph 3, and the elements of the procedure referred to in paragraph 3.

5. The relevant authority may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraphs 2 and 3.

6. For the purposes of paragraphs 4 and 5, "the relevant authority" means –

(a) the Bank of England in the case of requests made to CSDs and UK CCPs;

(b) the FCA in the case of requests made to UK trading venues.

~~3. The receiving party shall deny access only where such access would affect the smooth and orderly functioning of the financial markets or cause systemic risk. It shall not deny a request on the grounds of loss of market share.~~

~~A party that refuses access shall provide the requesting party with full written reasons for such refusal based on a comprehensive risk assessment. In the case of a refusal, the requesting party has the right to complain to the competent authority.~~

~~The competent authority shall duly examine the complaint by assessing the reasons for refusal and shall provide the requesting party with a reasoned reply.~~

~~Where the refusal by a party to grant access is deemed to be unjustified, the competent authority shall issue an order requiring that party to grant access to its services within three months.~~

~~4. The relevant authority may make regulatory technical standards to specify the risks to be taken into account by CSDs when carrying out a comprehensive risk assessment, and by the relevant authority when assessing the reasons for refusal in accordance with paragraph 3, and the elements of the procedure referred to in paragraph 3.~~

~~5. The relevant authority may make implementing technical standards to establish standard forms and templates for the procedure referred to in paragraphs 2 and 3.~~

