



**Centrálny depozitár cenných papierov SR, a. s.**

# **The Rules of Operation of Centrálny depozitár cenných papierov SR, a.s.**

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# Contents

|   |           |
|---|-----------|
| DEFINITIONS .....   | 14        |
| ABBREVIATIONS.....  | 20        |
| PART I. INTRODUCTORY PROVISIONS.....  | 22        |
| <b>Article 1</b> .....  | <b>22</b> |
| Introductory provisions .....   | 22        |
| <b>Article 2</b> .....  | <b>23</b> |
| Due diligence with respect to the client .....  | 23        |
| <b>Article 3</b> .....  | <b>29</b> |
| Registration of the client as an entity and assignment of identifiers .....   | 29        |
| <b>Article 4</b> .....  | <b>31</b> |
| Assignment of substitute identification number .....  | 31        |
| <b>Article 5</b> .....  | <b>33</b> |
| CDCP services .....   | 33        |
| <b>Article 6</b> .....  | <b>34</b> |
| Form of and method the requests for service are submitted .....   | 34        |
| <b>Article 7</b> .....  | <b>35</b> |
| Documents enclosed with request for service .....   | 35        |
| <b>Article 8</b> .....  | <b>37</b> |
| Order and term for processing of requests for service .....   | 37        |
| <b>Article 9</b> .....  | <b>37</b> |
| Special provisions for processing of CDCP services .....  | 37        |
| <b>Article 10</b> .....   | <b>38</b> |
| Special provisions for provision of data to the authorized persons according to § 110 of ZOCP or specific regulations when meeting information obligations..... | 38        |
| <b>Article 11</b> .....   | <b>38</b> |
| Fees for service provision .....  | 38        |
| <b>Article 12</b> .....   | <b>39</b> |
| Submission of a complaint and objection according to § 108 of ZOCP.....   | 39        |
| <b>Article 13</b> .....   | <b>39</b> |
| Delivery of the documents and information to the client .....   | 39        |

|  |           |
|--|-----------|
| <b>Article 14 .....</b>  | <b>40</b> |
| Data protection .....  | 40        |
| <b>PART II. ACCESS OF THE PARTICIPANTS, OTHER MARKET INFRASTRUCTURES, THE CENTRAL</b>  |           |
| <b>DEPOSITORIES ACCESS, LINKS AND MEMBERSHIP .....</b>   | <b>41</b> |
| <b>Article 1 .....</b>   | <b>41</b> |
| Introductory provisions .....  | 41        |
| <b>Article 2 .....</b>   | <b>41</b> |
| Confidentiality of information .....   | 41        |
| <b>Article 3 .....</b>   | <b>42</b> |
| Operation failure .....  | 42        |
| <b>Article 4 .....</b>   | <b>43</b> |
| Delivery and communication .....   | 43        |
| <b>ACCESS OF THE PARTICIPANTS .....</b>  | <b>43</b> |
| <b>Article 5 .....</b>   | <b>43</b> |
| Introductory provisions .....  | 43        |
| <b>Article 6 .....</b>   | <b>44</b> |
| Participation criteria .....   | 44        |
| <b>Article 7 .....</b>   | <b>46</b> |
| Request for access .....   | 46        |
| <b>Article 8 .....</b>   | <b>50</b> |
| Types of the services made accessible to the participants .....  | 50        |
| <b>Article 9 .....</b>   | <b>51</b> |
| Performance of the authorized participant services for the owner's account or holder's account<br>kept for the participant ..... | 51        |
| <b>Article 10 .....</b>  | <b>54</b> |
| Rights and obligations of the participant .....  | 54        |
| <b>Article 11 .....</b>  | <b>56</b> |
| Rules for reconciliation .....   | 56        |
| <b>Article 12 .....</b>  | <b>57</b> |
| Audit mechanisms .....   | 57        |
| <b>Article 13 .....</b>  | <b>58</b> |
| Actions and sanctions .....  | 58        |
| <b>Article 14 .....</b>  | <b>59</b> |
| Suspension of the access to the services .....   | 59        |
| <b>Article 15 .....</b>  | <b>60</b> |

|   |           |
|---|-----------|
| Cancellation of the access to the services.....                   | 60        |
| <b>Article 16 .....</b>   | <b>62</b> |
| Cancellation of the participant's access .....                    | 62        |
| <b>Article 17 .....</b>   | <b>64</b> |
| Participant default.....  | 64        |
| <b>Article 18 .....</b>   | <b>66</b> |
| Participant in crisis situation .....                             | 66        |
| <b>MEMBERSHIP .....</b>   | <b>67</b> |
| <b>Article 19 .....</b>   | <b>67</b> |
| Introductory provisions .....                                     | 67        |
| <b>Article 20 .....</b>   | <b>67</b> |
| Request for membership.....                                       | 67        |
| <b>Article 21 .....</b>   | <b>68</b> |
| Types of services made accessible to a member .....               | 68        |
| <b>Article 22 .....</b>   | <b>69</b> |
| Rights and obligations of the member .....                        | 69        |
| <b>Article 23 .....</b>   | <b>69</b> |
| Audit mechanisms .....  | 69        |
| <b>Article 24 .....</b>   | <b>70</b> |
| Actions and sanctions.....  | 70        |
| <b>Article 25 .....</b>   | <b>70</b> |
| Cancellation of the membership .....                              | 70        |
| <b>Article 26 .....</b>   | <b>72</b> |
| Transfer of member's registry.....                                | 72        |
| <b>ACCESS AND LINKS OF THE CENTRAL DEPOSITORIES.....</b>          | <b>73</b> |
| <b>Article 27 .....</b>   | <b>73</b> |
| Setting up of central depositories links.....                     | 73        |
| <b>Article 28 .....</b>   | <b>74</b> |
| Access of the central depository .....                            | 74        |
| <b>Article 29 .....</b>   | <b>75</b> |
| Types of services accessible to linked central depositories ..... | 75        |
| <b>Article 30 .....</b>   | <b>76</b> |
| Reconciliation procedures.....                                    | 76        |
| <b>ACCESS OF OTHER MARKET INFRASTRUCTURES.....</b>                | <b>76</b> |
| <b>Article 31 .....</b>   | <b>76</b> |

|  |           |
|--|-----------|
| General provisions.....  | 76        |
| <b>PART III. RULES FOR ALLOCATION OF THE IDENTIFICATION CODES .....</b>  | <b>78</b> |
| <b>Article 1 .....</b>   | <b>78</b> |
| Principles of allocation of ISIN, CFI, and FISN codes .....  | 78        |
| <b>Article 2 .....</b>   | <b>78</b> |
| ISIN allocation.....   | 78        |
| <b>Article 3 .....</b>   | <b>79</b> |
| Change to ISIN essentials .....  | 79        |
| <b>Article 4 .....</b>   | <b>79</b> |
| ISIN cancellation .....  | 79        |
| <b>Article 5 .....</b>   | <b>79</b> |
| CFI code .....   | 79        |
| <b>Article 6 .....</b>   | <b>80</b> |
| FISN code .....  | 80        |
| <b>PART IV. RULES FOR REGISTRATION AND WORKING WITH THE ISSUES AND KEEPING THE LIST OF<br/>SHAREHOLDERS AND OWNERS OF SECURITIES .....</b> | <b>82</b> |
| <b>Article 1 .....</b>   | <b>82</b> |
| Introductory provisions .....  | 82        |
| <b>Article 2 .....</b>   | <b>82</b> |
| Integrity of security issue .....  | 82        |
| <b>ISSUER'S REGISTER .....</b>   | <b>83</b> |
| <b>Article 3 .....</b>   | <b>83</b> |
| Opening and administration of the Issuer's Register .....  | 83        |
| <b>Article 4 .....</b>   | <b>84</b> |
| Change of data in issuer's register .....  | 84        |
| <b>Article 5 .....</b>   | <b>84</b> |
| Cancellation of issuer's register .....  | 84        |
| <b>Article 6 .....</b>   | <b>84</b> |
| Statement of and provision of information from issuer's register .....   | 84        |
| <b>Article 7 .....</b>   | <b>85</b> |
| Transmission of notice on convening of General Meeting according to the article 107o of ZOCP<br>.....                                      | 85        |
| <b>Article 8 .....</b>   | <b>86</b> |
| Confirmation of entitlement to exercise shareholders rights in a general meeting.....  | 86        |
| <b>REGISTRATION OF BOOK-ENTRY SECURITIES ISSUE .....</b>   | <b>87</b> |

|  |           |
|--|-----------|
| <b>Article 9 .....</b>   | <b>87</b> |
| Registration of book-entry securities issue .....  | 87        |
| <b>Article 10 .....</b>  | <b>87</b> |
| Changes in registration of a book-entry security issue .....   | 87        |
| <b>Article 11 .....</b>  | <b>87</b> |
| Issuance of securities .....   | 87        |
| <b>Article 12 .....</b>  | <b>88</b> |
| Termination of securities and cancellation of a securities issue .....   | 88        |
| <b>Article 13 .....</b>  | <b>90</b> |
| Issue conditions of bonds and investment certificates .....  | 90        |
| <b>Article 14 .....</b>  | <b>90</b> |
| Change of form of securities .....   | 90        |
| <b>Article 15 .....</b>  | <b>91</b> |
| Movement of book-entry securities issue registered in the issuer's registry administered by CDCP .....   | 91        |
| <b>Article 16 .....</b>  | <b>92</b> |
| Movement of securities issue of book-entry securities to the registry administered by CDCP...  | 92        |
| <b>LIST OF OWNERS OF BOOK-ENTRY SECURITIES.....</b>  | <b>92</b> |
| <b>Article 17 .....</b>  | <b>92</b> |
| List of shareholders of book-entry registered shares and owners of book-entry bonds and units of unit trust.....                               | 92        |
| <b>Article 18 .....</b>  | <b>93</b> |
| Information from the list of shareholders of registered book-entry shares and list of owners of book-entry bonds and units of unit trust ..... | 93        |
| <b>Article 19 .....</b>  | <b>94</b> |
| Disclosure of information regarding shareholder identity under article 107o ZOCP .....   | 94        |
| <b>ADMINISTRATION OF REGISTERS OF SIMPLE JOINT-STOCK COMPANY (SJC) .....</b>   | <b>96</b> |
| <b>Article 20 .....</b>  | <b>96</b> |
| General provisions.....  | 96        |
| <b>Article 21 .....</b>  | <b>96</b> |
| SJC shareholder register .....   | 96        |
| <b>Article 22 .....</b>  | <b>96</b> |
| Register of rights to join transfer .....  | 96        |
| <b>Article 23 .....</b>  | <b>99</b> |
| Register of rights to demand transfer of shares .....  | 99        |

|  |            |
|--|------------|
| LIST OF SHAREHOLDERS FOR REGISTERED PAPER-FORM SHARES.....   | 100        |
| <b>Article 24</b> .....  | <b>100</b> |
| Administration of list of shareholders.....  | 100        |
| <b>Article 25</b> .....  | <b>100</b> |
| Entry of changes into the list of shareholders .....   | 100        |
| <b>Article 26</b> .....  | <b>100</b> |
| Change of shareholder's data .....   | 100        |
| <b>Article 27</b> .....  | <b>101</b> |
| Change of issuer's identification data .....   | 101        |
| <b>Article 28</b> .....  | <b>101</b> |
| Increase and decrease of registered capital, change of the nominal value and number of units<br>.....                | 101        |
| <b>Article 29</b> .....  | <b>101</b> |
| List of shareholders and statement of the list of shareholders for registered shares in paper<br>form .....          | 101        |
| <b>Article 30</b> .....  | <b>102</b> |
| Track records on shareholder of registered paper-form shares .....   | 102        |
| SPECIAL REGISTRY OF SECURITIES WITH A CLAIM CONNECTED WITH AN OBLIGATION OF<br>SUBORDINATION .....                   | 102        |
| <b>Article 31</b> .....  | <b>102</b> |
| Administration of special registry of securities with a claim connected with an obligation of<br>subordination ..... | 102        |
| ISSUING AGENT .....  | 103        |
| <b>Article 32</b> .....  | <b>103</b> |
| General provisions.....  | 103        |
| DISTRIBUTION OF PROCEEDS FROM SECURITIES .....   | 105        |
| <b>Article 33</b> .....  | <b>105</b> |
| General provisions.....  | 105        |
| PART V. RULES FOR WORKING WITH THE REGISTRY.....   | 107        |
| <b>Article 1</b> .....   | <b>107</b> |
| Introductory provisions .....  | 107        |
| OPENING AND KEEPING OF ACCOUNTS .....  | 107        |
| <b>Article 2</b> .....   | <b>107</b> |
| Accounts opened and maintained by CDCP .....   | 107        |
| <b>Article 3</b> .....   | <b>109</b> |
| Owner's account.....   | 109        |

|  |            |
|--|------------|
| <b>Article 4 .....</b>   | <b>110</b> |
| Providing of the Services of authorized participant for the owner's account .....  | 110        |
| <b>Article 5 .....</b>   | <b>111</b> |
| Special arrangements related to the non-allocated account and provision of the Services of authorized member for a non-allocated account .....   | 111        |
| <b>Article 6 .....</b>   | <b>112</b> |
| Special provisions on owner's accounts established in compliance with § 164a of ZOCP .....   | 112        |
| <b>Article 7 .....</b>   | <b>113</b> |
| Client's account .....   | 113        |
| <b>Article 8 .....</b>   | <b>113</b> |
| Holder's account.....  | 113        |
| <b>Article 9 .....</b>   | <b>114</b> |
| Shareholders identification, information transmission and facilitating exercise of shareholder rights under article 107o of ZOCP in connection with account administration for participant.. | 114        |
| <b>Article 10 .....</b>  | <b>115</b> |
| Change of data on entity for who the account is administered.....  | 115        |
| <b>Article 11 .....</b>  | <b>116</b> |
| Closing the account .....  | 116        |
| <b>Article 12 .....</b>  | <b>116</b> |
| Statement of account opened by CDCP and the method of its handing-over.....  | 116        |
| <b>Article 13 .....</b>  | <b>117</b> |
| Provision of information on securities .....   | 117        |
| <b>SUSPENSION OF DISPOSAL RIGHT .....</b>  | <b>118</b> |
| <b>Article 14 .....</b>  | <b>118</b> |
| Persons authorised to place the instruction to register SDR /to cancel the registration of the SDR .....   | 118        |
| <b>Article 15 .....</b>  | <b>119</b> |
| The instruction to register/to cancel registration of the SDR .....  | 119        |
| <b>Article 16 .....</b>  | <b>120</b> |
| Notification pursuant to §28 of ZOCP .....   | 120        |
| <b>TRANSFER OF BOOK-ENTRY SECURITIES .....</b>   | <b>121</b> |
| <b>Article 17 .....</b>  | <b>121</b> |
| Authorisation and the method of placement of instruction to register transfer of a book-entry security .....   | 121        |
| <b>Article 18 .....</b>  | <b>122</b> |
| The instruction to register the transfer of a book-entry security .....  | 122        |



|   |     |
|---|-----|
| MOVEMENT OF BOOK-ENTRY SECURITIES .....   | 123 |
| <b>Article 19</b> .....   | 123 |
| Authorisation and the method of placement of instruction to register movement of a book-entry security.....                               | 123 |
| <b>Article 20</b> .....   | 124 |
| Instruction to register movement of a book-entry security .....   | 124 |
| TRANSITION OF BOOK-ENTRY SECURITIES .....   | 124 |
| <b>Article 21</b> .....   | 124 |
| The instruction to register transition and realisation of transition of book-entry securities ...   | 124 |
| JOINT OWNERSHIP OF SECURITIES.....  | 125 |
| <b>Article 22</b> .....   | 125 |
| Joint ownership of several owners.....  | 125 |
| PLEDGE OVER SECURITIES .....  | 126 |
| <b>Article 23</b> .....   | 126 |
| Contractual pledge .....  | 126 |
| <b>Article 24</b> .....   | 127 |
| Registration of establishment/change/termination of contractual pledge over book-entry securities pursuant to §45 of ZOCP .....           | 127 |
| <b>Article 25</b> .....   | 132 |
| Registration of establishment/change/termination of contractual pledge over book-entry securities pursuant to §53a) et seq. of ZOCP ..... | 132 |
| <b>Article 26</b> .....   | 133 |
| Registration/amendment/termination of contractual pledge pursuant to § 53a sec. 4 and 5 of ZOCP .....                                     | 133 |
| <b>Article 27</b> .....   | 134 |
| Registration of establishment/change/termination of contractual pledge over paper-form securities .....                                   | 134 |
| <b>Article 28</b> .....   | 135 |
| Statutory pledge .....  | 135 |
| <b>Article 29</b> .....   | 136 |
| Pledge established pursuant to security measure according to the Civil Dispute Proceeding Code .....                                      | 136 |
| <b>Article 30</b> .....   | 137 |
| Provision of data from the Pledge Register.....   | 137 |
| <b>Article 31</b> .....   | 138 |
| Handing over the pledge registry from the Pledge Register .....   | 138 |

|  |     |
|--|-----|
| TRANSFER OF SECURITIES AS COLLATERAL .....   | 139 |
| <b>Article 32</b> .....  | 139 |
| Transfers as collateral of securities pursuant to §53 of ZOCP (book-entry and paper-form securities) .....         | 139 |
| <b>Article 33</b> .....  | 142 |
| Change and termination of transfer of securities as collateral pursuant to §53 of ZOCP .....                       | 142 |
| <b>Article 34</b> .....  | 143 |
| Establishment/change/termination of transfer of securities as collateral pursuant to §53c) of ZOCP .....           | 143 |
| <b>Article 35</b> .....  | 143 |
| Provision of data from the special registry of transfers of securities as collateral pursuant to §53 of ZOCP ..... | 143 |
| <b>Article 36</b> .....  | 144 |
| Handing over data from the special registry of transfers of securities as collateral .....                         | 144 |
| SPECIAL PROVISIONS TO AUTO-COLLATERALIZATION .....   | 145 |
| <b>Article 37</b> .....  | 145 |
| Reservation of the securities .....  | 145 |
| PART VI. RULES OF THE SETTLEMENT SYSTEM.....   | 146 |
| <b>Article 1</b> .....   | 146 |
| Introductory provisions .....  | 146 |
| <b>Article 2</b> .....   | 146 |
| General characteristics of the settlement services .....   | 146 |
| <b>Article 3</b> .....   | 148 |
| Conditions for commencement of participation in the settlement system.....   | 148 |
| <b>Article 4</b> .....   | 148 |
| Rights and obligations of the participants of the settlement system .....  | 148 |
| <b>Article 5</b> .....   | 149 |
| Rights and obligations of other market infrastructure .....  | 149 |
| <b>Article 6</b> .....   | 149 |
| Rights and obligations of CDCP .....   | 149 |
| <b>Article 7</b> .....   | 149 |
| Special provisions in case of the participant default.....   | 149 |
| <b>Article 8</b> .....   | 150 |
| Payment bank.....  | 150 |
| <b>Article 9</b> .....   | 152 |