~~6. For the purposes of paragraphs 4 and 5, "the relevant authority" means –~~

~~(a) the Bank of England in the case of requests made to CSDs and UK CCPs;~~

~~(b) the FCA in the case of requests made to UK trading venues.~~

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 54</p> <p>Authorisation and designation to provide banking-type ancillary services</p>	<p>1. A CSD shall not itself provide any banking-type ancillary services set out in Section C of the Annex unless it has obtained an additional authorisation to provide such services in accordance with this Article.</p> <p>2. A CSD that intends to settle the cash leg of all or part of its securities settlement system in accordance with Article 40(2) or otherwise wishes to provide any banking-type ancillary services referred to in paragraph 1 shall be authorised either:</p> <p>(a) to offer such services itself under the conditions specified in this Article; or</p> <p>(b) to designate for that purpose one or more credit institutions with permission to accept deposits under Part 4A of FSMA.</p> <p>3. Where a CSD seeks to provide any banking-type ancillary services from within the same legal entity as the legal entity operating the securities settlement system the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met:</p> <p>(a) the CSD is permitted under Part 4A of FSMA to carry on any regulated activity which is carried on for the purposes of, or in connection with, such services;</p> <p>(b) the CSD meets the prudential requirements laid down in Article 59(1), (3) and (4) and the supervisory requirements laid down in Article 60;</p> <p>(c) the authorisation referred to in point (a) of this subparagraph is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities;</p>	<p>1. A CSD shall not itself provide any banking-type ancillary services set out in Section C of the Annex unless it has obtained an additional authorisation to provide such services in accordance with this Article.</p> <p>2. A CSD that intends to settle the cash leg of all or part of its securities settlement system in accordance with Article 40(2) or otherwise wishes to provide any banking-type ancillary services referred to in paragraph 1 shall be authorised either:</p> <p>(a) to offer such services itself under the conditions specified in this Article; or</p> <p>(b) to designate for that purpose one or more credit institutions with permission to accept deposits under Part 4A of FSMA.</p> <p>3. Where a CSD seeks to provide any banking-type ancillary services from within the same legal entity as the legal entity operating the securities settlement system the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met:</p> <p>(a) the CSD is permitted under Part 4A of FSMA to carry on any regulated activity which is carried on for the purposes of, or in connection with, such services;</p> <p>(b) the CSD meets the prudential requirements laid down in Article 59(1), (3) and (4) and the supervisory requirements laid down in Article 60;</p> <p>(c) the authorisation referred to in point (a) of this subparagraph is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities;</p>	<p>54.1 A CSD shall DSD must not itself provide any banking-type ancillary services set out in Section C of the Annex Chapter 4 unless it has obtained an additional authorisation to provide such <u>is a type (a) banking services in accordance with this Article provider.</u></p> <p>54.2 A CSD that <u>if a DSD</u> intends to settle the cash leg of all or part of its securities settlement system <u>any Securities Settlement System</u> it operates in accordance with Article 40(2)<u>40.2</u> or otherwise wishes to provide any banking-type ancillary services referred to in paragraph 1 shall be authorised, either:</p> <p>(a) to offer such services itself under the conditions specified in this Article; or if the DSD wishes to provide such services itself, the DSD must be a type (a) banking services provider and must meet the conditions in paragraph (3); or</p> <p>(b) to designate for that purpose one or more credit institutions with permission to accept deposits under Part 4A of FSMA: if the DSD wishes to use for that purpose one or more credit institutions, the DSD must be a type (b) banking services provider and the DSD must ensure by contractual arrangements that the credit institution or credit institutions in question meets the conditions in paragraph 4.</p> <p>54.3 Where a CSD seeks to provide any banking-type ancillary services from within the same legal entity as the legal entity operating the securities settlement system the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met: <u>The conditions referred to in paragraph 2(a) are:</u></p> <p>(a) the CSD is permitted under Part 4A of FSMA 2000 to carry on any regulated activity which is carried on for the purposes of, or in connection with, such services;</p> <p>(b) the CSD meets the prudential requirements laid down in Article 59(1), (3) and (4) and the supervisory requirements laid down in Article 60;</p> <p>(c) the authorisation referred to in point (a) of this subparagraph is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities; [Note: left blank]</p>	<p>54.1 A DSD must not itself provide any banking-type ancillary services set out in Section C of Chapter 4 6 unless it is a type (a) banking services provider.</p> <p>54.2 If a DSD intends to settle the cash leg of all or part of any Securities Settlement System it operates in accordance with Article 40.2 or otherwise wishes to provide any banking-type ancillary services referred to in paragraph 1, either:</p> <p>(a) if the DSD wishes to provide such services itself, the DSD must be a type (a) banking services provider and must meet the conditions in paragraph (3); or</p> <p>(b) if the DSD wishes to use for that purpose one or more credit institutions, the DSD must be a type (b) banking services provider and the DSD must ensure by contractual arrangements that the credit institution or credit institutions in question meets the conditions in paragraph 4.</p> <p>54.3 The conditions referred to in paragraph 2(a) are:</p> <p>(a) the DSD has permission under Part 4A of FSMA 2000 to carry on any regulated activity which is carried on for the purposes of, or in connection with, such services;</p> <p>(b) the DSD has met the requirements laid down in Article 59;</p> <p>(c) [Note: left blank] the permission referred to in point (a) of this subparagraph is used only to provide the banking-type ancillary services referred to in Section C of Chapter 6 and not to carry out any other activities;</p> <p>(d) the DSD meets an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a Securities Settlement System or other users of DSD services;</p> <p>(e) the DSD reports at least monthly to the Bank and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk; and</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 54 Authorisation and designation to provide banking-type ancillary services</p>	<p>(d) the CSD is subject to an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system or other users of CSD services;</p> <p>(e) the CSD reports at least monthly to the competent authority and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation;</p> <p>(f) the CSD has submitted to the competent authority an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services.</p> <p>In the case of conflicting provisions laid down in this Regulation, in Regulation (EU) No 575/2013, CRR rules and in Directive 2013/36/EU UK law, the CSD referred to in point (a) of the first subparagraph shall comply with the stricter requirements on prudential supervision. The regulatory technical standards referred to in Articles 47 and 59 of this Regulation shall clarify the cases of conflicting provisions.</p> <p>4. Where a CSD seeks to designate a credit institution to provide any banking-type ancillary services from within a separate legal entity which may be part of the same group of undertakings ultimately controlled by the same parent undertaking or not, the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met:</p> <p>(a) the separate legal entity is permitted to accept deposits under Part 4A of FSMA;</p> <p>(b) the separate legal entity meets the prudential requirements laid down in Article 59(1), (3) and (4) and supervisory requirements laid down in Article 60;</p> <p>(c) the separate legal entity does not itself carry out any of the core services referred to in Section A of the Annex;</p>	<p>(d) the GSD is subject to an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system or other users of CSD services;</p> <p>(e) the GSD reports at least monthly to the competent authority and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation;</p> <p>(f) the GSD has submitted to the competent authority an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services.</p> <p>In the case of conflicting provisions laid down in this Regulation, in Regulation (EU) No 575/2013, CRR rules and in Directive 2013/36/EU UK law, the GSD referred to in point (a) of the first subparagraph shall comply with the stricter requirements on prudential supervision. The regulatory technical standards referred to in Articles 47 and 59 of this Regulation shall clarify the cases of conflicting provisions.</p> <p>4. Where a GSD seeks to designate a credit institution to provide any banking-type ancillary services from within a separate legal entity which may be part of the same group of undertakings ultimately controlled by the same parent undertaking or not, the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met:</p> <p>(a) the separate legal entity is permitted to accept deposits under Part 4A of FSMA;</p> <p>(b) the separate legal entity meets the prudential requirements laid down in Article 59(1), (3) and (4) and supervisory requirements laid down in Article 60;</p> <p>(c) the separate legal entity does not itself carry out any of the core services referred to in Section A of the Annex;</p>	<p>(d) the GSD is subject to DSD meets an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system Securities Settlement System or other users of GSD DSD services;</p> <p>(e) the GSD DSD reports at least monthly to the competent authority Bank and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation; and</p> <p>(f) the GSD has submitted to the competent authority DSD submits to the Bank and keeps updated an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services.</p> <p>(g) In the case of conflicting provisions laid down in the DSS CSDR and this Regulation Chapter, in Regulation (EU) No 575/2013, CRR rules and in Directive 2013/36/EU UK law, the GSD DSD referred to in point (a) of the first subparagraph shall must comply with the stricter requirements on prudential supervision. The regulatory technical standards referred to in Articles 47 and 59 of this Regulation shall clarify the cases of conflicting provisions.</p> <p>5.4.4 Where a CSD seeks to designate a credit institution to provide any banking-type ancillary services from within a separate legal entity which may be part of the same group of undertakings ultimately controlled by the same parent undertaking or not, the authorisation referred to in paragraph 2 shall be granted only where the following conditions are met: The conditions referred to in paragraph 2(b) are:</p> <p>(a) the separate legal entity is permitted credit institution has permission to accept deposits under Part 4A of FSMA;</p> <p>(b) the separate legal entity credit institution meets the prudential requirements laid down in Article 59(1), (3) and (4) and supervisory requirements laid down in Article 60;</p> <p>(c) the separate legal entity credit institution does not itself carry out any of the core services referred to in Section A of the Annex Chapter 4;</p>	<p>(f) the DSD submits to the Bank and keeps updated an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services.</p> <p>In the case of conflicting provisions laid down in the DSS CSDR and this Chapter, in Regulation (EU) No 575/2013, CRR rules and in Directive 2013/36/EU UK law, the DSD referred to in point (a) of the first subparagraph must comply with the stricter requirements on prudential supervision.</p> <p>5.4.4 The conditions referred to in paragraph 2(b) are:</p> <p>(a) the credit institution has permission to accept deposits under Part 4A of FSMA;</p> <p>(b) the credit institution meets the requirements laid down in Article 59;</p> <p>(c) the credit institution does not itself carry out any of the core services referred to in Section A of Chapter 4 6;</p> <p>(d) the permission referred to in subparagraph (a) is used only to provide the banking-type ancillary services referred to in Section C of Chapter 6 and not to carry out any other activities;</p> <p>(e) the credit institution meets an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a Securities Settlement System or other users of DSD services;</p> <p>(f) the credit institution reports at least monthly to the Bank and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk;</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 54 Authorisation and designation to provide banking-type ancillary services</p>	<p>(d) the authorisation referred to in point (a) is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities;</p> <p>(e) the separate legal entity is subject to an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system or other users of CSD services;</p> <p>(f) the separate legal entity reports at least monthly to the competent authority and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation; and</p> <p>(g) the separate legal entity has submitted to the competent authority an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services from within a separate legal entity.</p> <p>5. Paragraph 4 shall not apply to credit institutions referred to in point (b) of paragraph 2 that offer to settle the cash payments for part of the CSD's securities settlement system, if the total value of such cash settlement through accounts opened with those credit institutions, calculated over a one-year period, is less than one per cent of the total value of all securities transactions against cash settled in the books of the CSD and does not exceed a maximum of EUR 2,5 billion per year.</p> <p>The competent authority shall monitor at least once per year that the threshold defined in the first subparagraph is respected. Where the competent authority determines that the threshold has been exceeded, it shall require the CSD concerned to seek authorisation in accordance with paragraph 4. The CSD concerned shall submit its application for authorisation within six months.</p>	<p>(d) the authorisation referred to in point (a) is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities;</p> <p>(e) the separate legal entity is subject to an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system or other users of CSD services;</p> <p>(f) the separate legal entity reports at least monthly to the competent authority and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation; and</p> <p>(g) the separate legal entity has submitted to the competent authority an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type ancillary services from within a separate legal entity.</p> <p>5. Paragraph 4 shall not apply to credit institutions referred to in point (b) of paragraph 2 that offer to settle the cash payments for part of the CSD's securities settlement system, if the total value of such cash settlement through accounts opened with those credit institutions, calculated over a one-year period, is less than one per cent of the total value of all securities transactions against cash settled in the books of the CSD and does not exceed a maximum of EUR 2,5 billion per year.</p> <p>The competent authority shall monitor at least once per year that the threshold defined in the first subparagraph is respected. Where the competent authority determines that the threshold has been exceeded, it shall require the CSD concerned to seek authorisation in accordance with paragraph 4. The CSD concerned shall submit its application for authorisation within six months.</p>	<p>(d) the authorisation referred to in point (a) is used only to provide the banking-type ancillary services referred to in Section C of the Annex and not to carry out any other activities; [Note: left blank]</p> <p>(e) the separate legal entity is subject to credit institution meets an additional capital surcharge that reflects the risks, including credit and liquidity risks, resulting from the provision of intra-day credit, inter alia, to the participants in a securities settlement system Securities Settlement System or other users of GSD DSD services;</p> <p>(f) the separate legal entity credit institution reports at least monthly to the competent authority Bank and annually as a part of its public disclosure as required under the Disclosure (CRR) Part of the PRA Rulebook on the extent and management of intra-day liquidity risk in accordance with point (j) of Article 59(4) of this Regulation; and;</p> <p>(g) the separate legal entity has submitted to the competent authority credit institution submits to the Bank and keeps updated an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking-type banking type ancillary services from within a separate legal entity; and</p> <p>(h) the credit institution provides to the Bank on demand such information as the Bank reasonably requires for the purpose of assessing whether the conditions in this paragraph 4 and Article 59, and any additional conditions or requirements specified in technical standards or in the SAN of the type (b) banking services provider, are met.</p> <p>54.5 Paragraph 4 shall not apply to credit institutions referred to in point subparagraph (b) of paragraph 2 that offer to settle the cash payments for part of the CSD's securities settlement system DSD's Securities Settlement System, if the total value of such cash settlement through accounts opened with those credit institutions, calculated over a one-year period, is less than one per cent of the total value of all securities transactions against cash settled in the books of the CSD DSD and does not exceed a maximum of EUR 2,5 GBP 2,5 billion per year.</p>	<p>(g) the credit institution submits to the Bank and keeps updated an adequate recovery plan to ensure continuity of its critical operations, including in situations where liquidity or credit risk crystallises as a result of the provision of banking type ancillary services from within a separate legal entity; and</p> <p>(h) the credit institution provides to the Bank on demand such information as the Bank reasonably requires for the purpose of assessing whether the conditions in this paragraph 4 and Article 59, and any additional conditions or requirements specified in technical standards or in the SAN of the type (b) banking services provider, are met.</p> <p>54.5 Paragraph 4 shall not apply to credit institutions referred to in subparagraph (b) of paragraph 2 that offer to settle the cash payments for part of the DSD's Securities Settlement System, if the total value of such cash settlement through accounts opened with those credit institutions, calculated over a one-year period, is less than one per cent of the total value of all securities transactions against cash settled in the books of the DSD and does not exceed a maximum of GBP 2.5 billion per year.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 54 Authorisation and designation to provide banking-type ancillary services</p>	<p>6. The competent authority may require a CSD to designate more than one credit institution, or to designate a credit institution in addition to providing services itself in accordance with point (a) of paragraph 2 of this Article where it considers that the exposure of one credit institution to the concentration of risks under Article 59(3) and (4) is not sufficiently mitigated. The designated credit institutions shall be considered to be settlement agents.</p> <p>7. A CSD authorised to provide any banking-type ancillary services and a credit institution designated in accordance with point (b) of paragraph 2 shall comply at all times with the conditions necessary for authorisation under this Regulation and shall, without delay, notify the competent authorities of any substantive changes affecting the conditions for authorisation.</p> <p>8. The PRA may make regulatory technical standards to determine the additional risk based capital surcharge referred to in point (d) of paragraph 3 and point (e) of paragraph 4.</p>	<p>6. The competent authority may require a GSD to designate more than one credit institution, or to designate a credit institution in addition to providing services itself in accordance with point (a) of paragraph 2 of this Article where it considers that the exposure of one credit institution to the concentration of risks under Article 59(3) and (4) is not sufficiently mitigated. The designated credit institutions shall be considered to be settlement agents.</p> <p>7. A CSD authorised to provide any banking-type ancillary services and a credit institution designated in accordance with point (b) of paragraph 2 shall comply at all times with the conditions necessary for authorisation under this Regulation and shall, without delay, notify the competent authorities of any substantive changes affecting the conditions for authorisation.</p> <p>8. The PRA may make regulatory technical standards to determine the additional risk based capital surcharge referred to in point (d) of paragraph 3 and point (e) of paragraph 4.</p>	<p>The competent authority shall monitor at least once per year that the threshold defined in the first subparagraph is respected. Where the competent authority determines that the threshold has been exceeded, it shall require the GSD concerned to seek authorisation in accordance with paragraph 4. The GSD concerned shall submit its application for authorisation within six months.</p> <p>54.6 The competent authority may require a GSD to designate more than one credit institution, or to designate a credit institution in addition to providing services itself in accordance with point (a) of paragraph 2 of this Article where it considers that the exposure of one credit institution to the concentration of risks under Article 59(3) and (4) is not sufficiently mitigated. The designated credit institutions shall be considered to be settlement agents.</p> <p>54.7A GSD authorised to provide any banking-type ancillary services and a credit institution designated in accordance with point (b) of paragraph 2 shall comply at all times with the conditions necessary for authorisation under this Regulation and shall, without delay, notify the competent authorities of any substantive changes affecting the conditions for authorisation.</p> <p>54.8 The PRA may make regulatory technical standards to determine the additional risk based capital surcharge referred to in point (d) of paragraph 3 and point (e) of paragraph 4.</p>	

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 55 Procedure for granting and refusing authorisation to provide banking-type ancillary services</p>	<p>1. The CSD shall submit its application for authorisation to designate a credit institution or to provide any banking-type ancillary service, as required under Article 54, to the competent authority.</p> <p>2. The application shall contain all the information that is necessary to enable the competent authority to satisfy itself that the CSD and where applicable the designated credit institution have established, at the time of the authorisation, all the necessary arrangements to meet their obligations as laid down in this Regulation. It shall contain a programme of operations setting out the banking-type ancillary services envisaged, the structural organisation of the relations between the CSD and the designated credit institutions where applicable and how that CSD or where applicable the designated credit institution intends to meet the prudential requirements laid down in Article 59(1), (3) and (4) and the other conditions laid down in Article 54.</p> <p>3. The competent authority shall apply the procedure under Article 17(3) and (8).</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7. The Bank of England may make regulatory technical standards to specify the information that the CSD is to provide to the competent authority for the purpose of obtaining the relevant authorisations to provide the banking-type services ancillary to settlement.</p>	<p>1. The CSD shall submit its application for authorisation to designate a credit institution or to provide any banking-type ancillary service, as required under Article 54, to the competent authority.</p> <p>2. The application shall contain all the information that is necessary to enable the competent authority to satisfy itself that the CSD and where applicable the designated credit institution have established, at the time of the authorisation, all the necessary arrangements to meet their obligations as laid down in this Regulation. It shall contain a programme of operations setting out the banking-type ancillary services envisaged, the structural organisation of the relations between the CSD and the designated credit institutions where applicable and how that CSD or where applicable the designated credit institution intends to meet the prudential requirements laid down in Article 59(1), (3) and (4) and the other conditions laid down in Article 54.</p> <p>3. The competent authority shall apply the procedure under Article 17(3) and (8).</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7. The Bank of England may make regulatory technical standards to specify the information that the CSD is to provide to the competent authority for the purpose of obtaining the relevant authorisations to provide the banking-type services ancillary to settlement.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>
<p>Article 56 Extension of the banking-type ancillary services</p>	<p>1. A CSD that intends to extend the banking-type ancillary services for which it designates a credit institution or that it provides itself in accordance with Article 54, shall submit a request for extension to the competent authority.</p> <p>2. The request for extension shall be subject to the procedure under Article 55.</p>	<p>1. A CSD that intends to extend the banking-type ancillary services for which it designates a credit institution or that it provides itself in accordance with Article 54, shall submit a request for extension to the competent authority.</p> <p>2. The request for extension shall be subject to the procedure under Article 55.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 57 Withdrawal of authorisation	<p>1. Without prejudice to any remedial actions or measures under Title V, the competent authority shall withdraw the authorisations referred to in Article 54 in any of the following circumstances:</p> <p>(a) where the CSD has not made use of the authorisation within 12 months, expressly renounces the authorisation or where the designated credit institution has provided no services or performed no activity for the preceding six months;</p> <p>(b) where the CSD has obtained the authorisation by making false statements or by any other unlawful means;</p> <p>(c) where the CSD or the designated credit institution is no longer in compliance with the conditions under which authorisation was granted and has not taken the remedial actions requested by the competent authority within a set time-frame;</p> <p>(d) where the CSD or the designated credit institution has seriously and systematically infringed the requirements laid down in this Regulation.</p> <p>2.</p> <p>3.</p> <p>4. The competent authority may limit the withdrawal to a particular service, activity, or financial instrument.</p> <p>5. A CSD and the designated credit institution shall establish, implement and maintain an adequate procedure ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another settlement agent in the event of a withdrawal of authorisation referred to in paragraph 1.</p>	<p>1. Without prejudice to any remedial actions or measures under Title V, the competent authority shall withdraw the authorisations referred to in Article 54 in any of the following circumstances:</p> <p>(a) where the CSD has not made use of the authorisation within 12 months, expressly renounces the authorisation or where the designated credit institution has provided no services or performed no activity for the preceding six months;</p> <p>(b) where the CSD has obtained the authorisation by making false statements or by any other unlawful means;</p> <p>(c) where the CSD or the designated credit institution is no longer in compliance with the conditions under which authorisation was granted and has not taken the remedial actions requested by the competent authority within a set time-frame;</p> <p>(d) where the CSD or the designated credit institution has seriously and systematically infringed the requirements laid down in this Regulation.</p> <p>2.</p> <p>3.</p> <p>4. The competent authority may limit the withdrawal to a particular service, activity, or financial instrument.</p> <p>5. A CSD and the designated credit institution shall establish, implement and maintain an adequate procedure ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another settlement agent in the event of a withdrawal of authorisation referred to in paragraph 1.</p>	<p>57.1 Without prejudice to any remedial actions or measures under Title V, the competent authority shall withdraw the authorisations referred to in Article 54 in any of the following circumstances:</p> <p>(a) where the CSD has not made use of the authorisation within 12 months, expressly renounces the authorisation or where the designated credit institution has provided no services or performed no activity for the preceding six months;</p> <p>(b) where the CSD has obtained the authorisation by making false statements or by any other unlawful means;</p> <p>(c) where the CSD or the designated credit institution is no longer in compliance with the conditions under which authorisation was granted and has not taken the remedial actions requested by the competent authority within a set time-frame;</p> <p>(d) where the CSD or the designated credit institution has seriously and systematically infringed the requirements laid down in this Regulation.</p> <p><u>A type (a) banking services provider must, and a type (b) banking services provider must ensure that the credit institutions that it engages, establish, implement and maintain an adequate procedure ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another settlement agent in the event that the type (a) banking services provider is no longer permitted to provide the relevant banking-type ancillary services, or the type (b) banking services provider is no longer permitted to use the credit institution for the provision of such services, as the case may be.</u></p> <p>57.2 The competent authority may limit the withdrawal to a particular service, activity, or financial instrument.</p> <p>57.3 A CSD and the designated credit institution shall establish, implement and maintain an adequate procedure ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another settlement agent in the event of a withdrawal of authorisation referred to in paragraph 1.</p>	<p>57.1 A type (a) banking services provider must, and a type (b) banking services provider must ensure that the credit institutions that it engages, establish, implement and maintain an adequate procedure ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another settlement agent in the event that the type (a) banking services provider is no longer permitted to provide the relevant banking-type ancillary services, or the type (b) banking services provider is no longer permitted to use the credit institution for the provision of such services, as the case may be.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 58 CSD register	<p>2. The competent authority shall introduce in the register, that it is required to make available on its dedicated website in accordance with Article 21(3), the following information:</p> <p>(a) the name of each CSD which was subject to a decision under Articles 54, 56 and 57;</p> <p>(b) the name of each designated credit institution;</p> <p>(c) the list of banking-type ancillary services that a designated credit institution or a CSD authorised under Article 54 is authorised to provide for the CSD's participants.</p>	<p>2. The competent authority shall introduce in the register, that it is required to make available on its dedicated website in accordance with Article 21(3), the following information:</p> <p>(a) the name of each CSD which was subject to a decision under Articles 54, 56 and 57;</p> <p>(b) the name of each designated credit institution;</p> <p>(c) the list of banking-type ancillary services that a designated credit institution or a CSD authorised under Article 54 is authorised to provide for the CSD's participants.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>
Article 59 Prudential requirements applicable to credit institutions or CSDs authorised to provide banking-type ancillary services	<p>1. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall provide only the services set out in Section C of the Annex that are covered by the authorisation.</p> <p>2. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with any present or future legislation applicable to credit institutions.</p> <p>3. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with the following specific prudential requirements for the credit risks related to those services in respect of each securities settlement system:</p> <p>(a) it shall establish a robust framework to manage the corresponding credit risks;</p> <p>(b) it shall identify the sources of such credit risks, frequently and regularly, measure and monitor corresponding credit exposures and use appropriate risk-management tools to control those risks;</p> <p>(c) it shall fully cover corresponding credit exposures to individual borrowing participants using collateral and other equivalent financial resources;</p>	<p>1. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall provide only the services set out in Section C of the Annex that are covered by the authorisation.</p> <p>2. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with any present or future legislation applicable to credit institutions.</p> <p>3. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with the following specific prudential requirements for the credit risks related to those services in respect of each securities settlement system:</p> <p>(a) it shall establish a robust framework to manage the corresponding credit risks;</p> <p>(b) it shall identify the sources of such credit risks, frequently and regularly, measure and monitor corresponding credit exposures and use appropriate risk-management tools to control those risks;</p> <p>(c) it shall fully cover corresponding credit exposures to individual borrowing participants using collateral and other equivalent financial resources;</p>	<p>59.1 A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall provide only the services set out in Section C of the Annex that are covered by the authorisation. [Note: left blank]</p> <p>59.2 A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with any present or future legislation applicable to credit institutions. [Note: left blank]</p> <p>59.3 A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall A type (b) banking services provider must ensure that the credit institution it is engaged in accordance with subparagraph (b) of Article 54.2, or a type (a) banking services provider must comply with the following specific prudential requirements for the credit risks related to those services in respect of each Securities Settlement System:</p> <p>(a) it shall must establish a robust framework to manage the corresponding credit risks;</p> <p>(b) it shall must identify the sources of such credit risks, frequently and regularly, measure and monitor corresponding credit exposures and use appropriate risk-management tools to control those risks;</p> <p>(c) it shall must fully cover corresponding credit exposures to individual borrowing participants using collateral and other equivalent financial resources;</p>	<p>59.1 [Note: left blank] A type (b) banking services provider must ensure that the credit institution it is engaged in accordance with point (b) of Article 54.2 must provide only the services set out in Section C of Chapter 6 specified in its SAN of the relevant type (b) banking services provider. A type (a) banking services provider must provide only the services set out in Section C of Chapter 6 specified in its SAN.</p> <p>59.2 [Note: left blank] A type (a) banking services provider must comply with any present or future legislation applicable to credit institutions.</p> <p>59.3 A type (b) banking services provider must ensure that the credit institution it is engaged in accordance with subparagraph (b) of Article 54.2, or a type (a) banking services provider, must comply with the following specific prudential requirements for the credit risks related to those services in respect of each Securities Settlement System:</p> <p>(a) it must establish a robust framework to manage the corresponding credit risks;</p> <p>(b) it must identify the sources of such credit risks, frequently and regularly, measure and monitor corresponding credit exposures and use appropriate risk-management tools to control those risks;</p> <p>(c) it must fully cover corresponding credit exposures to individual borrowing participants using collateral and other equivalent financial resources;</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 59</p> <p>Prudential requirements applicable to credit institutions or CSDs authorised to provide banking-type ancillary services</p>	<p>(d) if collateral is used to manage its corresponding credit risk, it shall accept highly liquid collateral with minimal credit and market risk; it may use other types of collateral in specific situations if an appropriate haircut is applied;</p> <p>(e) it shall establish and apply appropriately conservative haircuts and concentration limits on collateral values constituted to cover the credit exposures referred to in point (c), taking into account the objective of ensuring that collateral can be liquidated promptly without significant adverse price effects;</p> <p>(f) it shall set limits on its corresponding credit exposures;</p> <p>(g) it shall analyse and plan for how to address any potential residual credit exposures, and adopt rules and procedures to implement such plans;</p> <p>(h) it shall provide credit only to participants that have cash accounts with it;</p> <p>(i) it shall provide for effective reimbursement procedures of intra-day credit and discourage overnight credit through the application of sanctioning rates which act as an effective deterrent.</p> <p>4. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with the following specific prudential requirements for the liquidity risks relating to those services in respect of each securities settlement system:</p> <p>(a) it shall have a robust framework and tools to measure, monitor, and manage its liquidity risks, including intra-day liquidity risks, for each currency of the security settlement system for which it acts as settlement agent;</p> <p>(b) it shall measure and monitor on an ongoing and timely basis, and at least daily, its liquidity needs and the level of liquid assets it holds; in doing so, it shall determine the value of its available liquid assets taking into account appropriate haircuts on those assets;</p>	<p>(d) if collateral is used to manage its corresponding credit risk, it shall accept highly liquid collateral with minimal credit and market risk; it may use other types of collateral in specific situations if an appropriate haircut is applied;</p> <p>(e) it shall establish and apply appropriately conservative haircuts and concentration limits on collateral values constituted to cover the credit exposures referred to in point (c); taking into account the objective of ensuring that collateral can be liquidated promptly without significant adverse price effects;</p> <p>(f) it shall set limits on its corresponding credit exposures;</p> <p>(g) it shall analyse and plan for how to address any potential residual credit exposures, and adopt rules and procedures to implement such plans;</p> <p>(h) it shall provide credit only to participants that have cash accounts with it;</p> <p>(i) it shall provide for effective reimbursement procedures of intra-day credit and discourage overnight credit through the application of sanctioning rates which act as an effective deterrent.</p> <p>4. A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall comply with the following specific prudential requirements for the liquidity risks relating to those services in respect of each securities settlement system:</p> <p>(a) it shall have a robust framework and tools to measure, monitor, and manage its liquidity risks, including intra-day liquidity risks, for each currency of the security settlement system for which it acts as settlement agent;</p> <p>(b) it shall measure and monitor on an ongoing and timely basis, and at least daily, its liquidity needs and the level of liquid assets it holds; in doing so, it shall determine the value of its available liquid assets taking into account appropriate haircuts on those assets;</p>	<p>(d) if collateral is used to manage its corresponding credit risk, it shall must accept highly liquid collateral with minimal credit and market risk; it may use other types of collateral in specific situations if an appropriate haircut is applied;</p> <p>(e) it shall must establish and apply appropriately conservative haircuts and concentration limits on collateral values constituted to cover the credit exposures referred to in point subparagraph (c), taking into account the objective of ensuring that collateral can be liquidated promptly without significant adverse price effects;</p> <p>(f) it shall must set limits on its corresponding credit exposures;</p> <p>(g) it shall must analyse and plan for how to address any potential residual credit exposures, and adopt rules and procedures to implement such plans;</p> <p>(h) it shall must provide credit only to participants that have cash accounts with it;</p> <p>(i) it shall must provide for effective reimbursement procedures of intra-day credit and discourage overnight credit through the application of sanctioning rates which act as an effective deterrent.</p> <p>59.4 A credit institution designated under point (b) of Article 54(2) or a CSD authorised under point (a) of Article 54(2) to provide banking-type ancillary services shall A type (b) banking services provider must ensure that the credit institution it is engaged in accordance with subparagraph (b) of Article 54.2 or a type (a) banking services provider must comply with the following specific prudential requirements for the liquidity risks relating to those services in respect of each Securities Settlement System:</p> <p>(a) it shall must have a robust framework and tools to measure, monitor, and manage its liquidity risks, including intra-day liquidity risks, for each currency of the Security Settlement System for which it acts as settlement agent;</p> <p>(b) it shall must measure and monitor on an ongoing and timely basis, and at least daily, its liquidity needs and the level of liquid assets it holds; in doing so, it shall determine the value of its available liquid assets taking into account appropriate haircuts on those assets;</p>	<p>(d) if collateral is used to manage its corresponding credit risk, it must accept highly liquid collateral with minimal credit and market risk; it may use other types of collateral in specific situations if an appropriate haircut is applied;</p> <p>(e) it must establish and apply appropriately conservative haircuts and concentration limits on collateral values constituted to cover the credit exposures referred to in subparagraph (c), taking into account the objective of ensuring that collateral can be liquidated promptly without significant adverse price effects;</p> <p>(f) it must set limits on its corresponding credit exposures;</p> <p>(g) it must analyse and plan for how to address any potential residual credit exposures, and adopt rules and procedures to implement such plans;</p> <p>(h) it must provide credit only to participants that have cash accounts with it;</p> <p>(i) it must provide for effective reimbursement procedures of intra-day credit and discourage overnight credit through the application of sanctioning rates which act as an effective deterrent.</p> <p>59.4 A type (b) banking services provider must ensure that the credit institution it is engaged in accordance with subparagraph (b) of Article 54.2 or a type (a) banking services provider must comply with the following specific prudential requirements for the liquidity risks relating to those services in respect of each Securities Settlement System:</p> <p>(a) it must have a robust framework and tools to measure, monitor, and manage its liquidity risks, including intra-day liquidity risks, for each currency of the Security Settlement System for which it acts as settlement agent;</p> <p>(b) it must measure and monitor on an ongoing and timely basis, and at least daily, its liquidity needs and the level of liquid assets it holds; in doing so, it must determine the value of its available liquid assets taking into account appropriate haircuts on those assets;</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 59</p> <p>Prudential requirements applicable to credit institutions or CSDs authorised to provide banking-type ancillary services</p>	<p>(c) it shall have sufficient liquid resources in all relevant currencies for a timely provision of settlement services under a wide range of potential stress scenarios including, but not limited to the liquidity risk generated by the default of at least one participant, including its parent undertakings and subsidiaries, to which it has the largest exposures;</p> <p>(d) it shall mitigate the corresponding liquidity risks with qualifying liquid resources in each currency such as cash at the central bank of issue and at other creditworthy financial institutions, committed lines of credit or similar arrangements and highly liquid collateral or investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions and it shall identify, measure and monitor its liquidity risk stemming from the various financial institutions used for the management of its liquidity risks;</p> <p>(e) where prearranged funding arrangements are used, it shall select only creditworthy financial institutions as liquidity providers; it shall establish and apply appropriate concentration limits for each of the corresponding liquidity providers including its parent undertaking and subsidiaries;</p> <p>(f) it shall determine and test the sufficiency of the corresponding resources by regular and rigorous stress testing;</p> <p>(g) it shall analyse and plan for how to address any unforeseen and potentially uncovered liquidity shortfalls, and adopt rules and procedures to implement such plans;</p>	<p>(c) it shall have sufficient liquid resources in all relevant currencies for a timely provision of settlement services under a wide range of potential stress scenarios including, but not limited to the liquidity risk generated by the default of at least one participant, including its parent undertakings and subsidiaries, to which it has the largest exposures;</p> <p>(d) it shall mitigate the corresponding liquidity risks with qualifying liquid resources in each currency such as cash at the central bank of issue and at other creditworthy financial institutions, committed lines of credit or similar arrangements and highly liquid collateral or investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions and it shall identify, measure and monitor its liquidity risk stemming from the various financial institutions used for the management of its liquidity risks;</p> <p>(e) where prearranged funding arrangements are used, it shall select only creditworthy financial institutions as liquidity providers; it shall establish and apply appropriate concentration limits for each of the corresponding liquidity providers including its parent undertaking and subsidiaries;</p> <p>(f) it shall determine and test the sufficiency of the corresponding resources by regular and rigorous stress testing;</p> <p>(g) it shall analyse and plan for how to address any unforeseen and potentially uncovered liquidity shortfalls, and adopt rules and procedures to implement such plans;</p>	<p>(c) it shall must have sufficient liquid resources in all relevant currencies for a timely provision of settlement services under a wide range of potential stress scenarios including, but not limited to the liquidity risk generated by the default of at least one participant, including its parent undertakings and subsidiaries, to which it has the largest exposures;</p> <p>(d) it shall must mitigate the corresponding liquidity risks with qualifying liquid resources in each currency such as cash at the central bank of issue and at other creditworthy financial institutions, committed lines of credit or similar arrangements and highly liquid collateral or investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions and it shall identify, measure and monitor its liquidity risk stemming from the various financial institutions used for the management of its liquidity risks;</p> <p>(e) where prearranged funding arrangements are used, it shall must select only creditworthy financial institutions as liquidity providers; it shall establish and apply appropriate concentration limits for each of the corresponding liquidity providers including its parent undertaking and subsidiaries;</p> <p>(f) it shall must determine and test the sufficiency of the corresponding resources by regular and rigorous stress testing;</p> <p>(g) it shall must analyse and plan for how to address any unforeseen and potentially uncovered liquidity shortfalls, and adopt rules and procedures to implement such plans;</p>	<p>(c) it must have sufficient liquid resources in all relevant currencies for a timely provision of settlement services under a wide range of potential stress scenarios including, but not limited to the liquidity risk generated by the default of at least one participant, including its parent undertakings and subsidiaries, to which it has the largest exposures;</p> <p>(d) it must mitigate the corresponding liquidity risks with qualifying liquid resources in each currency such as cash at the central bank of issue and at other creditworthy financial institutions, committed lines of credit or similar arrangements and highly liquid collateral or investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions and it must identify, measure and monitor its liquidity risk stemming from the various financial institutions used for the management of its liquidity risks;</p> <p>(e) where prearranged funding arrangements are used, it must select only creditworthy financial institutions as liquidity providers; it must establish and apply appropriate concentration limits for each of the corresponding liquidity providers including its parent undertaking and subsidiaries;</p> <p>(f) it must determine and test the sufficiency of the corresponding resources by regular and rigorous stress testing;</p> <p>(g) it must analyse and plan for how to address any unforeseen and potentially uncovered liquidity shortfalls, and adopt rules and procedures to implement such plans;</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 59 Prudential requirements applicable to credit institutions or CSDs authorised to provide banking-type ancillary services</p>	<p>(h) where practical and available, without prejudice to the eligibility rules of the Bank of England, it shall have access to Bank of England accounts and other Bank of England services to enhance its management of liquidity risks and credit institutions shall deposit the corresponding sterling cash balances on dedicated accounts with the Bank of England ;</p> <p>(i) it shall have prearranged and highly reliable arrangements to ensure that it can liquidate in a timely fashion the collateral provided to it by a defaulting client;</p> <p>(j) it shall report regularly to the authorities referred to in Article 60(1), and disclose to the public, as to how it measures, monitors and manages its liquidity risks, including intra-day liquidity risks.</p> <p>5. The PRA may make regulatory technical standards to further specify details of the frameworks and tools for the monitoring, the measuring, the management, the reporting and the public disclosure of the credit and liquidity risks, including those which occur intra-day, referred to in paragraphs 3 and 4. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 46(3) of Regulation (EU) No 648/2012.</p>	<p>(h) where practical and available, without prejudice to the eligibility rules of the Bank of England, it shall have access to Bank of England accounts and other Bank of England services to enhance its management of liquidity risks and credit institutions shall deposit the corresponding sterling cash balances on dedicated accounts with the Bank of England ;</p> <p>(i) it shall have prearranged and highly reliable arrangements to ensure that it can liquidate in a timely fashion the collateral provided to it by a defaulting client;</p> <p>(j) it shall report regularly to the authorities referred to in Article 60(1), and disclose to the public, as to how it measures, monitors and manages its liquidity risks, including intra-day liquidity risks.</p> <p>5. The PRA may make regulatory technical standards to further specify details of the frameworks and tools for the monitoring, the measuring, the management, the reporting and the public disclosure of the credit and liquidity risks, including those which occur intra-day, referred to in paragraphs 3 and 4. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 46(3) of Regulation (EU) No 648/2012.</p>	<p>(h) where practical and available, without prejudice to the eligibility rules of the Bank of England, it shall have access to Bank of England accounts and other Bank of England services to enhance its management of liquidity risks and credit institutions shall deposit the corresponding sterling cash balances on dedicated accounts with the Bank of England; [Note: left blank]</p> <p>(i) it shall must have prearranged and highly reliable arrangements to ensure that it can liquidate in a timely fashion the collateral provided to it by a defaulting client;</p> <p>(j) it shall report regularly to the authorities referred to in Article 60(1), and disclose to the public, as to how it measures, monitors and manages its liquidity risks, including intra-day liquidity risks. [Note: left blank]</p> <p>59.5 The PRA may make regulatory technical standards to further specify details of the frameworks and tools for the monitoring, the measuring, the management, the reporting and the public disclosure of the credit and liquidity risks, including those which occur intra-day, referred to in paragraphs 3 and 4. Such draft regulatory technical standards shall, where appropriate, be aligned to the regulatory technical standards adopted in accordance with Article 46(3) of Regulation (EU) No 648/2012.</p>	<p>(h) [Note: left blank]</p> <p>(i) it must have prearranged and highly reliable arrangements to ensure that it can liquidate in a timely fashion the collateral provided to it by a defaulting client;</p> <p>(j) [Note: left blank]</p>
<p>Article 60 Supervision of designated credit institutions and CSDs authorised to provide banking-type ancillary services</p>	<p>1. Without prejudice to Articles 17 and 22 of this Regulation, the competent authorities referred to in point (40) of Article 4(1) of Regulation (EU) No 575/2013 are responsible for the authorisation as credit institutions and supervision as credit institutions under the conditions provided in Regulation (EU) No 575/2013 and in Directive 2013/36/EU of the designated credit institutions and CSDs authorised under this Regulation to provide banking-type ancillary services.</p> <p>The competent authorities referred to in the first subparagraph shall also be responsible for the supervision of designated credit institutions and CSDs referred to in that subparagraph as regards their compliance with the prudential requirements referred to in Article 59 of this Regulation.</p>	<p>1. Without prejudice to Articles 17 and 22 of this Regulation, the competent authorities referred to in point (40) of Article 4(1) of Regulation (EU) No 575/2013 are responsible for the authorisation as credit institutions and supervision as credit institutions under the conditions provided in Regulation (EU) No 575/2013 and in Directive 2013/36/EU of the designated credit institutions and CSDs authorised under this Regulation to provide banking-type ancillary services.</p> <p>The competent authorities referred to in the first subparagraph shall also be responsible for the supervision of designated credit institutions and CSDs referred to in that subparagraph as regards their compliance with the prudential requirements referred to in Article 59 of this Regulation.</p>	<p>60.1 Without prejudice to Articles 17 and 22 of this Regulation, the competent authorities referred to in point (40) of Article 4(1) of Regulation (EU) No 575/2013 are responsible for the authorisation as credit institutions and supervision as credit institutions under the conditions provided in Regulation (EU) No 575/2013 and in Directive 2013/36/EU of the designated credit institutions and CSDs authorised under this Regulation to provide banking-type ancillary services.</p>	<p>60.1 Where a type (b) banking services provider uses a credit institution in accordance with Article 54.2(b), in view of the protection of the participants in the Securities Settlement Systems it operates, the type (b) banking services provider must ensure that it has access from the credit institution to all necessary information for the purpose of the DSS CSDR and the rules and it must report any infringements thereof to the Bank as soon as is practicable.</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 60 Supervision of designated credit institutions and CSDs authorised to provide banking-type ancillary services</p>	<p>The competent authorities referred to in the first subparagraph shall regularly, and at least once a year, assess whether the designated credit institution or CSD authorised to provide banking-type ancillary services complies with Article 59 and shall inform the competent authority of the CSD, of the results, including any remedial actions or penalties, of its supervision under this paragraph.</p> <p>2. The competent authority of the CSD shall, after consulting competent authorities referred to paragraph 1, review and evaluate at least on an annual basis the following:</p> <p>(a) in the case referred to in point (b) of Article 54(2), whether all the necessary arrangements between the designated credit institutions and the CSD allow them to meet their obligations as laid down in this Regulation;</p> <p>(b) in the case referred to in point (a) of Article 54(2), whether the arrangements relating to the authorisation to provide banking-type ancillary services allow the CSD to meet its obligations as laid down in this Regulation.</p> <p>Where a CSD designates an authorised credit institution in accordance with Article 54, in view of the protection of the participants in the securities settlement systems it operates, a CSD shall ensure that it has access from the credit institution it designates to all necessary information for the purpose of this Regulation and it shall report any infringements thereof to the competent authority of the CSD and to competent authorities referred to in paragraph 1.</p>	<p>The competent authorities referred to in the first subparagraph shall regularly, and at least once a year, assess whether the designated credit institution or CSD authorised to provide banking-type ancillary services complies with Article 59 and shall inform the competent authority of the CSD, of the results, including any remedial actions or penalties, of its supervision under this paragraph.</p> <p>2. The competent authority of the CSD shall, after consulting competent authorities referred to paragraph 1, review and evaluate at least on an annual basis the following:</p> <p>(a) in the case referred to in point (b) of Article 54(2), whether all the necessary arrangements between the designated credit institutions and the CSD allow them to meet their obligations as laid down in this Regulation;</p> <p>(b) in the case referred to in point (a) of Article 54(2), whether the arrangements relating to the authorisation to provide banking-type ancillary services allow the CSD to meet its obligations as laid down in this Regulation.</p> <p>Where a CSD designates an authorised credit institution in accordance with Article 54, in view of the protection of the participants in the securities settlement systems it operates, a CSD shall ensure that it has access from the credit institution it designates to all necessary information for the purpose of this Regulation and it shall report any infringements thereof to the competent authority of the CSD and to competent authorities referred to in paragraph 1.</p>	<p>The competent authorities referred to in the first subparagraph shall also be responsible for the supervision of designated credit institutions and CSDs referred to in that subparagraph as regards their compliance with the prudential requirements referred to in Article 59 of this Regulation.</p> <p>The competent authorities referred to in the first subparagraph shall regularly, and at least once a year, assess whether the designated credit institution or CSD authorised to provide banking-type ancillary services complies with Article 59 and shall inform the competent authority of the CSD, of the results, including any remedial actions or penalties, of its supervision under this paragraph.</p> <p>Where a type (b) banking services provider uses a credit institution in accordance with Article 54.2(b), in view of the protection of the participants in the Securities Settlement Systems it operates, the type (b) banking services provider must ensure that it has access from the credit institution to all necessary information for the purpose of the DSS CSDR and the rules and it must report any infringements thereof to the Bank as soon as is practicable.</p> <p>60.2 The competent authority of the CSD shall, after consulting competent authorities referred to paragraph 1, review and evaluate at least on an annual basis the following:</p> <p>(a) in the case referred to in point (b) of Article 54(2), whether all the necessary arrangements between the designated credit institutions and the CSD allow them to meet their obligations as laid down in this Regulation;</p> <p>(b) in the case referred to in point (a) of Article 54(2), whether the arrangements relating to the authorisation to provide banking-type ancillary services allow the CSD to meet its obligations as laid down in this Regulation.</p> <p>Where a CSD designates an authorised credit institution in accordance with Article 54, in view of the protection of the participants in the securities settlement systems it operates, a CSD shall ensure that it has access from the credit institution it designates to all necessary information for the purpose of this Regulation and it shall report any infringements thereof to the competent authority of the CSD and to competent authorities referred to in paragraph 1.</p>	