|   |            |
|---|------------|
| The settlement instruction and its essentials .....   | 152        |
| <b>Article 10 .....</b>   | <b>154</b> |
| Moment of entry and irrevocability of the settlement instruction .....  | 154        |
| <b>Article 11 .....</b>   | <b>154</b> |
| Deadlines for settlement.....   | 154        |
| <b>Article 12 .....</b>   | <b>154</b> |
| Matching.....   | 154        |
| <b>Article 13 .....</b>   | <b>156</b> |
| Matching tolerance .....  | 156        |
| <b>Article 14 .....</b>   | <b>156</b> |
| Notification on missing settlement instruction.....   | 156        |
| <b>Article 15 .....</b>   | <b>157</b> |
| Change to the settlement instruction .....  | 157        |
| <b>Article 16 .....</b>   | <b>157</b> |
| Hold or release of the settlement instruction.....  | 157        |
| <b>Article 17 .....</b>   | <b>158</b> |
| Cancellation of the settlement instruction .....  | 158        |
| <b>Article 18 .....</b>   | <b>158</b> |
| Hold or release of the settlement instruction in the name of the depository and additional<br>validation of instructions..... | 158        |
| <b>Article 19 .....</b>   | <b>159</b> |
| Linking of the settlement instructions .....  | 159        |
| <b>Article 20 .....</b>   | <b>160</b> |
| General procedure for settlement of the instructions.....   | 160        |
| <b>Article 21 .....</b>   | <b>161</b> |
| External settlement.....  | 161        |
| <b>Article 22 .....</b>   | <b>161</b> |
| Procedure for transfer of cash funds .....  | 161        |
| <b>Article 23 .....</b>   | <b>162</b> |
| Settlement of stock-exchange, other and special trades.....   | 162        |
| <b>Article 24 .....</b>   | <b>163</b> |
| Settlement of OTC trades.....   | 163        |
| <b>Article 25 .....</b>   | <b>163</b> |
| Primary subscription .....  | 163        |
| <b>Article 26 .....</b>   | <b>163</b> |

|  |            |
|--|------------|
| Auto-collateralisation .....   | 163        |
| <b>Article 27 .....</b>  | <b>165</b> |
| Market claims .....  | 165        |
| <b>Article 28 .....</b>  | <b>166</b> |
| Transformations .....  | 166        |
| <b>Article 29 .....</b>  | <b>168</b> |
| Buyer rights protection .....  | 168        |
| <b>Article 30 .....</b>  | <b>168</b> |
| Settlement instruction recycling .....   | 168        |
| <b>Article 31 .....</b>  | <b>169</b> |
| Revalidation of the settlement instruction .....   | 169        |
| <b>Article 32 .....</b>  | <b>169</b> |
| Damage reliability.....  | 169        |
| <b>Article 33 .....</b>  | <b>169</b> |
| T2S operation recovery .....   | 169        |
| <b>Article 34 .....</b>  | <b>169</b> |
| Operation day schedule .....   | 169        |
| <b>PART VII. RULES FOR WORK WITH THE SPECIAL REGISTRY .....</b>  | <b>172</b> |
| <b>Article 1 .....</b>   | <b>172</b> |
| Introductory provisions .....  | 172        |
| <b>Article 2 .....</b>   | <b>172</b> |
| Keeping of the special registry of securities.....   | 172        |
| <b>Article 3 .....</b>   | <b>173</b> |
| Receiving of securities to the special registry .....  | 173        |
| <b>Article 4 .....</b>   | <b>173</b> |
| Special provisions in relation to NCD CP as issuer central depository .....  | 173        |
| <b>Article 5 .....</b>   | <b>174</b> |
| Reconciliation of records.....   | 174        |
| <b>PART VIII. SPECIAL PROVISIONS CONCERNING ASSETS TRANSFER OF NCD CP CLIENTS.....</b>   | <b>174</b> |
| <b>Article 1 .....</b>   | <b>174</b> |
| Introductory provisions .....  | 174        |
| <b>Article 2 .....</b>   | <b>176</b> |
| Special provisions with regard to participants of NCD CP who are also participants of CDP on the date of assets transfer ..... | 176        |
| <b>Article 3 .....</b>   | <b>177</b> |

|  |            |
|--|------------|
| Special provisions with regard to participants of NCDP who are not participants of CDCP on the date of assets transfer ..... | 177        |
| <b>Article 4 .....</b>   | <b>178</b> |
| Special provisions with regard to entry of data to registry and provision of services for clients of NCDP .....              | 178        |
| <b>PART IX. TRANSITIONAL PROVISIONS.....</b>   | <b>179</b> |
| <b>Article 1 .....</b>   | <b>179</b> |
| Transitional provisions related to transfers of securities without consideration to MH Manažment, a.s. ....                  | 179        |
| <b>Article 2 .....</b>   | <b>180</b> |
| Transitional provisions related to transfer of assets of NCDP clients.....   | 180        |
| <b>PART X. FINAL PROVISIONS .....</b>  | <b>180</b> |
| <b>Article 1 .....</b>   | <b>180</b> |
| General provisions.....  | 180        |

## DEFINITIONS

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| <b>Auto-collateralisation</b>        | Fully automated process of the settlement system when “after meeting conditions stipulated by the Rules of Operation and in the T2S documentation”, the intraday credit in the central bank money secured by acceptable collateral will be provided, with purpose to facilitate settlement of the delivery versus payment instruction, in case there is no sufficient cash in the Dedicated cash account.                                  |
| <b>Stock exchange trade</b>          | Transaction closed in the trading system of the stock exchange, defined in relevant parts of the stock exchange rules.   |
| <b>CFI code</b>                      | Identification code assigned pursuant to international ISO standard 10962.   |
| <b>Member</b>                        | Person, to which CDCP granted a membership according to provisions of § 104 of the Act on Securities and the Rules of Operation.   |
| <b>Issue expiration date</b>         | Validity date of the securities issue set by CDCP if maturity date is not specified for the issue or in case of premature redemption.  |
| <b>Holder</b>                        | Person to which CDCP opened and is administering the holder's account.   |
| <b>Holder's account</b>              | An account opened according to § 105a of the Act on Securities.  |
| <b>T2S documentation</b>             | Set of documents governing operation of T2S; it includes General Functional Specification, User Detailed Functional Specification, Business Process Description, User Handbook and User Requirements Document.   |
| <b>Issuer depository</b>             | In relation to the Investor Depository, the central depository in which the financial instrument is issued or immobilised.   |
| <b>Member's registry</b>             | Registry of securities and data on securities owners, kept at level of CDCP pursuant to § 105 of the Act on Securities in connection with § 106 of the Act on Securities.  |
| <b>Holder's registry</b>             | Registry of securities and data on securities owners, kept by the holder on account in the registry pursuant to § 71h sec. 2 of the Act on Securities or pursuant § 105c of the Act on Securities or in similar registry pursuant legislation based on which was the holder established or in the registry organized pursuant legislation based on which was established the foreign legal entity, for which the holder's account is open. |
| <b>Ex-date</b>                       | The date on or after which an underlying security is traded without a title to yields arising from the security  |
| <b>External settlement</b>           | Settlement of the instruction between an account opened in the member's registry and/or in the CDCP registry and an account open in non-participating central depository.  |
| <b>FISN code</b>                     | Identification code assigned in accordance with the international standard ISO 18774   |
| <b>Guaranteed participation date</b> | The last date to trade the underlying security to which right to participate the corporate action with election is attached  |

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| <b>Operation day schedule</b>        | Is specifying start and end times of each operation day phases during which CDCP provides services, and activities and acts are performed at CDCP and settlement system participants.  |
| <b>Settlement schedule</b>           | Is specifying times and cut-off or recommended times related to settlement services of CDCP and T2S; settlement Schedule is part of operation day schedule.  |
| <b>Other market infrastructure</b>   | Trading venue pursuant to article 2 sec. 1 sub-sec. 42 of the CSDR Regulation or central counter-party purs. article 2 sec. 1 sub-sec. 16 of the CSDR Regulation.  |
| <b>Individual client segregation</b> | Individual client segregation are records and accounts according to article 38 section 4 of CSDR, which allow the participant to segregate securities of each client of the participant, if and as required by the participant. The individual client segregation is ensured in conditions of CDCP by opening and administration of the client's account for CDCP client.  |
| <b>Internal settlement</b>           | Settlement of an instruction between accounts open in the member's registry and/or CDCP registry.  |
| <b>Interoperable link</b>            | Link between central depositories according to article 2, section 1, item 33 of CSDR Regulation  |
| <b>Investor depository</b>           | In relation to the Issuer Depository, the central depository which will open an account in the issuer depository.  |
| <b>Client</b>                        | Entity to which CDCP provides for services in connection with performance of its activities. By the client is understood a member, a participant, linked central depository, other market infrastructure or an issuer to which CDCP granted access to the services. Also a person applying for service provision or access to CDCP services, or third person acting on behalf of, or on account of persons pursuant to this definition based on the Power of Attorney or other authorisation is considered to be the client. For the purpose of the customer due diligence the client is person pursuant to definition in §9 of the AML Act. |
| <b>Client's account</b>              | Account opened pursuant to §106 of the Act on Securities.  |
| <b>Market deadline</b>               | Date and time, end of operation day to send instruction to CDCP in connection with buyer right protection.   |
| <b>Corporate Action</b>              | Any arrangement or activity of the securities issuer that has direct impact on owners of this security and may affect value of the investment of securities owners   |
| <b>Participation criteria</b>        | The criteria set by CDCP in compliance with article 33 of the CSDR Regulation which ensure fair and open access to the central depository for all legal entities that intend to become participants with due regard to risks to financial stability and the orderliness of markets. The participation criteria consist mainly of legal, financial, operational and technical requirements for participation with due regard to relevant risks.   |

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| <b>Crisis situation</b>                     | Situation when conditions for opening of resolution proceeding are met   |
| <b>Cross-CSD settlement</b>                 | Settlement of instruction between an account opened in the member's registry and/or in the CDCP registry and account open in other participating central depository.   |
| <b>Beneficial Owner</b>                     | Person defined as beneficial owner in the AML Act  |
| <b>LEI code</b>                             | Legal Entity Identifier - is 20-digit alpha-numeric international identifier of legal entity issued in accordance with the international standard ISO 17442  |
| <b>T2S settlement currency</b>              | Currency eligible in T2S for settlement of instruction with cash settlement.   |
| <b>Gross method</b>                         | Method of settlement based on settlement of gross values, i.e. settlement of individual transactions without mutual set off of claims and obligations resulting from other settlement instructions.  |
| <b>Over-the-counter (OTC) transaction</b>   | Transaction closed mutually by the transferor and the transferee or by other authorised persons in the system of trading venue other than the Stock Exchange or out of trading venue system.   |
| <b>Non-allocated account</b>                | Owner's account open in CDCP before 30 September 2015 for natural person or legal entity, for which, from 1 October 2015 pursuant to §105 sec. 2 of the Act on Securities, the central depository is not obliged to open an owner's account based on its request.                      |
| <b>Non-participating central depository</b> | Central depository not providing its settlement services via T2S.  |
| <b>Buyer protection</b>                     | Process, in which a buyer, who should receive underlying asset which is subject to the corporate action with election, instructs the seller to accept yield/security resulting from reorganisation based on its election.  |
| <b>Person with granted access</b>           | Participant, central depository or other market infrastructure which was granted access by CDCP in accordance with CSDR Regulation and Rules of Operation, including CDCP member   |
| <b>Special contractual arrangements</b>     | Contractual relations concluded between CDCP and the Client that more closely regulate selected activities or services of CDCP or execution of rights and obligations of CDCP and the Client.  |
| <b>Payment bank</b>                         | Entity providing for realisation of cash leg for itself in position of settlement system participant and/or other settlement system participant via its Dedicated Cash Account.  |
| <b>Payment system</b>                       | Payment system TARGET2-SK operated by NBS, or other payment system which is part of TARGET2  |
| <b>Authorised member</b>                    | The member, who makes records to non-allocated owner's account based on special agreement with CDCP and granted Power of Attorney/authorisation by which the owner of account appointed and authorised the member to make records pursuant to §173v of the Act on Securities, in scope |



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|   | and under conditions specified in the Act on Securities, the Rules of Operation and relevant special contractual arrangement.   |
| <b>Authorised participant</b>           | The participant, who is authorised, based on the agreement with CDCP and Power of Attorney from account owner or holder, to perform records on owner's account kept in CDCP (except the non-allocated account) or on holder's account in scope and under conditions stipulated by the Rules of Operation, granted Power of Attorney or special contractual arrangement                      |
| <b>Intended Settlement Date</b>         | Required date for settlement of the instruction stated in the settlement instruction.   |
| <b>Legal regulation</b>                 | Generally binding legal regulation of the Slovak Republic, published in the Collection of Laws of the Slovak Republic, binding legal regulation of the European Union, international agreement which is binding for the Slovak Republic.  |
| <b>Central depositories link</b>        | Arrangements between the central depositories pursuant to article 2, section 1, subsection 29 of CSDR Regulation  |
| <b>Operation day</b>                    | Time period in which processing and provision of CDCP services take place in accordance with the operation day schedule   |
| <b>Rules of Operation</b>               | The Rules of Operation of Centrálny depozitár cenných papierov SR, a.s  |
| <b>Directly Connected Party</b>         | The Participant or other Market Infrastructure that is performing accessible services via direct connection to T2S.   |
| <b>Ancillary system</b>                 | Type of participation in the payment system; the ancillary system is system in which the payments or financial instruments are exchanged or cleared, while resulting cash obligations are settled in the payment system.  |
| <b>Settlement instruction</b>           | Instruction for registration of transfer of financial instruments. For purpose of part VI. of the Rules of Operation is defined also as „instruction“.  |
| <b>Instruction with cash settlement</b> | Settlement instruction against payment or settlement instruction with payment or instruction for cash settlement without transaction of the financial instruments   |
| <b>Primary subscription</b>             | Instruction for registration of securities during primary subscription of securities.   |
| <b>Reservation flag</b>                 | Reservation of the financial instruments which should be subject to settlement on account open in the member's registry or in CDCP registry created by CDCP as settlement system operator; in case the reservation flag was successfully assigned, it is not possible to register any SDR to such financial instruments or any other restriction to dispose with the financial instruments. |
| <b>Pledge registry</b>                  | Special registry of pledged securities administered by CDCP pursuant to § 47 of the Act on Securities.  |
| <b>Resolution proceeding</b>            | Proceedings pursuant to Act on resolution in the financial market or similar proceeding according to legal regulation   |

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|   | by which Directive BRRD was transposed in other member state  |
| <b>Record date</b>                      | Day on which is made the list of owners/holders of underlying security in order to specify persons entitled to receive proceeds from this security  |
| <b>Omnibus client segregation</b>       | Omnibus client segregation are records and accounts pursuant to article 38 section 3 of CSDR, which allows each participant to hold in one securities account securities belonging to different clients of such participant. The omnibus client segregation is ensured in conditions of CDCP by opening and administration of the holder's account for CDCP client. |
| <b>Settlement system</b>                | System for settlement of transactions in securities which is operated by CDCP and consists of hardware, technical, communication and organisation means that serves for purpose of provision of settlement services   |
| <b>CDCP system</b>                      | Software part of the settlement system ensuring settlement services in T2S or for provision of services out of T2S if settlement of an instruction is not processed in T2S in accordance with the Rules of Operation  |
| <b>T2S or T2S platform</b>              | Single technical platform of the Eurosystem, which allows to the securities central depositories and to the central banks to provide basic, cross-border and neutral securities settlement services in central bank money.  |
| <b>TARGET2</b>                          | Trans-European Automated Real-time Gross settlement Express Transfer system, for settlement in euro and in central bank money, which has de-centralised structure connecting national systems for gross settlement of payments in real time.  |
| <b>Technical issuer depository</b>      | The central depository, which is investor depository and has in holding securities of the issuer depository which does not participate in T2S, whereas for purpose of T2S operation, in relation to these securities it is deemed the issuer depository.  |
| <b>Transformations</b>                  | Process of cancellation of unsettled instructions and their replacement by new instructions, which are automatically submitted by CDCP as the settlement system operator, pursuant to rules for given corporate action of reorganisation type   |
| <b>Market claims</b>                    | Process of reallocation of proceeds from the corporate action as that of cash distribution or securities distribution based on automated placement of instructions, placed during given time period by CDCP as the settlement system operator.  |
| <b>Participant</b>                      | Any participant of the settlement system to who access has been granted by CDCP in compliance with article 33 of the CSDR Regulation and the Rules of Operation   |
| <b>Participation/participant access</b> | Is status of the person which is a participant to which CDCP granted access.  |
| <b>Dedicated Cash Account</b>           | Cash account opened in T2S in order to provide settlement of cash instructions resulting from instructions settled in T2S.  |

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| <b>Account</b>                          | If not stated otherwise, it is owner's account, holder's account or client's account. For purpose of part VI. of the Rules of Operation it is owner's account or holder's account.   |
| <b>Owner's account</b>                  | An account open pursuant to § 105 of the Act on Securities   |
| <b>Participant's account</b>            | An account opened in T2S for the participant of the settlement system pursuant to part V. of the Rules of Operation.   |
| <b>User Committee</b>                   | Committee established for the Settlement system pursuant to article 28 of CSDR Regulation consisting of representatives of issuers and participants  |
| <b>Executory Decree</b>                 | The Executory Decree to the Rules of Operation that creates its inseparable part and is governing selected issues in more detail   |
| <b>Payment date</b>                     | Day on which proceeds and/or principal from the security is paid to security owners / holders  |
| <b>Participant default</b>              | Situation when insolvency proceedings, as defined in point (j) of Article 2 of Directive 98/26/EC, against the participant was opened, i.e. any proceeding which means any collective measure provided for in the law of a Member State, or a third country, either to wind up the participant or to reorganise it, where such measure involves the suspending of, or imposing limitations on, transfers or payments. In given case it is mainly situation when participants assets are in bankruptcy, when restructuring was permitted or exists any other fact meaning that the participant is in bankruptcy, or is insolvent, or other measure regulated by law of other country that satisfy conceptual attributes of ' <i>participant default</i> ' definition as in previous sentence. |
| <b>Participating central depository</b> | The central depository providing its settlement services via T2S   |