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 61 Administrative sanctions and other measures			Not onshored into UK CSDR	
Article 62 Publication of decisions	<p>1. The competent authority must publish on its official website any decision imposing an administrative sanction or other measure for an infringement of this Regulation without undue delay after the person sanctioned is informed of that decision. The publication shall include at least information on the type and nature of the infringement and the identity of a natural or legal person on whom the sanction has been imposed.</p> <p>Where the decision to impose a sanction or other measure is subject to an appeal before the relevant judicial or other relevant authorities, the competent authority must, without undue delay, publish on its official website information on the appeal status and outcome thereof. Moreover, any decision annulling a previous decision to impose a sanction or a measure shall also be published.</p> <p>Where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where publication jeopardises the stability of financial markets or an ongoing investigation, the competent authority must do one of the following:</p> <p>(a) delay the publication of the decision to impose the sanction or other measure until the moment when the reasons for non-publication cease to exist;</p> <p>(b) publish the decision to impose the sanction or other measure on an anonymous basis in a manner which is in conformity with national law, if such anonymous publication ensures effective protection of the personal data;</p> <p>(c) not publish the decision to impose a sanction or other measure at all in the event that the options set out in points (a) and (b) above are considered to be insufficient to ensure:</p> <p>i. that the stability of financial markets would not be put in jeopardy;</p> <p>ii. the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.</p>	<p>1. The competent authority must publish on its official website any decision imposing an administrative sanction or other measure for an infringement of this Regulation without undue delay after the person sanctioned is informed of that decision. The publication shall include at least information on the type and nature of the infringement and the identity of a natural or legal person on whom the sanction has been imposed.</p> <p>Where the decision to impose a sanction or other measure is subject to an appeal before the relevant judicial or other relevant authorities, the competent authority must, without undue delay, publish on its official website information on the appeal status and outcome thereof. Moreover, any decision annulling a previous decision to impose a sanction or a measure shall also be published.</p> <p>Where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where publication jeopardises the stability of financial markets or an ongoing investigation, the competent authority must do one of the following:</p> <p>(a) delay the publication of the decision to impose the sanction or other measure until the moment when the reasons for non-publication cease to exist;</p> <p>(b) publish the decision to impose the sanction or other measure on an anonymous basis in a manner which is in conformity with national law, if such anonymous publication ensures effective protection of the personal data;</p> <p>(c) not publish the decision to impose a sanction or other measure at all in the event that the options set out in points (a) and (b) above are considered to be insufficient to ensure:</p> <p>i. that the stability of financial markets would not be put in jeopardy;</p> <p>ii. the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 62 Publication of decisions	<p>In the case of a decision to publish a sanction or other measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period if it is envisaged that within that period the reasons for anonymous publication will cease to exist.</p> <p>2. The competent authority shall ensure that any publication, in accordance with this Article, shall remain on its official website for a period of at least five years after its publication. Personal data contained in the publication shall be kept on the official website of the competent authority only for the period necessary under the applicable data protection rules.</p>	<p>In the case of a decision to publish a sanction or other measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period if it is envisaged that within that period the reasons for anonymous publication will cease to exist.</p> <p>2. The competent authority shall ensure that any publication, in accordance with this Article, shall remain on its official website for a period of at least five years after its publication. Personal data contained in the publication shall be kept on the official website of the competent authority only for the period necessary under the applicable data protection rules.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules
Article 63 Sanctions for infringements			Not onshored into UK CSDR	
Article 64 Effective application of sanctions	<p>When determining the type and level of administrative sanctions or other measures, the competent authority must take into account all relevant circumstances, including, where appropriate:</p> <p>(a) the gravity and the duration of the infringement;</p> <p>(b) the degree of responsibility of the person responsible for the infringement;</p> <p>(c) the financial strength of the person responsible for the infringement, for example as indicated by the total turnover of the responsible legal person or the annual income of the responsible natural person;</p> <p>(d) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;</p> <p>(e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;</p> <p>(f) previous infringements by the person responsible for the infringement.</p>	<p>When determining the type and level of administrative sanctions or other measures, the competent authority must take into account all relevant circumstances, including, where appropriate:</p> <p>(a) the gravity and the duration of the infringement;</p> <p>(b) the degree of responsibility of the person responsible for the infringement;</p> <p>(c) the financial strength of the person responsible for the infringement, for example as indicated by the total turnover of the responsible legal person or the annual income of the responsible natural person;</p> <p>(d) the importance of the profits gained, losses avoided by the person responsible for the infringement or the losses for third parties derived from the infringement, insofar as they can be determined;</p> <p>(e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;</p> <p>(f) previous infringements by the person responsible for the infringement.</p>	Disapplied in SI and not replaced by Bank rules	Disapplied in SI and not replaced by Bank rules

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
<p>Article 65 Reporting of infringements</p>	<p>1. The competent authority must establish effective mechanisms to encourage reporting of potential or actual infringements of this Regulation to competent authorities.</p> <p>2. The mechanisms referred to in paragraph 1 shall include at least:</p> <ul style="list-style-type: none"> (a) specific procedures for the receipt and investigation of reports on potential or actual infringements and their follow-up, including the establishment of secure communication channels for such reports; (b) appropriate protection for employees of institutions who report potential or actual infringements committed within the institution against retaliation, discrimination or other types of unfair treatment at a minimum; (c) protection of personal data concerning both the person who reports the potential or actual infringements and the natural person who is allegedly responsible for an infringement in compliance with the principles laid down in data protection legislation; (d) protection of the identity of both the person who reports the infringements and the natural person who is allegedly responsible for an infringement, at all stages of the procedures unless such disclosure is required by national law in the context of further investigation or subsequent administrative or judicial proceedings. <p>3. The competent authority shall require institutions to have in place appropriate procedures for their employees to report actual or potential infringements internally through a specific, independent and autonomous channel.</p> <p>Such a channel may also be provided through arrangements provided for by social partners. The same protection as is referred to in points (b), (c) and (d) of paragraph 2 shall apply.</p>	<p>1. The competent authority must establish effective mechanisms to encourage reporting of potential or actual infringements of this Regulation to competent authorities.</p> <p>2. The mechanisms referred to in paragraph 1 shall include at least:</p> <ul style="list-style-type: none"> (a) specific procedures for the receipt and investigation of reports on potential or actual infringements and their follow-up, including the establishment of secure communication channels for such reports; (b) appropriate protection for employees of institutions who report potential or actual infringements committed within the institution against retaliation, discrimination or other types of unfair treatment at a minimum; (c) protection of personal data concerning both the person who reports the potential or actual infringements and the natural person who is allegedly responsible for an infringement in compliance with the principles laid down in data protection legislation; (d) protection of the identity of both the person who reports the infringements and the natural person who is allegedly responsible for an infringement, at all stages of the procedures unless such disclosure is required by national law in the context of further investigation or subsequent administrative or judicial proceedings. <p>3. The competent authority shall require institutions to have in place appropriate procedures for their employees to report actual or potential infringements internally through a specific, independent and autonomous channel.</p> <p>Such a channel may also be provided through arrangements provided for by social partners. The same protection as is referred to in points (b), (c) and (d) of paragraph 2 shall apply.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>
<p>Article 66 Right of appeal</p>	<p>The competent authority shall ensure that decisions and measures taken in pursuance of this Regulation are properly reasoned and subject to a right of appeal before a tribunal. The right of appeal before a tribunal shall apply where no decision is taken, within six months of its submission, in respect of an application for authorisation which contains all the information required under the provisions in force.</p>	<p>The competent authority shall ensure that decisions and measures taken in pursuance of this Regulation are properly reasoned and subject to a right of appeal before a tribunal. The right of appeal before a tribunal shall apply where no decision is taken, within six months of its submission, in respect of an application for authorisation which contains all the information required under the provisions in force.</p>	<p>Disapplied in SI and not replaced by Bank rules</p>	<p>Disapplied in SI and not replaced by Bank rules</p>