## ABBREVIATIONS

|                                      |  |
|--------------------------------------|--|
| <b>AML Act</b>                       | Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to Certain Acts as amended   |
| <b>ARDAL</b>                         | The Debt and Liquidity Management Agency   |
| <b>Stock Exchange</b>                | Securities Stock Exchange  |
| <b>BSSE</b>                          | The Bratislava Stock Exchange  |
| <b>BIC code</b>                      | Bank Identifier Code – defined in the ISO standard 9362  |
| <b>BRRD</b>                          | Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council |
| <b>CDCP</b>                          | Centrálny depozitár cenných papierov SR, a.s.  |
| <b>Scale of Fees</b>                 | Scale of Fees of Centrálny depozitár cenných papierov SR, a.s.   |
| <b>Sec.</b>                          | security/securities  |
| <b>ČEM</b>                           | identification number of an issue of paper-form shares   |
| <b>Delegated regulation 2017/392</b> | Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories   |
| <b>FATCA agreement</b>               | Agreement between the Slovak Republic and the United States of America to Improve International Tax Compliance and to Implement FATCA  |
| <b>ECB</b>                           | The European Central Bank  |
| <b>EIB</b>                           | The European Investment Bank   |
| <b>ESMA</b>                          | The European Securities and Markets Authority  |
| <b>IS CDCP</b>                       | information system of CDCP   |
| <b>SJA</b>                           | Simple Joint-stock Company   |
| <b>MIC</b>                           | Market Identification Code assigned pursuant to the standard ISO 10383.  |
| <b>CSDR Regulation</b>               | Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities   |

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|  | depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.   |
| <b>NBS</b>   | the National Bank of Slovakia   |
| <b>NIČ</b>   | substitute identification number  |
| <b>NCB</b>   | The National Central Bank   |
| <b>NCDCP</b>   | Národný centrálny depozitár cenných papierov, a.s.  |
| <b>Broker/Dealer</b>                                     | an organization that trades in securities   |
| <b>DR</b>  | Disposal Right  |
| <b>SDR</b>   | Suspension of Disposal Rights   |
| <b>RoO</b>   | Rules of Operation of CDCP  |
| <b>RRSR</b>  | Registry of Residents of the Slovak Republic (REGOB)  |
| <b>SR</b>  | The Slovak Republic   |
| <b>T2S</b>   | TARGET2-Securities  |
| <b>ECR</b>   | extract from the Commercial Register  |
| <b>Decree 446/2015 Coll.</b>                             | Decree of the Ministry of Finance of the Slovak Republic No. 446/2015 Coll., laying down details of due diligence of financial accounts by reporting financial institutions.  |
| <b>Commission Implementing Regulation (EU) 2018/1212</b> | Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights |
| <b>AEI Act</b>   | Act No. 359/2015 Coll. on automatic exchange of financial account information in the field of taxation and on the amendment to certain acts in wording of later regulations   |
| <b>Coll. investment Act</b>                              | Act No. 203/2011 Coll. on Collective Investment in wording of later regulations   |
| <b>Act on resolution</b>                                 | Act No 371/2014 Coll. on resolution in the financial market and amending certain laws as amended  |
| <b>Foreign securities</b>                                | foreign security /foreign securities  |
| <b>Foreign broker/dealer</b>                             | a foreign organization that trades in securities  |
| <b>FBRN</b>  | foreign birth registration number   |
| <b>FRN</b>   | foreign company registration number (ZIČ)   |
| <b>ZOCP</b>  | Act No 566/2001 (Coll.) on Securities and Investment Services and on Amendments and Supplements to certain Laws as amended by later regulations   |

# **PART I. INTRODUCTORY PROVISIONS**

## **Article 1**

### **Introductory provisions**

- 1.1 Centrálny depozitár cenných papierov SR, a.s., registered office 29. augusta 1/A, 814 80 Bratislava, business ID 31 338 976, registered in the Commercial Register of the District court Bratislava I, section: Sa, insert No. 4493/B hereby issues these Rules of Operation in the sense of § 103 of ZOCP.
- 1.2 The rules of Operation are published in the Slovak language. Translations being provided or published by CDCP are indicative versions only and Slovak version shall prevail in case of doubts. The Rules of Operation including executory decrees thereto and related documents, referred to herein and stipulating in detail implementation of selected activities are available in writing by CDCP for the public at the registered office of CDCP, and in electronic format at the CDCP's website [www.cdcp.sk](http://www.cdcp.sk).
- 1.3 The Rules of Operation define procedures in implementation of the activities and provision of services by CDCP, and apply to provision of all CDCP services or actions towards provision of the services. Rules for provision of services related to administration of LEI codes are set separately in relevant Terms and Conditions. The selected activities or services may be stipulated in special contractual arrangements.
- 1.4 An inseparable part of the Rules of Operation is the executory decrees that stipulate in more detail the provisions of the Rules of Operation or provisions of selected issues.
- 1.5 The Rules of Operation including executory decrees thereto and related documents referred to herein and stipulating in detail implementation of selected activities is in compliance with § 103 of ZOCP applicable to CDCP and all entities to which CDCP provides services related to pursuance of its activities. The Rules of Operation is mandatory also to entities acting in the name of or on behalf of a client if they use the services from CDCP.
- 1.6 The CDCP board approves the Rules of Operation. Prior to approval of the Rules of Operation by the board, CDCP shall discuss a draft thereof in the User Committee if demanded by the Statutes of the User Committee of Centrálny depozitár cenných papierov SR, a.s., and in a manner defined therein. The board of CDCP approves the executive decrees to the Rules of Operation.
- 1.7 CDCP shall have right to amend the Rules of Operation and applicable executory decrees (hereinafter referred to as "Rules of Operation" only) unilaterally, in particular for legislation, technical, and process reasons. On the effective date of a new wording of the Rules of Operation the previous version of the same expires and becomes void, and is fully replaced by the new wording of the Rules of Operation. When using the CDCP services, the clients explicitly and unconditionally agree with how the changes to the Rules of Operation are implemented. CDCP shall publish full version of the Rules of Operation with amendments made at the registered office and publish them in electronic format at [www.cdcp.sk](http://www.cdcp.sk) with indication of validity and force, wherein such publication and availability shall be made at least 15 days in advance of the effective date.

- 1.8 The provisions of the Rules of Operation shall have precedence over the provisions of special contractual arrangements between CDCP and client. Provisions of the special contracts, which become at any time in future in conflict with the Rules of Operation due to changes to the latter, shall become ineffective and invalid on the day when change or new wording of the Rules of Operation shall come into force.
- 1.9 Unless CDCP and client agree otherwise, or unless stipulated otherwise in the Rules of Operation, the laws of the Slovak Republic shall govern the relations between them.
- 1.10 Relations between CDCP and client to which CDCP renders its services shall be governed in particular by these Rules of Operation, special contractual arrangements, of ZOCP, CSDR regulation, Commercial code, and other relevant regulations.

## **Article 2**

### **Due diligence with respect to the client**

- 2.1 Client due diligence includes due diligence according to the AML act and further requirements of CDCP in connection with acting of the client during provision of services in CDCP. In the sense of relevant regulations and to the extent defined therein (in particular AML act), CDCP may require the client to provide information and documents for the purpose of mandatory customer due diligence and the client has to provide CDCP with necessary co-operation. CDCP may require information in written form. CDCP may require from the client primarily:
- a) to submit all data necessary for identification pursuant to requirements of relevant legal regulation,
  - b) to provide necessary co-operation in order to verify client's identity, namely to submit identification card and other documents personally by the client in CDCP office as required by the legal regulation and CDCP,
  - c) to identify the beneficial owner, entities that ultimately owns the client or its founder, control or are engaged in control of the client, including provision of co-operation in order to verify specified persons,
  - d) to provide information on ownership and governing structure,
  - e) to provide information necessary to identify the politically exposed persons,
  - f) to provide information on purposes and character of required service,
  - g) to provide information to identify origin of the financial resources or property used in connection with required service,
  - h) to provide information to identify whether the client acts on own behalf
- 2.2 CDCP may require further information and documents for purpose of mandatory client due diligence in compliance with requirements of the legal regulation, mainly for the purpose of enhanced due diligence according to the AML act, detection of sufficient information on the client or assessment of specific request for service.
- 2.3 The client is obliged to keep its identification data or other relevant data updated; to request for change in CDCP registry upon change of the data as stipulated in the relevant part of the Rules of Operation regulating provision of CDCP services.
- 2.4 CDCP may perform simplified customer due diligence, hence to waive from submitting selected documents or verification of identity in case the client is present personally, if such action is allowed by the AML act or other legal regulation. This applies also in

- case the special provisions of the Rules of Operation explicitly require that the request for service is placed by the client personally or regulate method how the information and documents related to client due diligence should be provided.
- 2.5 In case the client shall submit the written declarations for the purpose of mandatory due diligence (e.g. at identification of the beneficial owners or status of politically exposed person), the declaration has to include current information, whereas it can't be older than 3 months, unless stated differently in the Rules of Operation. In reasoned case CDCP may waive from requirement pursuant to this provision or to ask for declaration with later date. When applying this provision, CDCP takes in account the purpose and obligations resulting from the AML act.
- 2.6 A natural person who acts on his/her own behalf or in the name of an applicant for service must be major and eligible to pursue legal acts in full extent. A legal representative acts on behalf of a person not being eligible for legal acts in full.
- 2.7 A statutory body (or other authorized entity in the sense of applicable laws, e.g. proxy) act on behalf of a legal entity as specified in an abstract from commercial register or from other register, or in other relevant document that stipulates acting on behalf of the legal entity (in case the legal entity is not registered in commercial or other similar register). In case of change to composition of the statutory body or change to any other entity authorized to act on behalf of the legal entity, the change shall be effective with respect to CDCP as of submission or delivery of an original or authenticated copy of legally effective decision of the body having authority to adopt the change, or any other relevant document.
- 2.8 For the purpose of identification the client has to provide CDCP with necessary scope of data:
- a) natural person – not entrepreneur: name, surname, birth identification number (or birth date if the birth identification number was not issued), permanent address or other address, nationality, type and number of the proof of identity,
  - b) natural person – entrepreneur: data according to the item a) of this provision, registered office, company ID (IČO – if was assigned), identification of official registry, in which the person is registered and registration entry ID,
  - c) natural person – minor without proof of identity: name, surname, birth identification number (or birth date if the birth identification number was not issued), permanent address or other address, nationality of the minor and his/her legitimate representative,
  - d) legal entity: trade name, registered address, company ID (IČO), identification of official registry, in which the person is registered and registration entry ID, identification of person authorised to act on behalf the legal entity in extent of name, surname, birth identification number (or birth date if the birth identification number was not issued),
  - e) person represented based on the Power of Attorney: data in sense of item a), b) and d) of this provision and data on the authorised person in sense of item a) and b).
- 2.9 In case mandatory customer due diligence according to the AML act does not apply to the requested service (mainly services related to CDCP information duties according to



§110 ZOCP or special legal regulation) CDCP may to accept identification data of lesser extent than defined in the section 2.8 of this article.

2.10 To verify identification of the client, CDCP requires:

- a) A natural person – not self-employed: a valid ID card (or other proof of identity) or a replacement card in the sense of relevant regulation. A 16- to 18-years old person coming of lawful age by marriage shall submit a marriage certificate as well;
- b) A minor to whom ID card was issued: valid ID card of the minor and valid ID card of his/her legal representative; should the latter be appointed by court, written verdict about the extent to which the legal representative may act on behalf of the minor;
- c) A minor to whom no ID card was issued (below 15 years of age): birth certificate (a document corresponding to the birth certificate if the child was born outside the territory of Slovakia) or an abstract from the journal of births, and valid ID card of his/her legal representative; should the latter be appointed by court, written statement about the extent to which the legal representative may act on behalf of the minor;
- d) A natural person – self-employed: valid ID card (or other proof of identity), current abstract from an official register or from other official registry where the person is registered, or from other credible and independent source not older than 3 months; if the person is not to be registered in a register, a document with proof of authorization to do business issued by relevant body, certificate on assigning of business number, if assigned;
- e) legal entity: data about a natural person being authorized to act on behalf of the legal entity according to a), and a current abstract from the commercial register not older than 3 months, or other document that gives a proof of incorporation and foundation of the legal entity, and subject of its business with a document that gives a proof of authorization to do business, and certificate on assigning of business number, if assigned, and document that gives a proof of authorization of the natural person to act on behalf of the legal entity; if the natural person is not to be registered in the commercial register, a certificate on legal identity of the legal entity, articles of association with confirmation about registration in a relevant official register not older than 3 months, or other relevant documents, certificate on assigning of business number, if assigned; CDCP is entitled to verify authorisation to act on behalf of an entity, or creation and establishment of the entity based on reliable information, including relevant publicly available information, in special situation, mainly in case of legal entities established under the act, or in case of government bodies (to which provisions on a legal entity applies adequately);
- f) A foreign legal entity: documents similar to e) above not older than 6 months; in case of a legal entity doing its business in the territory of Slovakia, current abstract from Slovak commercial register not older than 3 months;
- g) A person acting on behalf of or in the name of other person – applicants for service (in particular based on power of attorney, regulation, or decision of a statutory body): documents that give proof to act in the name of other person – applicants for service in conformity with requirements of this article, information in extent necessary for identification of person on behalf of which he/she acts (information is usually part of the Power of Attorney/authorisation, including verification clause in the

PoA/authorisation, extract from the Companies Registry or other extract from the official registry, or other relevant document) including documents according to a) to f) of this section of this article to identify a person authorized to act.

- 2.11 Should the documents submitted according to this article, in particular section 2.10 do not contain all data needed for identification of the client in conformity with AML act or data needed for provision of the service in conformity with applicable regulations, CDCP shall have right to demand more documents from the client for identification and verification of client's identity.
- 2.12 Should the client refuse to comply with the required extent of the due diligence with respect to the client in the sense of the regulations, or if the client should refuse to demonstrate on behalf of which person he/she acts, CDCP has to refuse provision of the service or to terminate existing contractual/business relationship.
- 2.13 Should a person act on behalf of an applicant for service, the person shall identify himself/herself with a written power of attorney or delegation with authenticated signature of the mandator or person who granted the authorization in conjunction with the extent of the authorization to act on behalf of the applicant. The extent of the authorization to act on behalf of the applicant for service must be sufficiently certain, whereas CDCP shall determine the certainty. The authorisation should include all data necessary to identify the mandator pursuant to this article. Should the power of attorney or delegation be granted by a statutory representative of a legal entity, the person who submits the request for service must demonstrate the authorization of the statutory representative at the moment of signing of the power of attorney or delegation as well as when signing the request for service based on this power of attorney or delegation, and also at the time of provision of the required service to grant the power of attorney or delegation on behalf of the applicant in the manner according to section 2.10, paragraph e) of this Article. The authorization of the statutory representative according to previous sentence shall be proved by the applicant for service by presenting of valid and current abstract from commercial register in case of domestic legal entity not older than 3 months of: signing of the power of attorney or delegation, signing of the request for service, provision of required service, and in case of a foreign legal or natural person-self-employed by presenting of valid and current abstract from commercial register not older than 6 months as of signing of the power of attorney or delegation, signing of the request for service, provision of required service, or document that makes the proof of incorporation and foundation of the legal entity. The persons who granted the full power of attorney or delegation must be specified in the presented abstract from commercial register or a document that gives a proof of incorporation and foundation of the legal entity. Should a proxy grant the power of attorney, CDCP assumes the proxy has right to grant the power of attorney to other persons. CDCP shall not be liable for damage potentially occurring based on illegally granted power of attorney by the proxy.
- 2.14 In addition, the power of attorney or delegation may include the following about the mandator and/or representative in addition to information according to section 2.13 of this article:
- a) in case of a natural person who identifies with an ID card, passport or residency permit - full name, birth number or date of birth if not assigned, residential address,

wherein if the representative identified with passport or residency permit and birth number is assigned, the text of the power of attorney must contain the birth number; if ID card is used for identification, date of birth is enough to be specified in the text of the power of attorney,

- b) in case of a legal entity – business name, registered office, business ID, wherein this data must be shown in the presented abstract from the commercial register not older than 3 months, or other submitted document that gives a proof of incorporation and foundation of the legal entity.

Exceptionally, CDCP may accept power of attorney which does not include all essentials according to this provision in reasoned case depending on type of requested service, provided the requesting person and the person acting on behalf of the requesting person were duly identified and verified and, at the same time, there are no doubts that concerning relevant service the authorised person is entitled to act on behalf of the person requesting the service.

In case documents signed by the authorised person or a mandatory on behalf of a client are attached to a request for service, and CDCP at the same time does not require that such documents include officially verified signature, CDCP may accept also a power of attorney, or authorisation, for signing the documents on behalf of the client not compliant with all requirements pursuant to this provision.

- 2.15 CDCP shall have right to refuse a request for service provided that data about the legal entity and its statutory representatives in the power of attorney or delegation differ from those in an ID card or abstract from the commercial register.
- 2.16 Validity of the power of attorney or delegation presented or submitted to CDCP expires upon date defined therein, revocation, or making a legal act for which it was issued, unless stipulated otherwise therein. Validity of the power of attorney or delegation also expires upon death or extinction of the client, or in case of delegation upon termination of employment of the authorized person with an employee that granted the same. In case of expiration of the power of attorney or delegation the fact is effective with respect to CDCP upon giving a proof thereof depending on reason for termination thereof.
- 2.17 Should a natural person act based on a delegation validity of which expires upon termination of employment, the issuer of the delegation shall inform well in advance CDCP in writing about termination of validity of said delegation for that person, otherwise CDCP shall not be liable for damage incurred due to breach of obligations in the sense of this provision.
- 2.18 The following shall apply for procedure and how revocation of the power of attorney or delegation presented or submitted with respect to proceedings before CDCP:
  - a) the revocation must be made in writing, wherein signing is governed by section 2.13 of this article, but the signatures of the authorized persons may not be authenticated,
  - b) the revocation must identify persons acting on behalf of the legal entity, if the one revokes the power of attorney or delegation,
  - c) wording of the revocation must clearly indicate that the power of attorney or delegation is revoked,

- d) if the revocation does not specify what power of attorney or delegation is being revoked, CDCP assumes that all power of attorneys or delegations granted before delivery of the revocation are revoked,
  - e) revocation of the power of attorney or delegation with respect to CDCP shall be effective upon presentation or submission of the revocation to the CDCP operation point or CDCP mail room; the decisive for acting by CDCP based on the revocation is the date of taking over or delivery of the revocation at the CDCP operation point or CDCP mail room,
  - f) CDCP shall not be liable for damage due to incomplete, incorrect, or otherwise defective revocation of the power of attorney or delegation, or late presentation or submission to CDCP.
- 2.19 For the purposes of provision of the services, should the client be declared bankrupt, the representative authorized based on the power of attorney granted by the statutory body of the client-bankrupt shall not be authorized to act in conformity with the bankruptcy proceedings. CDCP does not accept the power of attorney, and no service shall be granted to the authorized representative.
- 2.20 Should date of client's signature on the presented documents be older than the one giving a proof that the person is authorized to sign the document or act before CDCP, the applicant for service shall provide documents to give a proof of authorization of the client's signature on the presented document (e.g. signature on a pledge contract). In justified cases CDCP may decide that the condition in the previous sentence shall not apply.
- 2.21 All documents required by CDCP according to this article should be presented as originals or authenticated copies, unless the Rules of Operation stipulate otherwise. CDCP can require that additional information and documents are presented in different form.
- 2.22 Based on its own discretion, CDCP may reasonably verify and review the sufficiency and credibility of the presented or submitted documents according to the Rules of Operation, and the client shall cooperate to this end.
- 2.23 Should the documents be issued or signatures thereon authenticated in a territory outside the Slovak Republic, CDCP shall have right to demand a higher authentication of the documents or signature authentication (super-authentication) or certification (apostille) in conformity with Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents, and legal translation of the documents into Slovak (with the exception of documents in Czech). Authentication of signatures and verification of the documents made abroad should have higher authentication (super-authentication), unless legal assistance treaty concluded between the Slovak Republic and other country or other regulations stipulate otherwise, or if the country of documentation origin is not listed among the signatories of the Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents; also in this case CDCP shall have right to ask for the super-authentication.
- 2.24 In relevant cases the client shall inform CDCP without undue delay about any changes to data and documents submitted or presented to CDCP, provided that the change is important for provision of the CDCP services or delivery of documents, and submit a

document that gives proof of such change. This is without prejudice to making changes or presentation of documents and data to CDCP according to specific provisions of the Rules of Operation.

- 2.25 No authentication of signatures on documents related to implementation of the currency policy operations of the Euro system via NBS including cross-border guarantee use, provided that the documents are issued by NCB, ECB, or EIB. No authentication of signatures is required for documents issued by the Office of Government of the Slovak Republic, a ministry of the Slovak Republic, NBS, the State Treasury or ARDAL, provided that the document is signed by the prime minister, a minister, the governor of NBS, the director of the State Treasury, or the director of ARDAL; however, should they grant power of attorney or delegation, their signature must be authenticated.

### **Article 3**

#### **Registration of the client as an entity and assignment of identifiers**

- 3.1 Unless defined otherwise in the Rules of Operation, the use of CDCP services is conditional on registration of the client as an entity in the CDCP/member registry.
- 3.2 The registration of the client as an entity that uses CDCP services include recording of necessary current identification data about the client in the CDCP/member registry, and assignment of the entity's registration number. The client identification data includes:
- a) in case of a natural person: full name, ID number of the natural person, nationality, permanent address;
  - b) in case of a natural person – entrepreneur: name (business name), ID number of the natural person – entrepreneur, full name, birth number of the natural person, nationality, registered office (place of business);
  - c) in case of a legal entity – name, ID number of the legal entity, tax domicile, registered office.
- 3.3 Upon registration, CDCP assigns to the client an entity registration number that represents some client rights in the CDCP registry. Upon registration of the client as an entity in the CDCP registry, CDCP assigns:
- a) one entity registration number for type of entity – issuer;
  - b) one entity registration number for type of entity – creditor (pledgee/creditor in transfer of securities as collateral);
  - c) one entity registration number for type of entity – account owner (owner's account or holder's account), participant, broker, national central bank, issuer depository, investor depository, external depository for T2S, trading venue;
  - d) one entity registration number for type of entity – other authorized person, tax office, customs office, court, state supervision, liquidator, distrainor.
- 3.4 When a member registers a client as an entity in its member registry, the member assigns:
- a) one entity registration number for type of entity – account owner (owner's account);
  - b) one entity registration number for type of entity – other authorized person, tax office, customs office, court, state supervision, liquidator, distrainor.

- 3.5 In case of registration of pledge to book-entry securities according to § 53a ZOCP or transfer as collateral of book-entry securities according to § 53c of ZOCP, the member registered in CDCP assigns to the pledgee/creditor in transfer of securities as collateral one entity registration number according to paragraph b), section 3.3 of this article only when the pledgee/creditor in transfer of securities as collateral has no entity registration number assigned in the CDCP registry so far.
- 3.6 CDCP/member may assign multiple different entity types to a client (e.g. an authorized person may be account owner, participant, broker). The registered identification data of the client as the entity in the CDCP/member registry is linked to specific assigned entity registration number and not the entity type. The identification data of the client for each entity type registered under single entity registration number is equivalent.
- 3.7 The client asks CDCP/member for registration, change to or cancellation of the registration with the exception where CDCP performs the registration together with the request for service (e.g. signing a contract with issuer, application for opening of owner's account, and more) or CDCP performs the same with initiative in conformity with ZOCP or other regulation.
- 3.8 Upon request of the client for change to identification data registered for specific entity type being assigned in the CDCP registry under single entity registration number according to section 3.3, paragraph c) of this article, CDCP shall make change to the identification data of the client also for other entity types being assigned to the client in the CDCP records under the same entity registration number according to section 3.3, paragraph c) of this article. Should an authorized person with the entity registration number ask CDCP/member as a specific entity type for a service based on written service request (application/instruction) in which identification data other than data registered about the authorized person under this entity registration number is given, the request for service shall be regarded also as a request for change to registered identification data of the authorized person for that type of entity. In this case CDCP shall have right to ask the client to clearly and sufficiently demonstrate said change to registered identification data, otherwise CDCP may refuse processing of the required service.
- 3.9 The following persons do not subject to the registration according to this article:
- a) persons who use information from public domain provided by CDCP (information known from report duties, statistical information);
  - b) other persons authorized to act on behalf of the client (a legal representative, representative base on power of attorney, and more), and the authorization is demonstrated in request for CDCP/member service in the way defined herein;
  - c) authorized persons and state authorities if they require information from CDCP/member records according to ZOCP or other specific regulation,
  - d) issuers of paper-form securities in relation with keeping the list of shareholders of registered paper-form shares.
- 3.10 Other identifiers that CDCP assigns are:
- a) numerical identification of the owner's account – number assigned when owner's account is open in the CDCP registry (generated automatically when the owner's account is open);

- b) numerical identification of the owner's account – number assigned when owner's account is open in member registry, wherein this owner's account must be linked to some client account of the member (the number is generated automatically when the owner's account is open);
  - c) numerical identification of client's account of member – number assigned when client's account of member is open (the number is generated automatically when the client's account of the member is open);
  - d) numerical identification of holder's account – number assigned when holder's account is open (the number is generated automatically when the holder's account is open),
  - e) numerical identification of account open in T2S (the number is generated automatically when the account is open);
  - f) pledge contract number – number assigned to a pledge contract when registering the contractual pledge or number assigned when registering a statutory pledge in the pledge registry, which stands for unique and definite pledge identifier within the registry of the securities (should the pledge contract made in writing be numbered by the parties, this number shall not be regarded as the pledge contract number for this purpose);
  - g) number of transfer as collateral – number assigned to the transfer as collateral when registering the security number to a special registry of transfers as collateral, which stands for unique and definite identifier of transfer as collateral within the registry (should the contract on transfer of securities as collateral made in writing be numbered by the parties, this number shall not be regarded as the number of transfer as collateral for this purpose);
  - h) SDR identification – number assigned to SDR when registering SDR, which stands for unique and definite SDR identifier within the registry,
  - i) right registration number – number assigned to the right to join the transfer of SJC shares or to right to demand transfer of SJC shares at the moment of their establishment in respective register of SJC special rights, that represents unambiguous and unique identifier of such rights in security register/registries.
- 3.11 Indication of the identifier of a person and birth number/substitute identification number or company ID/FRN, or if combination of the entity registration number and other identifier of the person is used, fulfils requirements for identification of the client in the sense of ZOCP for provision of services in IS CDCP. This is without prejudice to the authorization of CDCP to require presentation of documents and information needed in relation with compliance according to AML act and FATCA agreement, and AVI act.
- 3.12 Should a client have multiple entity registration numbers or identifiers in the CDCP/member records, each number may only be used for purposes it was assigned.

## **Article 4**

### **Assignment of substitute identification number**

- 4.1 Identification number is in case of
- a) natural person – Birth Registration Number /FBRN assigned in SR,
  - b) natural person entrepreneur – Company Registration Number assigned in SR,
  - c) legal entity – Company Registration Number (further CRN) assigned in SR.

- 4.2 Substitute identification number assigned by CDCP substitutes Birth Registration Number of the natural person or CRN and it is possible to use it only in connection with CDCP services. CDCP is assigning, based on application of the member, the participant or the issuer or base on its decision following types of substitute identification numbers:
- a) FRN – foreign Companies Identification Number
  - b) NIČ – substitute identification number
- 4.3 CDCP shall assign FRN:
- a) on its own initiative (without application) for the issuer of Foreign securities with a registered office located outside the territory of SR, registry of which is kept in CDCP pursuant to these Rules of Operation. If the issuer of Foreign Sec. with registered office outside the territory of SR issued security issues of Foreign Sec. pursuant to multiple legal orders, for purpose of registration in CDCP it will be assigned individual FRN for each security issue of Foreign Sec.;
  - b) on its own initiative (without application) for foreign legal entity or natural person – entrepreneur with registered office outside the territory of SR;
  - c) based on application of the member or the participant for foreign legal entity or natural person – entrepreneur with registered office outside the territory of SR, whereas signature in the application does not have to be certified.
- 4.4 A request for the assignment of FRN shall be submitted by the member or the participant in writing on a specified form:
- a) in person;
  - b) via post to the registered office of CDCP;
  - c) via fax or e-mail (in this case the member is obliged to send the request for FIN assignment also by post to CDCP address, within 3 working days).
- 4.5 CDCP shall assign NIČ on its own initiative (without application):
- a) for the issuer of Foreign securities with a registered office located in SR, registry of which is kept in CDCP pursuant to these Rules of Operation. If the issuer of Foreign Sec. with registered office in SR issued security issues of Foreign Sec. pursuant to multiple legislations, for purpose of registration in CDCP it will be assigned individual NIČ for each security issue of Foreign Sec.;
  - b) for relevant national authorities (e.g. tax authorities, customs office etc.) in case they apply for services of CDCP;
  - c) for natural person – distrainer or insolvency administrator in case that applies for services of CDCP;
  - d) for foreign natural person, in case the natural person is requiring CDCP services as a pledger or pledgee and subject of the pledge right are paper-form securities. If the natural person requiring CDCP services as a pledger or pledgee is a resident of the Czech Republic and subject of the pledge right are paper-form securities, CDCP is entitled to accept Birth Registration Number assigned in the Czech Republic for purpose of identification number of such natural person;
  - e) for foreign natural person, in case the natural person is requiring CDCP services as a pledgee and subject of the pledge right are book-entry securities. If the natural person requiring CDCP services as the pledgee is the resident of the Czech Republic and



subject of the pledge right are book-entry securities, CDCP is entitled to accept Birth Registration Number assigned in the Czech Republic for purpose of identification number of such natural person;

- 4.6 CDCP shall assign NIČ based on application from:
- a) the member or the participant for foreign natural person in case it is requiring for CDCP services (e.g. pledgee – pledge in case the pledgee is a person specified in § 53a section 1, letter (f) of ZOCP; this does not apply in case mentioned in section 4.5 of this Article;
  - b) the issuer of units of the unit trust for unit trusts funded by the asset-management company.
- 4.7 If a natural person applies with the member or the participant for opening an owner's account and the natural person has not been assigned the birth registration number in SR according to the legal regulations in force, the member is obliged to require FBRN assigned by RRSR from such natural person when opening the account.
- 4.8 The responsibility for correctness of information stated in the request for the assignment of substitute identification numbers, for archiving the request and its accompanying documents as well as for possible damage due to inclusion of false information shall be borne by the member/issuer who has submitted the request for the assignment of a substitute number (FRN/NIČ).

## **Article 5**

### **CDCP services**

- 5.1 CDCP is providing services exclusively upon request for service submitted by an authorized person and in conformity with ZOCP, CSDR regulation, other regulations, and these Rules of Operation. CDCP shall have right to provide the service or perform its activities on its own initiative if the Rules of Operation or other regulation defines so.
- 5.2 Activity of CDCP and hence the range of provided services is defined by:
- a) the extent of services pursuant to the licence granted to CDCP in conformity with Article 17 of the CSDR regulation;
  - b) the extent of services notified in conformity with Article 19, section 8 of the CSDR regulation;
  - c) the extent of services CDCP provides based on permit granted according to other regulation;
  - d) ZOCP or other regulation.
- 5.3 CDCP publishes the extent of its services on its website [www.cdcp.sk](http://www.cdcp.sk).
- 5.4 CDCP provides the settlement services via T2S platform and to this purpose it registers in T2S its participants, opens accounts for the participants, and CDCP registers issues of the book-entry securities being registered by CDCP in the issuer registry or special registry of the book-entry securities.
- 5.5 CDCP permits use of the services during operation days of the settlement system according to part VI of the Rules of Operation. Should the operation day of the settlement system is not a weekday according to applicable regulations of the Slovak

Republic, the authorized persons may submit their requests for CDCP services exclusively as specified in part I of the Rules of Operation.

## **Article 6**

### **Form of and method the requests for service are submitted**

- 6.1 The client or authorized person submits a request for service in the manner defined in each part of the Rules of Operation.
- 6.2 Unless the Rules of Operation define otherwise, the request for service may be submitted:
  - a) in writing in person at CDCP office in duplicate (i.e. one original for processing of the request for service, and one non-authenticated copy to confirm receipt or processing of the request being returned by CDCP to the client), wherein the request for service must be signed in the face of an employee of CDCP;
  - b) in writing in person at CDCP mail room in one original, wherein the signature on the request for service must be authenticated, unless the Rules of Operation define otherwise;
  - c) in writing by mail at the registered address of CDCP in one original, wherein the signature on the request for service must be authenticated, unless the Rules of Operation define otherwise;
  - d) via the IS CDCP in case of a person with granted access to the IS CDCP,
  - e) via electronic mail box in case of state administration bodies.
- 6.3 If special provisions of the Rules of Operation define special method for delivering of the request for service, CDCP can accept request for service delivered via the electronic mail box in case of electronic exercise of public authority through official electronic communication in sense of special legal regulation. Mentioned provision applies also in case of provision of information to authorised persons pursuant to par. 110 of ZOCP or special legal regulations when fulfilling information obligations of CDCP or in case of request from executory, notary, liquidator or other entity when fulfilling obligations pursuant to special regulations. In case the request for service was delivered to the electronic mail box, CDCP has right to deliver response for such request via the electronic mail box.
- 6.4 In case of a request for information service no authenticated signature is required in the request for service provided that CDCP sends the outcome of the information service to the client based on COD or first class mail with receipt of delivery to the permanent address or the registered address in the CDCP registry.
- 6.5 The written request for service is submitted in the form of:
  - a) a request or instruction on a specified form;
  - b) special contractual arrangement in cases defined herein;
  - c) combination of a) and b) above in cases defined herein;
- 6.6 Should a form is prescribed for a specific request for service, the client or other authorized person submits the request for service on the specified form. Specimens of the forms including codes used and code tables are available at the registered office of CDCP or from [www.cdcp.sk](http://www.cdcp.sk). In legitimate cases CDCP may require also documents and information not explicitly listed in the form. CDCP may decide about acceptance of the request for service not submitted on the required form in case if it contains all data from the form, and required by ZOCP and these Rules of Operation, or other regulation.

The provisions of previous sentence do not apply in case the regulation stipulates mandatory specimen form (e.g. applicable executive regulations to the CSDR regulation).

- 6.7 The client shall fill in the written request for services legibly without striking out and rewriting. The submitting client shall be responsible for content and formal correctness of the form or the requests submitted in a different form.
- 6.8 A request for service submitted to CDCP in writing can be withdrawn, provided that a withdrawal request is presented to CDCP not later than the business day before the day on which the required service should be effectively processed. The withdrawal request for the request for service should clearly identify the request being the subject of the withdrawal, and must comply with equal formal and content requirements as a request for service (application/instruction) being the subject of the withdrawal. The request for service may no longer be withdrawn in case CDCP has already effectively processed the requested service.

## **Article 7**

### **Documents enclosed with request for service**

- 7.1 CDCP has the right to be provided with any documents necessary for performance of its activity; otherwise it is entitled to decline the provision of a service. Failure to provide such documents, or their delayed or incomplete provision, or provision in a form other than the required form shall be borne by the person/entity obliged to provide them
- 7.2 Mainly the documents stipulated by ZOCP, by other generally binding legal regulations and by the relevant provisions of the Rules of Operation must be enclosed with the request for service, unless otherwise stated.
- 7.3 The documents that are being enclosed to the application for service must be complete and original or officially verified copies, or in the form of certified copy from the Central Register of Notarial Documents, unless otherwise stated in the Rules of Operation. The previous sentence does not apply to court resolution in the case of administrators of the bankruptcy assets, authorisation from the court granted to notaries or distrainers. After taking-over the documents by CDCP's employee or upon delivery of the documents to the seat of CDCP these become the property of CDCP. CDCP has right to decide, based on the written request, whether the documents will be returned or not.
- 7.4 For purpose of these Rules of Operation CDCP accepts excerpt from the Business Register of the Slovak Republic issued in digital form eligible for legal purposes. Such excerpt issued in electronically has to comply with requirements under relevant legal regulation (primarily article 12 of the act No. 530/2003 Coll. on Commercial Register, act No. 305/2013 Coll. on eGovernment) and has to be delivered to the contact e-mail address of respective organisational unit of CDCP, published on the website [www.cdcp.sk](http://www.cdcp.sk). The excerpt according to this provision substitutes submission of paper-form excerpt as required in respective provisions of the Rules of Operation.
- 7.5 Documents issued or verified abroad in a language other than the Slovak language or documents issued in other than the Slovak language, must be translated in writing to the Slovak language with attached translator's clause, issued pursuant to the relevant legal regulation unless otherwise stated in the Rules of Operation. Documents without an official translation shall not be accepted by CDCP. An exception to this rule constitute documents in the Czech language while CDCP reserves the right to request written translation to the Slovak language with attached translator's clause, issued pursuant to

the relevant legal regulation also in case of documents in the Czech language, except documents issued by public administration authorities in the Czech Republic. An exception for documents in the Czech language does not apply to translation of foreign language documents to the Czech language.