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 67 Regulations	<p>1. Any power to make regulations conferred on the Treasury by this Regulation is exercisable by statutory instrument.</p> <p>2. Such regulations may –</p> <p>(a) contain incidental, supplemental, consequential and transitional provision; and</p> <p>(b) make different provision for different purposes.</p> <p>3. A statutory instrument containing regulations made under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament</p>	<p>1. Any power to make regulations conferred on the Treasury by this Regulation is exercisable by statutory instrument.</p> <p>2. Such regulations may –</p> <p>(a) contain incidental, supplemental, consequential and transitional provision; and</p> <p>(b) make different provision for different purposes.</p> <p>3. A statutory instrument containing regulations made under this Regulation is subject to annulment in pursuance of a resolution of either House of Parliament.</p>	Remains in the DSS CSDR	Remains in the DSS CSDR
Article 68 Committee procedure			Not onshored into UK CSDR	
Article 69 Transitional provisions	<p>1. Six months of regulations being made under Article 25(9) specifying a third country, a third-country CSD established in the third-country must apply for recognition where it intends to provide services on the basis of Article 25.</p> <p>2. The law of the United Kingdom or any part of the United Kingdom relating to the recognition of third-country CSDs, which applied prior to the coming into force of this Regulation, continues to apply to a qualifying third-country CSD (within the meaning of regulation 25 of the Central Securities Depositories (Amendment) (EU Exit) Regulations 2018), where it has –</p> <p>(a) made an application under Article 25 and the competent authority has not determined the application; or</p> <p>(b) not made an application under Article 25 and the six-month period referred to in paragraph 1 has not expired.</p> <p>3. The law of the United Kingdom or any part of the United Kingdom relating to the authorisation of CSDs, which applied prior to the coming into force of this Regulation, continues to apply to a CSD where, before 30 September 2017 –</p> <p>(a) the CSD made an application for authorisation pursuant to Article 17 of this Regulation; and</p> <p>(b) the competent authority has not determined the application.</p>	<p>1. Six months of regulations being made under Article 25(9) specifying a third country, a third-country CSD established in the third-country must apply for recognition where it intends to provide services on the basis of Article 25.</p> <p>2. The law of the United Kingdom or any part of the United Kingdom relating to the recognition of third-country CSDs, which applied prior to the coming into force of this Regulation, continues to apply to a qualifying third-country CSD (within the meaning of regulation 25 of the Central Securities Depositories (Amendment) (EU Exit) Regulations 2018), where it has –</p> <p>(a) made an application under Article 25 and the competent authority has not determined the application; or</p> <p>(b) not made an application under Article 25 and the six-month period referred to in paragraph 1 has not expired.</p> <p>3. The law of the United Kingdom or any part of the United Kingdom relating to the authorisation of CSDs, which applied prior to the coming into force of this Regulation, continues to apply to a CSD where, before 30 September 2017 –</p> <p>(a) the CSD made an application for authorisation pursuant to Article 17 of this Regulation; and</p> <p>(b) the competent authority has not determined the application.</p>	Remains in the DSS CSDR	Remains in the DSS CSDR