- 7.6 The authentication of signatures and verification of documents performed abroad must have a higher-level legalisation (i.e. super legalisation), unless a treaty on legal assistance, concluded by the Slovak Republic and the relevant country, or other legal regulations stipulate otherwise or, respectively, unless the country of origin of the documentation is included in the list of countries that have signed the Convention on Cancellation of Requirement of Higher Verification of Foreign Public Documents dated 5 October 1961; but CDCP is entitled to require super legalisation also in such case.
- 7.7 A list of all enclosed documents shall be included in the relevant section of the form, on which the request for service is being submitted or in the attachment to the agreement with CDCP, if CDCP and other contractual party shall agree on that. If the list of documents is not an annex of the contract, it is deposited into respective file in the CDCP records
- 7.8 CDCP reserves the right to require the official verification of the signatures on submitted documents in cases other than those specified in these Rules of Operation. The failure to provide documents with officially verified signatures, their delayed/incomplete provision or provision in a form other than required shall be borne by the person/entity obliged to provide them.
- 7.9 In case of the request for information services such as a statement of the owner's account or information services pursuant to §107 of ZOCP, it is sufficient for a domestic legal entity requesting the service to submit an ECR not more than 1 year old, and for a foreign legal entity to submit documents not more than 2 years old. CDCP is entitled to accept the original or a copy of excerpt from the Commercial Register that does not comply with requirements pursuant to previous sentence if it is attached to the request when providing information services for the purpose of action in court, subject matter of which is deletion of the legal entity from the Commercial Register due to its dissolution without successor in title (client or other authorised person is obliged to state this fact in the request for service), but only in case that output from the information service does not contain data on securities or data on security owners.,
- 7.10 The responsibility for loss, destruction of, or damage to the documents enclosed with the request for service shall be borne by the CDCP/member/participant, depending on where the documents are stored.
- 7.11 After registration of a transfer/transition/movement of securities on which a SDR or a pledge pursuant to §53a) of ZOCP or a transfer as collateral pursuant to §53c) of ZOCP is registered, the CDCP/member in whose registry the securities were registered in accounts before the registration of the transfer/transition/movement are obliged, upon a written request of the CDCP/member in whose registry the securities are registered in accounts after the registration of the transfer/transition/movement, to submit the officially verified copies of the documents based on which the SDR or the creation/change of pledge pursuant to §53a) of ZOCP or the creation/change of transfer as collateral pursuant §53c) of ZOCP has been registered. The statement of the owner's account, in which the corresponding SDR or pledge pursuant to 53a) of ZOCP, or a transfer as collateral pursuant to 53c) of ZOCP is registered must be enclosed to the request.

- 7.12 If the client already submitted to CDCP documents which are, according to the Rules of Operation, acceptable also for placing other request for CDCP service, CDCP shall accept the documents and it is not necessary to submit them again.

## **Article 8**

### **Order and term for processing of requests for service**

- 8.1 CDCP processes the requests for services and other applications in the sequence they have been submitted by the clients or other authorised persons unless stipulated otherwise in the Rules of Operation. Processing of request for service is considered as finished on day when required service was provided (executed), information on rejection to provide (execute) required services by CDCP was sent (in case of unrecoverable insufficiencies) or when was sent a notice for supplementing of incomplete request for service (in case insufficiencies can be corrected by amending).
- 8.2 The client or other authorised person whose earlier submitted request for service has been declined due to deficiencies in the content or legal form shall not take precedence over the other clients or other authorised persons and his/her request shall be deemed as a new one.
- 8.3 CDCP is entitled to process the requests for services preferentially in well-founded cases (e.g. an instruction to suspend the right to dispose of securities). CDCP is entitled to deny to perform required service on the day when the request for service is delivered in order to properly assess documents submitted by the client.
- 8.4 CDCP shall process received request for service or other application in 15 working days from the delivery date. In case already received request for service or other application was amended by other facts or documents, period for execution of service starts to pass anew from the day of such amendment. Special provisions of the Rules of Operation, special contractual arrangements or legal regulations governing periods for execution of selected services are not affected by provisions of this section.
- 8.5 CDCP has right to provide any service based on the request of the client or other authorised person in reasonable time period (it means not immediately after delivery or receiving of the request for service) due to malfunction of technical equipment of CDCP, natural disaster, a strike, a force majeure or other reason, or from an incident partially or entirely limiting operation of CDCP, whereas this time period must be in compliance with provisions of section 8.4 or this article.

## **Article 9**

### **Special provisions for processing of CDCP services**

- 9.1 In case the conditions stipulated by ZOCP or by the Rules of Operation or by the Executory Decrees of the Rules of Operation, conditions stipulated in other legal regulation or conditions pursuant to special contractual arrangement are not met, CDCP is entitled to decline a request for service. CDCP is entitled to decline the request for service also in case it is set by legal regulation (e.g. in connection with application of international sanctions)
- 9.2 Except cases pursuant to sec. 9.1 of this article, CDCP is entitled to decline request for service or to provide service in situations specified in the CSDR Regulation, mainly based on comprehensive risk assessment in case of access to services for selected entities. In mentioned situations, in connection with refusal to provide service, CDCP

shall act in compliance with relevant provisions of CSDR Regulation and relevant implementing regulations.

- 9.3 If the request for service was declined pursuant to relevant provisions of the Rules of Operation, the client shall be informed of this fact without delay. In such case, the responsibility for damage due to fact that service was not provided shall not be borne by CDCP
- 9.4 CDCP shall be entitled to make inevitable amendments in its registry due to legislative and operational reasons or if stipulated in the international standard; the rights and legally protected interests of persons to whom CDCP provides its services must not be affected by such amendments.
- 9.5 CDCP shall not be liable for damage due to malfunction of technical equipment beyond reach of CDCP, natural disaster, a strike, a force majeure or other reason, or from an incident partially or entirely limiting operation of CDCP.

## **Article 10**

### **Special provisions for provision of data to the authorized persons according to § 110 of ZOCP or specific regulations when meeting information obligations**

- 10.1 For the purposes of this article, an authorized person is referred to a person to which CDCP according to ZOCP or other regulations is obliged to provide protected data or other data being registered in the sense of applicable regulations, in particular ZOCP.
- 10.2 Referring to the authorized person according to this article, CDCP does not require authenticated signature in the following documents:
- a) request for service,
  - b) power of attorney granted by the authorized person.
- 10.3 When providing the information services to the authorized persons according to this article in fulfilling of information obligations for the purpose of a court proceeding subject of which is termination of registration of a legal entity without legal successor in the commercial register (what the person who submits the request for service is obliged to state in the request), CDCP shall accept the request for service also without presentation of an abstract from the commercial register.
- 10.4 In case of requests for information about securities submitted by the authorized persons according to this article, provisions of the part V of the Rules of Operation governing a statement from account opened with CDCP and method of its delivery and provision of information on securities shall apply accordingly.

## **Article 11**

### **Fees for service provision**

- 11.1 CDCP shall provide its services for fee stipulated in compliance with the Scale of Fees valid in the moment of service provision, unless ZOCP or a separate legal regulation stipulate otherwise.
- 11.2 The Supervisory Board of CDCP shall approve the Scale of Fees, on the proposal of the Board of Directors of CDCP. If set in the Statutes of the User Committee of Centrálny depozitár cenných papierov SR, a.s., the proposal of the Scale of Fees shall be discussed with the User Committee before its approval, in a way stipulated in the Statutes.



- 11.3 The Scale of Fees is available for inspection in the seat of CDCP and published in the web page of CDCP [www.cdcp.sk](http://www.cdcp.sk).
- 11.4 CDCP is entitled to amend the Scale of Fees unilaterally. By coming into effect of new wording of the Scale of Fees, previous wording of the Scale of Fees terminates to be valid and effective and is fully replaced by new wording of the Scale of Fees. Amendment to the Scale of Fees shall be available in the seat of CDCP and shall be published at the web page [www.cdcp.sk](http://www.cdcp.sk) whereas validity and coming into effect shall be determined; CDCP shall ensure that it will be available and published at least 15 days before time of taking effect. Client explicitly and unconditionally agrees with this method of amending of the Scale of Fees.
- 11.5 CDCP is entitled to make the provision of any service for an entity requesting for services conditional upon the payment of an amount stated in a due invoice which was issued due to provision of another CDCP service based on a request for service submitted by the same entity, and if the entity requesting the service – the client has been delayed with the fulfilment of even a part of its financial obligation continuously for a period longer than 14 calendar days, but only if it results from special contractual arrangement. If the amount pursuant to the preceding sentence is not settled, CDCP is entitled to decline and not perform the request for service. CDCP may employ entitlement defined in this subsection only if it results from special contractual arrangement.

## **Article 12**

### **Submission of a complaint and objection according to § 108 of ZOCP**

- 12.1 The Complaint processing system defines how the complaints are submitted and settled.
- 12.2 The Objection processing system defines how the objections are submitted and settled in the sense of § 108 of ZOCP.
- 12.3 The Complaint processing system and Objection processing system are available from the registered office of CDCP and published at the webpage of CDCP [www.cdcp.sk](http://www.cdcp.sk).
- 12.4 CDCP shall have right to unilaterally change the Complaint processing system and Objection processing system. On the effective date of a new wording of the documents according to previous sentence, the previous version of the same expires and becomes void, and is fully replaced by their new wording. CDCP shall publish the changes at the registered office and publish them in electronic format at [www.cdcp.sk](http://www.cdcp.sk) with indication of validity and force of the documents, wherein such publication and availability shall be made at least 15 days in advance of the effective date.

## **Article 13**

### **Delivery of the documents and information to the client**

- 13.1 CDCP delivers the documents to the client in person at the registered office of CDCP or by mail to the address being registered by CDCP in relation to provision of services, or correspondence address agrees in the special contractual arrangements, unless the Rules of Operation define otherwise. In legitimate cases CDCP shall have right to deliver the documents to the client to other known address of which correctness is doubtless (address known from public and credible sources, e.g. commercial register); this is however without prejudice to provisions of section 13.3 of this article.
- 13.2 For personal delivery of the documents at the registered office of CDCP the client shall sign receipt of the same as a confirmation.

- 13.3 The client shall make sure the mails are deliverable by giving correct and current full name and address (for natural person), correct and current business name/name and registered office (for legal entity), including notification of any changes. Otherwise, CDCP shall not be liable for any damage due to impossibility to deliver the mail. CDCP shall not be required to investigate with initiative up-to-datedness of data in the sense of section 13.1 of this article.
- 13.4 CDCP has right to deliver information and documents to the client in electronic form if such method of delivery has been agreed with the client and the client gave written consent with such delivery method or defined it in the request for service or other relevant document.

## **Article 14**

### **Data protection**

- 14.1 CDCP follows applicable regulations on personal data protection in processing of the client's personal data, namely Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC and the Act No. 18/2018 Coll. on Protection of personal data and on amendments and supplements to certain acts in valid wording. Further details, e.g. with respect to purpose of personal data processing, legal ground for personal data processing, rights of the data subjects whose personal data are processed, are published on CDCP web site.
- 14.2 CDCP arranges data protection in the sense of applicable provisions of ZOCP and confidentiality of information according to CSDR regulation.
- 14.3 In order to pursue the CDCP services, the client data including personal data may be provided to S.W.I.F.T – Society for worldwide financial telecommunication s.c., Avenue Adèle 1, B-1310 La Hulpe, Belgium (hereinafter referred to as “SWIFT”) and centres thereof for processing of personal data operated in the territories of other states that process data in the name of SWIFT, and may be provided to US agencies upon request. The client acknowledges potential access of the US agencies to data stored in the SWIFT operations centre in the USA in relation to fight against international crime, terrorism, and money laundering.



## **PART II. ACCESS OF THE PARTICIPANTS, OTHER MARKET INFRASTRUCTURES, THE CENTRAL DEPOSITORIES ACCESS, LINKS AND MEMBERSHIP**

### **Article 1**

#### **Introductory provisions**

- 1.1 For legal and operation reasons, CDCP shall have right to alter the extent of services provided to the participants, members, other market infrastructures or connected central depositories (i.e. person with granted access) or the way they are provided; however, this may not put in risk the obligations emerging to these persons from the Rules of Operation or regulations, in particular CSDR regulation and ZOCP. CDCP shall inform the concerned persons thereof without undue delay.
- 1.2 CDCP shall not be liable for damage resulting from failure of technical means beyond reach of CDCP, natural disaster, strike, force majeure, or any other fact or event either partially or fully limiting the function of the IS CDCP.
- 1.3 The person with granted access shall inform CDCP about facts with potentially significant impact on proper performance of their activity or activity of CDCP, default of other participant should it be informed thereof, or about other relevant fact. Provisions of article 17, part II of the Rules of Operation shall apply accordingly to the notification of other participant's default

### **Article 2**

#### **Confidentiality of information**

- 2.1 The persons with granted access shall comply in pursuing their activities and obtaining and processing of data with applicable data protection regulations (in particular protection of protected data according to ZOCP), and personal data protection, adopt all measures needed for protection of this data, and make sure all consents required from the clients are obtained, or guidance of the clients needed to comply with the liabilities according to the Rules of Operation and related regulations.
- 2.2 The persons with granted access shall have right to divulge data protected according to ZOCP or other regulations to third parties only if a relevant regulation stipulates so.
- 2.3 CDCP and the persons with granted access shall have right to divulge data identified as confidential in the Rules of Operation or special contractual arrangements to third parties only upon consent of the concerned party, or in order to comply with their obligations stipulated by applicable regulations.
- 2.4 The persons with granted access shall arrange safety, integrity, and confidentiality of information they have received in relation with pursuing their activities and access granted.
- 2.5 The persons being allowed by CDCP to access the IS CDCP shall keep confidentiality with respect to third parties on technical data received during use of the IS CDCP, unless the confidentiality is removed by a person of which rights could be infringed by breaching of this confidentiality liability. The persons being allowed by CDCP to access the IS CDCP shall be liable for damage incurred by unauthorized accessing of any part

of the IS CDCP including user interface and outcomes from the IS CDCP to any third person. Making an unauthorized access to any part of the IS CDCP including the user interface and outcomes from the IS CDCP to any third person shall be regarded as substantial breach of the Rules of Operation.

### **Article 3**

#### **Operation failure**

- 3.1 The operation failure refers to an existing fact occurrence of which prevents the participant or any other person with granted access from fulfilment of his obligations pursuant to this part of the Rules of Operation based on:
- a) problems in technical infrastructure of the person with granted access resulting in impossibility to make connection to the IS CDCP,
  - b) problems in technical infrastructure of the provider of communication services to the person with granted access to CDCP, resulting in impossibility to make connection to the IS CDCP, or impossibility to run electronic message exchange between that person and CDCP,
  - c) not following the required configuration of the technical infrastructure and safety criteria for connection via the IS CDCP according to relevant executory decree to the Rules of Operation,
  - d) any other problems of operational nature on the part of the person with granted access.
- 3.2 In case of problems according to section 3.1 of this article the person with granted access shall be liable for immediate remedy thereof.
- 3.3 Should the internal actions of the person with granted access aimed at handling and remedying of the problems according to section 3.2 hereunder be ineffective, or there is risk of not remedying the same within reasonable time with potential non-compliance by that person, the latter may ask CDCP for support according to section 3.4 hereunder. The person with granted access may ask CDCP for support pursuant to this section if in conformity with applicable provisions of an executory decree to the Rules of Operation asked CDCP for provision of said services based on a specific request and granted power of attorney.
- 3.4 Referring to the support by CDCP in dealing with the operation failure under conditions governed in relevant executory decree and based on request from the person with granted access, CDCP may
- a) perform the services or provide information in the name of and in favour of that person
  - b) provide access to alternate working place for such person.
- 3.5 The person with granted access shall provide inevitable cooperation to CDCP in case of CDCP support during the operation failure.
- 3.6 In legitimate cases or in case the person with granted access fails to cooperate with CDCP according to this section or applicable executory decree, CDCP may refuse processing of the instructions or requests according to section 3.4 of this article, wherein CDCP shall inform the person thereof without undue delay.
- 3.7 Person which was granted access is obliged to participate in testing of procedures in case of operation failure, whereas testing details are specified in relevant executory decree.

- 3.8 An executory decree to the Rules of Operation stipulate details related to implementation of this article.

## **Article 4**

### **Delivery and communication**

- 4.1 Notifications and documents required to be exchanged by and between CDCP and the persons with granted access with respect to complying with their respective rights and obligations according to the Rules of Operation or regulations can be delivered:
- a) in person to CDCP mail room or to the address of the registered office/mail room of the person with granted access according to this part of the Rules of Operation,
  - b) by mail to the address of the registered office, unless a correspondence address has been agreed,
  - c) other way, if the Rules of Operation or special contractual arrangement stipulates so.
- 4.2 The notifications and documents delivered in writing by mail shall be regarded as delivered also on the day of rejection of acceptance thereof, or on the day of return of the mail for reasons the mail has not been picked up by the addressee at the mail office within a reasonable time.
- 4.3 For the purposes of communication, CDCP and the person with granted access have right to use electronic communication via e-mail addressed agreed for this purpose, in particular for delivery of information and notifications nature of which indicates that delivery thereof in writing is avoidable, and have no impact on pursuing the rights and obligations according to the Rules of Operation or special contractual arrangements or in events specified in the Rules of Operation.

## **ACCESS OF THE PARTICIPANTS**

### **Article 5**

#### **Introductory provisions**

- 5.1 A participant may only be a person according to article 2, section 1, paragraph 19 of the CSDR regulation, and § 99, subsection 13 ZOCP, who meets the participation criteria, and to which access is granted by CDCP based on an application according to the procedure in the Rules of Operation and according to article 33 of the CSDR regulation.
- 5.2 A person becomes a participant effectively from the day of CDCP's decision on granting access of the participant, and becomes in force on the effective date of an Agreement with the participant. Agreement with the participant is not required in case of setting up a link between the central depositories. Effective from the participant's access date, rights and obligations arise to the participant from its access/participation.
- 5.3 An applicant for access of the participant or the participant may ask for the access to each service type according to article 8 of this part of the Rules of Operation performing of which is authorized.
- 5.4 The participant's activity is restricted to the activities related to each service type to which access was granted by CDCP to the participant, and performance of which was granted to the participant by relevant body of a state.
- 5.5 The position of the participant is not transferable and it may not be transferred in any way to any other person, and may not be transferred to a legal successor.

- 5.6 All participants have identical rights and obligations depending on the type of services that have been made accessible to the participant.
- 5.7 Pursuant to the Rules of Operation, the participant may delegate/appoint an intermediary – authorized participant – for operation of the activities and use of the services that have been made accessible. Only an entity being the CDCP’s participant, may act as the intermediary according to previous sentence. Specific provisions of article 9 of this part of the Rules of Operation shall apply to operation of the participant’s activities through an authorized participant.
- 5.8 CDCP keeps registry of data on securities and accounts which make possible to each participant to segregate securities of the participant from securities of clients of the participant, from securities of other participant and from securities in ownership of CDCP. In compliance with article 38 of CSDR, CDCP is providing to the participants options to select and use omnibus client segregation and individual client segregation. In case of individual clients segregation special condition of membership granted to the participant must be fulfilled. CDCP is publishing at its webpage information on level of security, expenses in connection with different levels of segregation and details related to different levels of segregation containing description of main legal consequences arising from relevant levels of provided segregation, including information on applicable insolvency regulations. Opening and administration of account via which CDCP provides separate levels of segregation is regulated in part V of the Rules of Operation and access to related types of services is regulated in article 8 and article 21 of this part of the Rules of Operation. CDCP is not allowed to use securities which are not its property for any purpose and in case it (CDCP) would like to dispose of securities held in account of the participant, it is obliged to obtain required consent, unless stipulated otherwise in the legal regulation.
- 5.9 CDCP is obliged, in compliance with article 67 of the Delegated Regulation 2017/392, continuously identify, examine and update the key participants in the settlement system it operates and in this connection it is identifying, monitoring and managing operational risks to which it is exposed from the key participants. CDCP shall identify key participants based on factors pursuant to article 67 of the Delegated Regulation 2017/392. For purpose of fulfilling obligations pursuant to this provision, the participants are obliged to provide CDCP with inevitable cooperation. Detailed conditions are in relevant executory decree.

## **Article 6**

### **Participation criteria**

- 6.1 The participant should meet the participation criteria according to this article of the Rules of Operation throughout the period of granted access of the participant/participation. CDCP shall have right to continuously monitor and review compliance with the participation criteria and to this purpose, the participant shall provide an inevitable cooperation to CDCP and withstand review, evaluation of the participation criteria by CDCP under conditions and as stipulated in the Rules of Operation. An executory decree may stipulate details of monitoring and reviewing of compliance with the participation criteria and particular specification of the participation criteria.
- 6.2 The participant shall immediately inform CDCP about any fact or change which caused or may cause that the participant is not or shall not be compliant with the participation criteria.

- 6.3 The participation criteria are divided into legal, operational, and financial.
- 6.4 The participant has to comply with the following legal participation criteria:
- a) Authorization to be a participant – the existence of relevant legal position or effective permit (or other permit) issued in conformity with national laws for activity of a person that may be a participant in conformity with § 99, subsection 13 of ZOCP and article 2, subsection 1, section 19 of CSDR regulation.
  - b) Referring to a foreign participant pursuing the activity in the territory of the Slovak Republic via a branch – permission of a relevant body of setting up a branch, and pursuing the relevant activities;
  - c) The participant is authorized or holds a permission to pursue activities related to each service type the participant asks for to be made or have been made accessible.
  - d) The participant from a non-EU member state subjects to the regulation and supervision being comparable to the regulation and supervision as if the participant had been originating from the EU;
  - e) The participant is not a person or has no registered office in the territory of a state where international or European sanctions apply, and has no registered office in the territory of a country being listed in the list of high-risk or non-collaborating jurisdictions according to FATF (The Financial Action Task Force);
  - f) Confidentiality of information and personal data protection – the participant shall keep, apply, and maintain adequate systems and procedures for information safety, integrity, and credibility protection while taking into account the nature of such information, and shall make sure personal data is protected according to relevant generally applicable regulations as well as data protection according to ZOCP;
  - g) The participant has implemented a program focused on protection against money laundering and terrorist financing;
  - h) The participant complies the conditions of which compliance was needed to get a permit listed under a) to c) of this section.
- 6.5 The participant should comply with the following operational participation criteria:
- a) Sufficient operational capacity to the extent reasonable to nature, extent, and complexity of the pursued activities and provided services, appointing of at least two persons responsible for the participant's activities, making them aware of procedures to be followed for proper performance of their obligations, and making sure these persons have right, resources, expert knowledge, and access to information needed for their tasks;
  - b) Risk management – the participant has a functional system for operational risk management that respects the requirements in the field of the risk management resulting from applicable regulations, CDCP Rules of Operation, and relevant executive decrees. The participant shall make sure his employees responsible for the operational risk management are adequately qualified in this area. The participant shall make sure that operational risks, to which it or CDCP and/or other participants of the settlement system is or may be exposed, are identified, and shall adopt a reasonable action for mitigation thereof. In particular, the participant shall adopt measures to prevent from access of unauthorized persons to the connection to the IS CDCP, to keep information secure, to prevent from unauthorized personal submission of an instruction to make a service in CDCP, mistakes when entering the instructions to the IS CDCP, and misuse the access by the participant's staff (internal fraud prevention).

- c) The participant who uses an authorized participant for operation of the participant's activities and performance of the accessed services identifies, monitors, and reasonably manages the operational risks being exposed to due to the use of the services provided to him by the authorized participant;
  - d) Conflict of interest management – in connection with pursuing the participant's activity, the participant has implemented procedures to reveal, evaluate, and resolve the conflict of interest potentially resulting in damaging or illegal preferential treatment of the clients.
  - e) Business continuity arrangement - the participant has approved and applied the business continuity policy for the activities, has created and regularly tests the business continuity plans and recovery plans necessary for retaining of the required data and pursuing critical activities also in case of a crisis event at a participant.
  - f) The participant has a BIC code assigned;
  - g) The participant has a LEI code assigned;
  - h) Keeping, operation, and maintenance of suitable IT tools of sufficient capacity, communication method with the IS CDCP in conformity with the specification according to the Executory Decree No. 1 – Communication of the participant and other market infrastructure with the IS CDCP;
  - i) Ensuring of data safety against loss, unauthorized leak, and unauthorized access.
- 6.6 The participant should comply with the following financial participation criteria:
- a) Sufficient cash resources to meet the contractual obligations towards CDCP and payment of fees in conformity with the Scale of fees;
  - b) Sufficient cash resources to perform the participant's activities;
- 6.7 Should the participant act through a branch, the participation criteria shall also adequately relate to the participant's branch.

## **Article 7**

### **Request for access**

- 7.1 The applicant for the participant's access should use the application form for requesting of access being published by CDCP on its website [www.cdcp.sk](http://www.cdcp.sk).
- 7.2 The request should be made in writing by mail or in person at the registered office of CDCP. All documents presented should be originals or authenticated copies unless the Rules of Operation specify otherwise. The request must contain applicant's identification data, date, and authenticated signatures of the applicant's statutory bodies. In the request, the applicant shall list the contact persons to communicate with CDCP in connection with processing of the request.
- 7.3 The request must contain all information needed and documents required to give proof of compliance with the participation criteria and documents defined in this article.
- 7.4 In the request the type(s) of service should be defined according to this part of the Rules of Operation which the applicant asks for granting access to. Together with the request for granting of access the applicant seeking to have the access granted asks for the access to each type of service according to article 8 of this part of the Rules of Operation, wherein making the services accessible is conditional on effectiveness of the access of the participant/participation and compliance with the conditions for making each service type accessible according to the Rules of Operation.

- 7.5 The request and its appendices or all documents issued or verified abroad in language other than Slovak must be provided with written translation into Slovak with translator's clause attached and issued in the sense of applicable regulation. The exceptions of the rule are the documents in Czech, wherein CDCP reserves right to ask for written translation into Slovak with the translator's clause attached and issued in the sense of applicable regulation also for the documents in Czech with the exception of the documents issued by authorities of the Czech Republic. The exception to the documents in Czech does not apply to translation of foreign language documents into Czech. CDCP may, in reasonable case, waive from submitting verified translation of the documents to the Slovak language or waive from submitting documents in the Slovak language, if these are made in the English language.
- 7.6 In particular, the following documents or information must be attached to the request:
- a) a permit or other document issued by relevant body that gives proof of position of the applicant as a person eligible to be the participant;
  - b) a permit of a relevant body to incorporate a branch in case the applicant is a person interested in pursuing activities of the participant through a branch;
  - c) a relevant permit or permit issued by relevant body giving proof of authorization to pursue activities or type of services which the applicant asks for granting the access to including submission of other documents required for granting access to a specific type of services in the sense of the Rules of Operation,
  - d) an abstract from a commercial register or similar register of relevant state not older than 3 months or other documents that give proof of existence and how the applicant acts in the sense of applicable regulations, and authorization of the applicant in case the latter is not registered in the commercial register or similar official register; should the applicant be a person interested in pursuing the activities of the participant as a branch, documents related to the branch should be submitted according to this provision;
  - e) information about remedial actions or sanctions imposed to the applicant by relevant state supervisory body, body supervising compliance with obligations in the sphere of prevention of legalisation of proceeds of criminal activity or other relevant entity, in last three years before submission of the request, or affirmation that neither such remedial actions nor sanctions, related to execution of services of participant in connection with granted access, have been imposed on the applicant over said period;
  - f) originals or copies of VAT payer registration certificate and resolution on allocation of tax ID (DIČ) or other data needed for the sake of billing in case of foreign persons;
  - g) should the applicant come from outside the EU, identification of a body responsible for supervision over the applicant's activity;
  - h) originals or copies of financial statements for last three years, or information about insurance or other guarantees that secure the participant's activity in connection with giving proof of financial participation criteria if agreed in the contract with the participant; should no financial statements be available owing to date of incorporation or foundation of the applicant, a proof that demonstrates sufficient financial resources during six months of granting the participant's access and statements on financial health of the applicant; should the financial statements be available to public in Slovak, the applicant gives a link for retrieval;
  - i) description of ownership and control structure of the applicant, identification of final beneficial owner of the applicant and information whether the beneficial owner of the applicant is a politically exposed person or a person against whom international sanctions apply; information required herein are relieved from presentation in case



CDCP has right in connection with the applicant to apply simplified due diligence in connection to the client having low risk of money laundering and terrorism financing in the sense of the AML act, wherein CDCP shall have right to ask for this information;

- j) organizational structure of the applicant that permits pursuing all activities needed for proper performance of the participant's obligations;
- k) description of the external provision of the participant's activities giving details what participant's activities in connection with granted services shall be outsourced, and identification of the outsourcer;
- l) identification of the participant through which the applicant intends to pursue the operated participation's activities and the granted service types (identification of an authorized participant) and service type identification intended to be pursued in through the delegated participation including giving proof of compliance with the participation criteria to be pursued in through the authorized participant; the applicant gives proof of the participation criteria according to this provision in cooperation with the authorized participant;
- m) should the applicant come from outside the EU, information or documents that give proof of compliance with the participation criteria according to article 6, section 6.4, paragraph d) of this part of the Rules of Operation;
- n) a test report authored by the participant and a certification testing certificate issued by CDCP, however only in case the applicant has attended the certification testing prior to presenting the request for access;
- o) affirmations in connection with compliance with the participation criteria according to article 6, section 6.4, paragraphs e) to h), article 6, section 6.5, paragraphs a) to e), and paragraph h) and i), article 6, section 6.6 of this part of the Rules of Operation;
- p) affirmation of the applicant's statutory body that data in the request for access and appendices thereto is complete, true, and correct;
- q) data according to article 6, section 6.5, paragraph f) and g) of this part of the Rules of Operation;
- r) other relevant documents that give proof of compliance with the participation criteria, in particular documents proving implementation of effective system of operation risk management and other documents in a sense of relevant Executory Decree.

7.7 The participant has right, with the agreement of CDCP, to submit along with the application other documents or documents in other form as a replacement of documents in sense of section 7.6 of this article, if these includes relevant data in sufficient extent. In valid reasons CDCP has right to waiver from submitting documents along with the application according to this article. In reasonable cases, at the moment of submitting the application for access, CDCP may waive the requirements as regards form, delivery method and essentials according to section 7.2 of this article.

7.8 CDCP shall have right to ask for completion or change to the documents presented with the application should they be incomplete or unclear as well as presentation of other documents, in particular to review compliance with the participation criteria not explicitly identified in this article of the Rules of Operation or risk assessment in connection with granting of the participant's access.

7.9 The applicant shall provide cooperation to CDCP needed to review the request. Should the applicant reject the cooperation and the request may not be reviewed properly without cooperation of the client, CDCP shall decide on not granting the access for the participant.



- 7.10 No later than one month of receipt of the request CDCP shall decide on the request and send a response in writing to the applicant depending on review of the request, in particular the specific decision on granting or non-granting of the participant's access. Period pursuant to this provision starts to lapse on the day of submitting of complete request for access, which contains all required essentials and attachments. The request, or its attachments, are considered incomplete if these, from factual point of view, do not include required information.
- 7.11 CDCP shall invite the applicant in writing for making complete the required information in the request or appendices thereto in case the required information is missing in the request, or if not all documents required were presented or if the same is incomplete or incorrect. In case the applicant fails to make the request complete as required and in time stated in the appeal, CDCP shall reject the request for access and shall not grant access to the participant, whereas in the appeal it will provide the requesting party with information about this fact.
- 7.12 Granting the access to the participant to particular service is conditional on successful certification testing in conformity with the Executory Decree No. 1 – Communication of the Participant and other Market Infrastructure with IS CDCP. For the purpose of testing according to previous sentence the applicant is interested to accomplish prior to granting access to the participant, and for the purpose of meeting the requirements for pursuing specific type of services following the access is granted to the participant, the applicant shall provide inevitable cooperation to CDCP, in particular to conclude a confidentiality agreement related to technical details of the IS CDCP being provided to the applicant in connection with the testing.
- 7.13 Should the operation activities of the participation and pursuing the services being granted be provided by an authorized participant, granting of the access is conditional on meeting the participation criteria according to article 6, section 6.5, paragraphs a), h), i) of this part of the Rules of Operation via the authorized participant.
- 7.14 Should the request for access be denied, CDCP shall provide justification of its decision based on full risk assessment and give relevant facts used on the background in the review. CDCP shall deny the request for access from a participant, should it be regarded as justified based on the full risk assessment as well as in case the applicant fails to submit documents, even after appeal, to review compliance with the participation criteria.
- 7.15 Should the access be denied, the applicant shall have right to submit a complaint to the NBS in conformity with article 33 of CSDR regulation. If NBS should evaluate the complaint as reasoned, based on the complaint procedure according to the Delegated regulation 2017/392, CDCP will grant access to the requesting person on basis of the NBS order, whereas provisions of this article apply adequately.
- 7.16 CDCP shall grant access to the applicant to each service type on the day not later than on which the participant's access/participation comes into force, and upon compliance with the conditions for granting the access to each service type according to relevant provisions of the Rules of Operation.
- 7.17 The participant shall pay a fee in conformity with the Scale of Fees for granting the access to the participant.

## **Article 8**

### **Types of the services made accessible to the participants**

- 8.1 CDCP may grant access to the following types of services to the applicant:
- a) Owner's account services,
  - b) Holder's account services,
  - c) Services of authorized participant for the holder's account
  - d) Services of authorized participant for the owner's account
  - e) Issuer's services.
- 8.2 The request for access to each service type in case of an applicant for the participant's access forms a part of the participant's request for access. The participant may ask for access to each service type in the form of a specific request and in conformity with applicable provisions of the Rules of Operation. CDCP shall grant access to individual types of services on basis of special contractual arrangement, whereas it does not issue special decision on granting such access.
- 8.3 The selection of type of services is optional and intended for the participants/applicants provided that the participant/applicant has right to pursuit in this type of service, and complies with the conditions and criteria for pursuing this type of services.
- 8.4 Depending on the type of services the applicant shall submit in connection with making each type of service accessible the documents needed, and comply with the conditions according to applicable provisions of the Rules of Operation.
- 8.5 The participant shall have right through the Owner's account services according to section 8.1, paragraph a) of this article to process the instructions on his own owner's account opened for him by CDCP based on his request and concluded agreement, in particular specific credit and debit transactions, information services, collateral services according to § 53a of ZOCP. Applicable provisions of part V of the Rules of Operation and ZOCP applicable to the owner's account shall govern opening and maintenance of the owner's account of the participant.
- 8.6 The participant shall have right through the Holder's account services according to section 8.1, paragraph b) of this article to process the instructions on the holder's account being open by CDCP on his behalf. The Holder's account services allow the participant to keep the holder's registry relating to given holder's account. Applicable provisions of part V of the Rules of Operation and ZOCP applicable to the holder's account shall govern opening and maintenance of the holder's account of the participant.
- 8.7 The participant shall have right through the Services of authorized participant for the holder's account according to section 8.1, paragraph c) of this article to process the instructions on the holder's account being open by CDCP on the name of other participant. Referring to the holder's account kept for other participant, the services according to this section authorize the authorized participant to perform the Holder's account services according to section 8.1, paragraph b) of this article in connection with relevant holder's account. CDCP shall grant access to the services according to this section based on special contractual arrangements with the authorized participant and under conditions of article 9 of this part of the Rules of Operation.
- 8.8 The participant shall have right through the Services of authorized participant for the owner's account according to section 8.1, paragraph d) of this article to process the instructions on the owner's account being open by CDCP on the name of other person. Referring to the owner's account open for other participant, the services according to

this section authorize the authorized participant to pursue the Owner's account services according to section 8.1, paragraph a) of this article in connection with that owner's account. CDCP shall grant access to the services according to this section based on special contractual arrangements with the authorized participant and under conditions of article 9 of this part of the Rules of Operation.