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 70 Amendments to Directive 98/26/EC			Not onshored into UK CSDR	
Article 71 Amendments to Directive 2014/65/EU			Not onshored into UK CSDR	
Article 72 Amendment to Regulation (EU) No 236/2012			Not onshored into UK CSDR	
Article 73 Application of the UK law on markets in financial instruments and Regulation (EU) No 600/2014	<p>CSDs authorised in accordance with Article 16 of this Regulation shall not require authorisation under the UK law on markets in financial instruments in order to provide the services explicitly listed in Sections A and B of the Annex to this Regulation.</p> <p>Where a CSD authorised in accordance with Article 16 of this Regulation provides one or more investment services or carries out one or more investment activities in addition to providing the services explicitly listed in Sections A and B of the Annex to this Regulation, Directive 2014/65/EU with the exception of Articles 5 to 8, Article 9(1) to (2) and (4) to (6) and Articles 10 to 13 as implemented by the UK law on markets in financial instruments, and Regulation (EU) No 600/2014 shall apply.</p>	<p>CSDs authorised in accordance with Article 16 of this Regulation shall not require authorisation under the UK law on markets in financial instruments in order to provide the services explicitly listed in Sections A and B of the Annex to this Regulation.</p> <p>Where a CSD authorised in accordance with Article 16 of this Regulation provides one or more investment services or carries out one or more investment activities in addition to providing the services explicitly listed in Sections A and B of the Annex to this Regulation, Directive 2014/65/EU with the exception of Articles 5 to 8, Article 9(1) to (2) and (4) to (6) and Articles 10 to 13 as implemented by the UK law on markets in financial instruments, and Regulation (EU) No 600/2014 shall apply.</p> <p><i>Treat "CSDs authorised in accordance with Article 16 of this Regulation" as including a sandbox entrant with approval to carry on one or more of the activities in regulation 3(5)(b) in the FMI sandbox arrangements.</i></p>	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations	Remains in the DSS CSDR, as modified by the Schedule to the DSS Regulations
Article 74 Reports			Not onshored into UK CSDR	
Article 75 Review			Not onshored into UK CSDR	