- 8.9 The Issuer's services according to section 8.1, paragraph e) of this article authorize the participant to make entries of data on securities on accounts kept in CDCP and provision of other services in conformity with the conditions agreed in the special contractual arrangements. Referring to ARDAL as the state administration body, which based on act No. 291/2002 Coll. on the State Treasury and on changes to and modification of some acts, as amended, in addition to, arranges issue of the government securities, the Issuer's services permit ARDAL being the participant to make entries of data on securities on accounts kept in CDCP and provision of other services in case of issues of the securities where the government is the issuer, in the sense of said act. The Issuer's services give authorisation to the participant to execute activities of an Issuing Agent pursuant to article 25, part IV of the Rules of Operation. CDCP shall make the Issuer's service accessible to the participant based on special contractual arrangements.
- 8.10 A pre-condition for access to each type of service according to this article is the authorization of the applicant/participant to process the credit and debit settlement instruction on the accounts.
- 8.11 Granting the access to particular service is conditional on successful certification testing in conformity with the Executory Decree No. 1 – Communication of the Participant and other Market Infrastructure with IS CDCP in connection with said type of services.
- 8.12 CDCP publishes the specific list of services for each type of services according to this article on its website [www.cdcp.sk](http://www.cdcp.sk).
- 8.13 Withdrawal of access to services is regulated by provisions of the Rules of Operation or contractual arrangement between CDCP and the Participant. CDCP shall not issue special decision on withdrawal of access to particular services, unless otherwise stipulated in the Rules of Operation (e.g. in case sanctions are applied). Also termination of access to services in sense of relevant provisions of the Rules of Operation when related agreement based on which access to services was granted to the Participant was terminated as well, is considered for withdrawal of access to individual types of services.
- 8.14 The Participant is entitled to use accessible services via the direct connection to T2S. Special rules for direct connection to T2S, including provisions governing the request for access and amendment of related rights and obligations, differences or variances in scope of accessible services, and for execution of services based on request from the Directly Connected Party are stipulated in the Executory Decree.

## **Article 9**

### **Performance of the authorized participant services for the owner's account or holder's account kept for the participant**

- 9.1 The participant may authorise other participant to perform the Holder's account services or Owner's account services according to article 8 of this part of the Rules of Operation. In this way the participant may delegate only one participant, wherein the power of attorney should relate to perform said services in full extent.
- 9.2 The authorized participant pursues in the activities according to section 9.1 of this article based on the access granted to the Services of authorized participant for the owner's

account or Services of authorized participant for holder's account according to article 8 of this part of the Rules of Operation. CDCP shall grant access to the services in connection with a specific account (performs the registration on the account and makes related services accessible) following conclusion of specific agreement between CDCP and the authorized participant, and submission of the power of attorney granted to the authorized participant by the participant. The power of attorney should comply with the requirements according to article 2, part I of the Rules of Operation, and should contain account number in relation to which the participant is authorized to pursue the Services of authorized participant to the owner's account or the Services of authorized participant to the holder's account.

- 9.3 The authorized participant shall have right to perform activities according to section 9.1 of this article only for the term of validity of the power of attorney from the account owner/holder, and only to the extent specified therein. Breach of this obligation shall be regarded as substantial breach of the Rules of Operation.
- 9.4 The participant who pursues in the services access to which was granted via the authorized participant according to this article shall be required with respect to the services:
- a) ensure the authorized participant has no title for the securities registered on the account,
  - b) arrange of itself immediate access to the services, including situation of the authorized participant's default or in case when measures and sanctions according to article 12 of this part of the Rules of Operation are applied against the authorized participant. The arrangement of immediate access to the services according to this provision refers to making sure the services are pursued in properly in conformity with the Rules of Operation and relevant regulations including complying with all conditions for pursuing these services and complying with the participation criteria provided by the authorized participant.
- 9.5 The authorized participant shall be liable for correctness and completeness of all documents permitting him to pursue the activity according to section 1 of this article, and be liable also for damage occurring from unauthorized submission of an instruction or breach of obligations according to this article.
- 9.6 Should the operation activities of the participant and provision of the accessed services be provided by the authorized participant, the participant shall make sure the participation criteria according to article 6, section 6.5, paragraphs a), h) and i) of this part of the Rules of Operation are met via the authorized participant. In this case, the authorised participant shall provide CDCP inevitable cooperation and withstand review and assessment of the participation criteria being provided for other participant under conditions and based on procedure defined in the Rules of Operation. The authorized participant shall immediately inform CDCP about any fact or change resulting in cessation of compliance of the authorised participation with the participation criteria being arranged in favour of other participant. Should the participation criteria not be met in the sense of this provision, CDCP shall have right to impose actions and sanctions according to article 13 of this part of the Rules of Operation against the authorized participant as well as the participant who authorized the delegated participation to pursue the activities. Should CDCP deny access to the services for the authorized participant according to this article or access to these services shall terminate, the participant who authorized the authorized participant shall immediately comply with the

participation criteria pursued in via the authorized participant or shall ensure compliance with the criteria via other authorised participant.

- 9.7 The rights and obligations of the participant who authorized the authorized participant to pursue the activities in the sense of this article shall apply accordingly, unless stated otherwise in the Rules of Operation. In particular, the authorized participant shall comply with the obligations according to part VI of the Rules of Operation and obligations related to submission of the requests for service/instructions. The participant shall have right to arrange the rights and obligations are complied with via the authorized participant, unless their nature indicate that the participant directly shall arrange the same.
- 9.8 Where the participant (account owner/holder) revokes the power of attorney for the authorized participant or the latter is no longer authorized to pursue the services according to this article for any other reason, the authorized participant shall demand CDCP without undue delay to terminate registration in the account in relation to access to the Services of the authorized participant to the owner's account or Services of the authorized participant to the holder's account with respect to said account, and submit revocation of the power of attorney or other relevant document that gives proof of termination of the authorization for the authorized participant. Breach of this obligation shall be regarded as substantial breach of the Rules of Operation.
- 9.9 The authorized participant shall have right to demand denying the access to the Services of the authorized participant to the owner's account and to the Services of the authorized participant to holder's account with respect to said account (cancellation of registration on the account) also for reasons other than revocation of the power of attorney for pursuing the activities of the authorized participant.
- 9.10 The participant (account owner/holder) shall have right to demand cancellation of registration on the account in relation to access of the authorized participant to the Services of the authorized participant to the owner's account or to the Services of the authorized participant to the holder's account with respect to said account (cancellation of registration on the account). CDCP shall cancel registration on the account according to previous sentence without delay after submission or presentation of revocation of the power of attorney granted to the authorized participant, or any other relevant document.
- 9.11 CDCP shall have right to cancel registration on the account in relation with the access to the Services of the authorized participant to the owner's account or to the Services of the authorized participant to the holder's account with respect to the specific account also based on other relevant fact defined herein, wherein the participant (account owner/holder) and the authorized participant are informed thereof without undue delay.
- 9.12 Upon cancellation of registration of the authorised participant in relation to specific account comes:
- a) in case of the owner's account, to cancelation of access to Services of the authorised participant to the owner's account in relation to given owner's account;
  - b) in case of holder's account, to cancelation of Services of the authorised participant to the holder's account of the owner in relation to given holder's account and cancellation of relevant agreement concluded between CDCP and authorised participant in sense of section 9.2 of this article.
- 9.13 CDCP shall not be obliged to inform the participant (account owner/holder) about granting or denying/cessation of access of the authorized participant to the Services of

the authorized participant to the owner's account or to the Services of the authorized participant to the holder's account with respect to specific account (creation/cancellation of registration on the account).

- 9.14 Referring to the default of the authorized participant or the participant, who authorized other participant to pursue the activity according to this article (account owner/holder), suspension or denying of the access, the special arrangements according to article 14 et seq. of part II of the Rules of Operation and provisions of article 7 part VI of the Rules of Operation shall apply.

## **Article 10**

### **Rights and obligations of the participant**

- 10.1 The participant shall in pursuing the activities comply with the rights and obligations defined in the Rules of Operation, CSDR regulation, ZOCP, and other regulations in connection with pursuing the activities of the participant and access to each type of service.
- 10.2 Furthermore, the participant shall:
- a) pay the fees in conformity with the Scale of Fees,
  - b) submit the request for service or instruction to CDCP exclusively based on documents giving the participant the right to do so,
  - c) keep records on provided services and processed instructions, including documents based on which the requests for service were submitted or instruction in conformity with applicable regulations,
  - d) arrange adequate procedures to avoid any misuse of information being accessible in the CDCP records and in relation with pursuing the activities of the participant or use thereof without a legal reason,
  - e) when outsourcing the activities of the participation, arrange the pursuing these activities to an extent sufficient not preventing from reviewing and evaluating of compliance with the participation criteria, audit and inspection by CDCP in conformity with the Rules of Operation,
  - f) to participate in preparation and testing of IT systems in compliance with requirements of CSDR Regulation and relevant implementation regulations and in compliance with the Rules of Operation,
  - g) retain fairness and principles of honest trading and business, in particular: do not make deals detrimental to third parties; do not prefer deals on own account to the client's account; do not prefer deals on one client's account to other client's account; do not make transactions not approved by the client; do not provide incomplete, inaccurate, misleading, or untrue information to the client or CDCP; do not recommend actions obviously unsuitable or unfavourable for the client; do not misuse own expertise and experience at the expenses of client,
  - h) submit at least annually an abstract from commercial register or other register to CDCP.
- 10.3 The participant shall comply with the report duty and provide information to CDCP and third persons in conformity with ZOCP, CSDR regulation, the Rules of Operation, or special contractual arrangements.
- 10.4 The participant shall immediately inform CDCP about any of the following:
- a) serious events of the risk materialization (serious incidents) with impact on activity of CDCP or of other participants;

- b) legally effective decision in a court or other proceeding of which party the participant is, potentially having negative impact on pursuing the participant's activities, CDCP, in particular those related to insolvency of the participant;
  - c) initiation of the prosecution for a crime of property nature or other intentional crime of a member of the statutory body or branch manager or a person through which the participant pursues its activity, or initiation of the prosecution for a crime in favour of, on the name of, in the course, or through the participant's activity by its bodies or representatives specified in act 91/2016 Coll. on Criminal liability of legal entities and on change and amendment of other acts;
  - d) sanctions imposed to the participant and which may at the same time have impact on pursue participant's activities and provision of each type of service;
  - e) change to, suspension, or revocation of permits based on which CDCP made the service accessible to the participant or granted access to the latter including facts that the participant does not comply with the conditions compliance of which was necessary for issuing of the permit;
  - f) the participant became insolvent, value of his resources does not reach the level required, a bankruptcy motion has been submitted against the participant, the participant lost his right to use his financial assets, or other fact indicating that the participant is not or may not be in future able to meet his financial liabilities in connection with pursuing the participant's activity;
  - g) outsourcing of the participant's activities;
  - h) change to identification data and data registered in the commercial register or other official register in case of foreign participants, being subsequently confirmed by submission of an abstract from the commercial register or other relevant abstract;
  - i) changes to registration of VAT payer or billing data.
- 10.5 The participation shall at any time upon request from CDCP provide information and submit documents inevitable for review and assessment whether the participation complies, or at the moment of presenting the request for access has complied with the participation criteria, or submit an affirmation upon request of CDCP on compliance with the participation criteria.
- 10.6 Referring to the relevant cases the participant shall submit CDCP all information or cooperation needed for the purpose of compliance with relevant regulations or regulations of a state to which CDCP is bound in pursuing its activities or obligations resulting from connection with other central depositories. A relevant event may be in particular compliance with information obligations in connection with foreign securities towards relevant bodies or entities of other state in the sense of applicable regulations of that state in force.
- 10.7 The participant shall require from his clients all prior permits and arrange guidance of the client in connection with handling with the client's securities, data on client's securities, or client data in the sense of relevant regulations and the Rules of Operation.
- 10.8 The participant shall comply with the client protection rules according to article 38 of the CSDR Regulation including obtaining required consents according to article 38 section 7 of CDRD Regulation.
- 10.9 The participant has right:
- a) immediately after granting of access becomes effective, for the IS CDCP from CDCP for free in conformity with the rights of third parties, what shall supply for connection and technical communication of the IS CDCP with internal software of the

participant, and for free provision of all information related to the IS CDCP needed for his technical connection to the participant's software; CDCP shall provide the IS CDCP to the participant to the extent inevitable for pursuing activities depending on type of services to which access has been granted to the participant;

- b) for relevant information needed for compliance with the participant's obligations;
- c) use in his official documents, promotional, advertising and other materials the term "participant of the central depository" in connection with pursuing the activities of the participant;
- d) attend the sessions of the User Committee through an appointed representative, wherein the criteria of admission, procedure for appointing of members of the committee and their representatives, rights of the member of the committee and other issues related to the User Committee are defined in the Statutes of the User Committee;
- e) for information about potential risk sources with respect to the participant resulting from connection with other central depository;
- f) for other rights resulting from the Rules of Operation and relevant regulations.

## **Article 11**

### **Rules for reconciliation**

- 11.1 The participant is obliged to reconcile regularly (on daily basis) records in the holder's registry with records on securities on the holder's account opened for this participant.
- 11.2 In case of discrepancies among records pursuant to par. § 105a section 2 letter c) and d) of ZOCF registered on the holder's account in CDCP registry and records in the holder's registry, predominant are records in the holder's account.
- 11.3 The holder is obliged, on ongoing basis, to execute all changes in the holder's registry related to records on securities registered on the holder's account, e.g. change in the nominal value etc.
- 11.4 For purpose of fulfilling of obligations pursuant to section 11.1 of this article CDCP shall provide the participant or authorised participant with necessary information in connection with administration of the holder's account and information on relevant securities issues via granted access to Services to the Holder's Account, Services of the Authorised Participant to the holder's account and other services made accessible to the participant according to the Catalogue of Services for entities which were granted access, namely:
  - a) aggregated securities account statement at the end and start of relevant operation day,
  - b) single transactions of securities to the securities account or from the securities account during relevant operation day.
- 11.5 The participant is obliged, without delay, to eliminate any discrepancy identified during reconciliation pursuant to this article, unless discrepancy is caused by insufficient protection of securities issue integrity pursuant to article 2, part VI of the Rules of Operation on the part of CDCP, or discrepancy caused by error or incompleteness in the registry.
- 11.6 The participant or authorised participant which is providing for activities and performs accessible services for the participant, is obliged to inform CDCP on discrepancies identified in compliance with this article in case that the participant shall not eliminate



identified discrepancy by the end of operation day following the operation day at end of which discrepancy was identified.

- 11.7 The participant or authorised participant which is providing for activities and performs accessible services for the participant, is obliged to provide to CDCP information which CDCP considers necessary to solve discrepancy identified during securities issue integrity check. Provision of article 2, section 2.5, part IV of the Rules of Operation applies also if discrepancy pursuant to this article was identified.
- 11.8 This article applies adequately to reconciliation of data in the member's registry with data on securities on the client's account opened for the participant.

## **Article 12**

### **Audit mechanisms**

- 12.1 CDCP shall have right to conduct an audit in connection with pursuing the activity of the participant, in particular for the purposes of:
- a) review and assessment whether the participant complies with the participation criteria including actions, procedures, and mechanisms the participant has implemented to be in compliance with the participation criteria;
  - b) checking the compliance with the obligations the participant agreed to according to the Rules of Operation or special contractual arrangements in connection with pursuing activities of the participant;
  - c) control of compliance with obligations in cases where CDCP entrusted pursuing its activities to the participant.
- 12.2 Provisions of this article do not apply to execution of regular review and assessment of compliance of the participant with the participation criteria.
- 12.3 The audit commences on the day of the audit notification sent to the participant. In the audit notification, CDCP defines the subject or extent of the audit, how the audit is to be conducted, an appeal for submission of the documents and provision of information including deadline for submission in case of a remote audit, date of the audit in case of on-site audit.
- 12.4 CDCP usually conducts the remote audit based on information and documents submitted by the participant, or information contained in the IS CDCP. In legitimate cases where it is not possible to conduct the remote audit (e.g. the participant fails to submit the required documents and information, or if necessary to verify some facts), CDCP shall have right to conduct the audit on site at the participant.
- 12.5 CDCP shall notify in writing the participant about the on-site audit 5 days in advance. The audit according to previous sentence shall be regarded as notified on the day of delivery of the notification. In legitimate cases CDCP shall have right to send the audit notification to the participant within shorter deadline, wherein the audit notification may be sent by e-mail to a specified address. In legitimate cases the audited participant, not later than at the beginning of the audit, may request in writing for change to the audit with indication of relevant grounds thereof in the request. CDCP shall decide about the request and inform the participant immediately how the request was processed, wherein the response may be sent by e-mail as well.
- 12.6 An employee of CDCP delegated to pursuing the audit shall identify himself/herself during the audit on the audit site by presenting the delegation and upon request, the participant may consult the delegation. In the course of the audit the delegated employee

shall proceed not to impact the rights and rightfully protected interests of the participant where the audit is taking place, and of its clients.

- 12.7 In order to conduct the audit on site the participant shall permit the CDCP employee delegated to pursue the audit to enter the premises and offices of the participant and submit the documents, records, and other files required for the audit, and provide copies thereof or provide information and explanations related to the activities pursued by the participant.
- 12.8 The employee of CDCP delegated to audit shall create the audit report.
- 12.9 The audit report includes in particular identification of the participant being audited, subject of the audit, start date of the audit, how the audit was conducted, place and time in case of on-site audit, identification of the delegated employees of CDCP involved in the audit, demonstrated findings and the audit result, in particular potential defaults, guidance on deadline for submission of objections, report date, signature of the delegated employee who authored the report.
- 12.10 CDCP shall deliver the audit report to the audited participant immediately after it is prepared. The audited participant may submit objections within 15 days of delivery of the Audit report against the latter and findings contained therein. The objections must be legitimate to be considered. Should the audited participant submit no objections, it shall be understood that the participant agrees with the Audit report. Should the objections be submitted, CDCP shall have right to ask for additional information or statement from the audited participant. In the next steps, CDCP shall also consider the legitimate objections submitted in time.
- 12.11 The audit shall be regarded as completed upon expiry of the last day of deadline for submission of the objections or on the day of discussion over the submitted objections. Should the audited participant fail to attend the discussion over the objections within the deadline defined by CDCP, the objections shall be regarded as discussed. CDCP shall add results from the discussion on objection to the Audit report.
- 12.12 Should shortcomings be found based on the audit result, CDCP proceeds according to relevant provisions on actions and sanctions, and procedure for application thereof according to article 13 et seq. of this part of the Rules of Operation.