ARTICLE	UK CSDR	DSS CSDR	GATE 2 BANK RULES	END STATE RULES
Article 76 Application of the UK law on markets in financial instruments and Regulation (EU) No 600/2014	<p>1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</p> <p>2.</p> <p>3. Article 5(2) shall apply from 1 January 2015.</p> <p>By way of derogation from the first subparagraph of this paragraph, in the case of a trading venue that has access to a CSD referred to in Article 30(5), Article 5(2) shall apply at least six months before such a CSD outsources its activities to the relevant public entity, and in any event from 1 January 2016.</p> <p>4.</p> <p>5.</p> <p>6. The reporting measures referred to in Article 9(1) shall apply from the date of entry into force of the implementing act adopted pursuant to Article 9(3).</p>	<p>1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</p> <p>2.</p> <p>3. Article 5(2) shall apply from 1 January 2015.</p> <p>By way of derogation from the first subparagraph of this paragraph, in the case of a trading venue that has access to a CSD referred to in Article 30(5), Article 5(2) shall apply at least six months before such a CSD outsources its activities to the relevant public entity, and in any event from 1 January 2016.</p> <p>4.</p> <p>5.</p> <p>6. The reporting measures referred to in Article 9(1) shall apply from the date of entry into force of the implementing act adopted pursuant to Article 9(3).</p>	Remains in the DSS CSDR	Remains in the DSS CSDR

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