### **Article 13**

#### **Actions and sanctions**

- 13.1 Should CDCP find out breach of the participant's obligations or other shortcomings in connection with the activity and position of the participant, CDCP shall have right depending on severity of the shortcomings found to impose the following actions or sanctions on the participant:
  - a) notice on the shortcomings found and recommendations for removal,
  - b) lay obligation to remove or remedy of the shortcomings found with stipulation of a reasonable deadline,
  - c) suspension of the access to the services,
  - d) cancellation of the access to the services,
  - e) cancellation of the participant's access.

- 13.2 While determining the type of actions and sanctions, CDCP shall consider all relevant circumstances, in particular severity and duration of the shortcomings, prior deficiencies caused by the participant, severity of risks resulting from the shortcoming.
- 13.3 CDCP shall apply the adequacy principle in application of the actions and sanctions. CDCP shall impose more strict actions and sanctions on the participant provided that purpose thereof is not achievable through a less strict action or sanction.
- 13.4 CDCP shall have right to impose multiple actions and sanctions on the participant at the same time, also in a single decision.
- 13.5 The participant shall cooperate in connection with imposition of the actions and sanctions according to this part of the Rules of Operation, and inform CDCP about any and all substantial facts with potential impact on the imposition of the sanctions (e.g. in connection with termination of their imposition).
- 13.6 Should an action be imposed to remedy or remove the shortcomings found, the participant shall inform CDCP immediately about remedy of the shortcomings found.
- 13.7 The participant on whom the sanctions according to article 14, 15 and 16 of this part of the Rules of Operation were imposed, shall comply with the report duties according to relevant regulations until relevant sanction becomes effective, and at the same time until CDCP keeps no account for the participant according to these Rules of Operation.
- 13.8 The participant shall have right to submit objections in writing against the sanctions according to section 13.1, paragraph c) to e) of this article within 15 days of delivery on decision on imposing of the sanction in writing. Submission of the objections against the decision on imposing of the sanction according to section 13.1, paragraph c) of this article has no deferrable effect. The participant shall have right to submit the objections in writing according to section 13.1, paragraph a) and b) of this article within 15 days of delivery of decision on imposition of an action, and CDCP is required to make a statement thereto, and in legitimate case the objections shall be discussed with the participant.
- 13.9 Provisions of article 4, section 4.1 and 4.2 of this part of the Rules of Operation shall apply on delivery of the documents according to this article.

## **Article 14**

### **Suspension of the access to the services**

- 14.1 The suspension may apply to all or some of the services being pursued by the participant based on the access granted depending on the reason for suspension of the access. Suspension of access means also setting of restrictions in connection with provision of relevant services.
- 14.2 CDCP may suspend the access to the services for up to one year.
- 14.3 CDCP shall have right to suspend the access in particular when the participant:
- a) fails to meet the participation criteria or exposes CDCP or its participants to unacceptable risks;
  - b) does not meet the obligations according to the Rules of Operation, regulations, or special contractual arrangements, wherein considering severity of the shortcomings that can be additionally removed, the activities of the participant are not at risk, and cancellation of the access to the services would be inadequate,

- c) repeatedly breaches his obligations despite prior warnings or actions imposed to remedy or remove the shortcomings found, or failed to remove the shortcomings found within the specified time,
  - d) breaches substantially the Rules of Operation or special contractual arrangements based on which CDCP has made accessible this type of services to the participant,
  - e) is in the situation that corresponds to the participant default definition according to the Rules of Operation.
- 14.4 The decision on suspension of the access to the services include the statement of the decision, justification of the same, identification of the services that are subject of the suspension, and a reasonable deadline for removal of the shortcomings being the reason for suspension of the access, or other relevant information.
- 14.5 CDCP shall deliver the decision on suspension of the access to the services immediately to the participant in writing and via e-mail to the communication address agreed with the participant.
- 14.6 The suspension of the access to the services becomes effective and comes into force on the day of CDCP's decision on the suspension of the access to the services.
- 14.7 Should the access to the services be suspended, the participant shall make inevitable tasks with respect to already received instructions and requests for service prior to suspension of the access to the services and related to processing of given type of services to which the access was suspended to the participant. The participant is not authorized upon delivery of the decision on suspension of the access to the services to process new instructions and submit the requests for service in pursuing this type of service, unless the Rules of Operation stipulate otherwise, or can process the same based on consent of CDCP only.
- 14.8 CDCP shall have right to check the compliance of the participant's obligations in connection with the arrangements of procedure according to this article. CDCP shall have right to stipulate the extent and conditions for submission of the instructions and requests for service with respect to the type of services to which the access was suspended to the participant. In application of this provision, CDCP shall consider an adequate procedure that ensures settlement of the participant's liabilities resulting from rendering of said type of services.
- 14.9 CDCP shall decide on withdrawal of the suspension of the access to the services immediately after the participant informs and gives proof that the grounds for which the access to the services was suspended are over.

## **Article 15**

### **Cancellation of the access to the services**

- 15.1 The cancellation of the access to the services may apply to all or some of the services being used by the participant based on the access granted depending on the reason for cancellation of the access. The provisions of article 16 of this part of the Rules of Operation apply to the cancellation of access of the participant to the services in consequence of which the participant is deprived of his position of the CDCP's participant.
- 15.2 CDCP shall decide on cancellation of access to a specific type of service in particular when:

- a) the participant is not holder of a permit and thereby unauthorized for pursuing this type of services,
  - b) the participant substantially fails to meet the participation criteria compliance of which is required to pursue to activities of the participant with respect to a specific type of services,
  - c) the participant either substantially or repeatedly fails to meet the obligations according to the Rules of Operation, regulations, or special contractual arrangements, wherein considering severity of the shortcomings or considering the fact that shortcomings may neither additionally be removed, the activities of the participant are at risk with respect to said type of services,
  - d) the participant repeatedly substantially breaches his obligations despite prior warnings or actions imposed to remedy or remove the shortcomings found, or failed to remove the shortcomings found within the specified time,
  - e) the participant breach substantially the Rules of Operation or special contractual arrangements based on which CDCP has made accessible this type of services to the participant,
  - f) the participant was granted the access to said type of services based on untrue documents, declarations, or otherwise illegally,
  - g) even on the grounds of the suspension of access of the participant to the services the shortcomings may not be removed and the participant did not adopt the remedies within the deadline even after suspension of the access to the services,
  - h) the participant is in the situation that corresponds to the participant default definition according to the Rules of Operation.
- 15.3 The decision on cancellation of the access to the services include the statement of the decision, justification of the same, identification of the type of services that are subject of the cancellation, or other relevant information. In its decision, CDCP shall have right to stipulate a deadline for settlement of all liabilities of the participant with respect to his clients, other participants, CDCP, or other involved persons resulting from provision of this type of services access to which was cancelled.
- 15.4 CDCP shall deliver the decision on cancellation of the access to the services immediately to the participant in writing and via e-mail to the communication address agreed with the participant.
- 15.5 The cancellation of the access to the services becomes effective on the day of CDCP's decision on cancellation of the access to the services, and comes into force upon expiration of the deadline for submission of objections or on the day on which the objections were discussed. Should the participant fail to attend the discussion over the objections within the deadline defined by CDCP, the objections shall be regarded as discussed. The provisions on suspended access to the services according to article 14 of this part of the Rules of Operation shall apply on pursuing the services involved in the cancellation of the access to the service effectively from the CDCP's decision about the same, wherein no special decision on suspension of the access to the services is required.
- 15.6 As soon as the decision on cancellation of the access to the services comes into force, the participant shall be liable for settlement of all liabilities resulting from provision of said type of services. The participant shall inform CDCP immediately that an obligation according to the previous sentence was fulfilled, wherein the special contractual arrangement based on which the access to said type of services was granted to the participant ceases on the day when the obligation has been fulfilled.

- 15.7 As soon as the decision on cancellation of the access to the services comes into force, the participant shall have right to pursue only tasks to settle the liabilities resulting from provision of this type of services, or tasks explicitly defined in the Rules of Operation. The participant is not authorized upon delivery of the decision on cancellation of the access to the services to process new instructions and submit the requests for service in connection with pursuing this type of service to which the access was cancelled, unless the Rules of Operation stipulate otherwise, or can process the same based on consent of CDCP only.
- 15.8 CDCP shall have right to stipulate the extent and conditions for submission of the instructions and requests for service with respect to the type of services to which the access was cancelled to the participant, exclusively for settlement of the participant's liabilities. In application of this provision, CDCP shall consider an adequate procedure that ensures settlement of the participant's liabilities resulting from rendering of said type of services.

## **Article 16**

### **Cancellation of the participant's access**

- 16.1 CDCP shall withdraw the participant's access:
- a) upon request of the participant;
  - b) should the participant fail to comply with the conditions for granting access to a participant, in particular the relevant permit is missing or the position in conformity with article 2, section 1, section 19 of CSDR regulation and § 99, section 13 ZOCP;
  - c) was achieved based on untrue documents, declaration or otherwise illegally, wherein this manners result in the fact the participant significantly fails to comply with the participation criteria,
  - d) in case of occurrence of assumptions for cancellation of the access to all types of service to which the access was granted to the participant,
  - e) the participant is in the situation that corresponds to the participant default definition according to the Rules of Operation,
  - f) in case of dissolution of the participant.
- 16.2 CDCP shall make decision on withdrawal of participant's access, only if participant's access ceases to exist due to cessation of the participant or cancelation of participant's access based on participant's request in case all requirement stipulated in this article are met.
- 16.3 At the moment of placing the request pursuant to section 16.1 letter a) of this article or prior to its dissolution at the latest, the participant shall arrange termination of maintenance of the owner's account in his records, termination of maintenance of the holder's account, client's account (kept for a member), and arrange termination of pursuing the types of services to which the access was granted if it is necessary in connection with withdrawal of the participants access. Referring to the dissolution of the participant, the latter shall arrange termination of maintenance of the owner's account kept on his name. In case conditions pursuant to this provision are not met, CDCP shall reject the request placed according to section 16.1 letter a) of this article (in particular if the participant did not terminate administration of individual accounts) and shall inform the participant on this fact without delay.
- 16.4 Withdrawal of participant access based on request pursuant to section 16.1 letter a) of this article occurs on basis of placing of the participant's request and becomes valid and

effective on working day following the day when request for withdrawal of access was delivered or on later day stated in the request for withdrawal of access if the participant specified such date. When withdrawal of participant access on basis of request pursuant to section 16.1 letter a) of this article becomes valid, the Agreement with the Participant and access to individual types of services made accessible ceases to exist. CDCP shall inform the Participant without delay on withdrawal of the access in writing and via e-mail.

- 16.5 The decision on cancellation of access of the participant to the services includes the statement of the decision, justification of the same, or other relevant information. In its decision, CDCP shall have right to stipulate a deadline for settlement of all liabilities of the participant with respect to his clients, other participants, CDCP, or other involved persons resulting his position and pursuing the services of the participant.
- 16.6 CDCP shall deliver the decision on cancellation of the access for the participant immediately to the participant in writing and via e-mail to the communication address agreed with the participant.
- 16.7 The cancellation of the access for the participant pursuant to section 16.1 letter b) through e) of this article becomes effective on the day of CDCP's decision on cancellation of the access to the services, and comes into force upon expiration of the deadline for submission of objections or on the day on which the objections were discussed. Should the participant fail to attend the discussion over the objections within the deadline defined by CDCP, the objections shall be regarded as discussed. The provisions on suspended access for the participant according to article 14 of this part of the Rules of Operation shall apply on pursuing the services of the participant effectively from the CDCP's decision about the same, wherein no special decision on suspension of the access to the services is required.
- 16.8 As soon as the decision on cancellation of the access for the participant pursuant to section 16.1 letter b) through e) of this article comes into force, the participant shall be liable for settlement of all liabilities resulting from provision of the services to which the access was granted. The participant shall inform CDCP immediately that an obligation according to the previous sentence was fulfilled, wherein the special contractual arrangement based on which the access to relevant type of services was granted to the participant ceases on the day when the obligation has been fulfilled and in connection to all types of services made accessible the Agreement on Participation ceases on day when obligation pursuant to this provision has been fulfilled.
- 16.9 As soon as the decision on cancellation of the access for the participant pursuant to section 16.1 letter b) through e) of this article comes into force, the participant shall have right to pursue only tasks to settle the liabilities resulting from his position and pursuing the activities of the participant, or tasks explicitly defined in the Rules of Operation. In particular, the participant shall arrange transfer of the assets of clients/owners of the accounts to the accounts kept in conformity with the regulations in other central depository or with other participant of the central depository. The participant is not authorized upon delivery of the decision on cancellation of access for the participant to process new instructions and submit the requests for service, unless the Rules of Operation stipulate otherwise, or can process the same based on consent of CDCP only.
- 16.10 CDCP shall have right to check the compliance of the participant's obligations in connection with the arrangements of procedure according to this article. CDCP shall have right to stipulate the extent and conditions for submission of the instructions and requests for service with respect to the type of services to which the access was cancelled



to the participant. In application of this provision, CDCP shall consider an adequate procedure that ensures settlement of the participant's liabilities resulting from position and pursuing the activities of the participant.

- 16.11 In case of cancellation of the access for the participant, CDCP shall inform thereof all participants, other market infrastructures to which the access was granted, NBS, and publish this information on its website.
- 16.12 CDCP will cancel the decision on withdrawal of access according to section 16.1, paragraphs b) through e) of this article on basis of the order from NBS in case NBS, based on complaint procedures related to access withdrawal pursuant to article 90 of the Delegated Regulation 2017/392, will assess the complaint reasoned.

## **Article 17**

### **Participant default**

- 17.1 The participant shall inform CDCP without undue delay that the participant is in the situation that corresponds to the participant default definition according to the Rules of Operation. The notification in writing contains at least:
- a) identification data of the participant (in particular business name, BIC code, LEI), and signature of a person authorized to act on behalf of the participant if information is delivered in writing,
  - b) identification of a collective action in the sense of which the participant complies with the definition of the participant default, identification of relevant body that issued the action, and identification of relevant regulation according to which the action has been issued including submission of the decision or other relevant document that gives proof of the fact said,
  - c) proceeding initiation date that presents the collective action in conformity with the definition of the participant default.
  - d) other relevant facts.
- 17.2 In addition to the notification according to subsection 17.1 of this article the participant shall inform CDCP immediately about existence of a reasonable assumption or increased risk that he may be found in a situation that corresponds to the participant default definition according to these Rules of Operation (for example initiation of a bankruptcy proceeding).
- 17.3 For beginning of participant's default is considered moment when relevant court or administration body renders decision in action, which represents collective measure stipulated by legal regulations of the member state or third country in order to liquidate or reorganisation of the participant (in sense of participant default definition). Rendering, becoming into effect of the decision and legal impact related to rendered decision are governed by relevant legislation.
- 17.4 The participant default shall be regarded as confirmed on the day of delivery of notification from a court or relevant body of other state on initialization of the bankruptcy proceeding, permission of restructuring, or other procedure in conformity with the regulations of that state according to which the proceeding was initiated in the sense of the participant default's definition, on the day of giving proof of the participant default based on other relevant fact or delivery of information according to the operation procedure agreed in T2S. In case information on participant's default has been delivered from source other than relevant authority or court or from T2S operator, default is considered proved only after sufficient examination of this fact by CDCP. Specific



moment of default confirmation within given day is set by CDCP in compliance with its internal procedures, depending on circumstances of particular cases which prove participant's default.

- 17.5 Following confirmation of the participant default, CDCP informs immediately about this fact the other participants of the settlement system, NBS, interconnected central depositories, other market infrastructures with access to the CDCP services and other persons which CDCP is obliged to inform in the sense of regulation or an agreement.
- 17.6 From the date of confirmation of the participant default, CDCP shall have right to apply the actions according to section 17.7 of this article.
- 17.7 Referring to the participant default, CDCP shall have right to perform the following measures:
- a) suspend access to the services according to article 14 of this part of the Rules of Operation,
  - b) cancel access to the services according to article 15 of this part of the Rules of Operation,
  - c) cancel access of the participant according to article 16 of this part of the Rules of Operation,
  - d) action according to article 7, part VI. of the Rules of Operation,
  - e) special actions on which CDCP shall decide depending on assessment of all circumstances of specific case.
- 17.8 CDCP shall immediately inform affected participant (defaulting participant) and the National Bank of Slovakia about action it plans to adopt or which, with respect to their importunateness, has adopted due to participant default.
- 17.9 CDCP shall, without delay, inform following persons on actions adopted due to participant default:
- a) relevant authorities of CDCP defined in CSDR Regulation,
  - b) ESMA,
  - c) other participants (including central depositories with link),
  - d) other market infrastructures with access granted by CDCP
- 17.10 CDCP shall test and review the procedures in the case of default according to this article:
- a) regularly, usually annually;
  - b) in case of substantial change to procedures related to default stipulated according to the Rules of Operation,
  - c) upon request from NBS.
- 17.11 The participants and other market infrastructures shall attend testing and reviewing of the procedures for case of participant default. CDCP shall perform testing and review of the procedures with relevant group of participants, other market infrastructures which were granted access, or with other affected entities.
- 17.12 Details related to testing may be arranged in an executory decree to the Rules of Operation. CDCP shall inform in writing the participants and the parties involved to participate in the testing and review about the testing and reviewing well in advance, but not later than 30 days before testing and reviewing. The deadline according to previous sentence may be adequately shortened in legitimate cases. The notification includes detail information related to the testing and reviewing, in particular the

parameters used for running of the test while considering different types of the participants (as far as the volume, activity, and more are involved) and services to which they have access granted. The testing usually includes simulation tests and communication plan test.

- 17.13 Should deficiencies be found on the side of the participants based on the testing and reviewing according to this article of the Rules of Operation, the participants shall remove all deficiencies found within a reasonable period of time. In this case, CDCP shall have right to define an adequate action the participants are required to accept.
- 17.14 CDCP informs the participants and other involved parties attending tests about results of the tests and reviews, which is without prejudice to the provisions that govern confidentiality of information according to these Rules of Operation and special contractual arrangements with respect to the entities involved in the testing and reviewing.

## **Article 18**

### **Participant in crisis situation**

- 18.1 Entering of a participant in crisis situation is not reason to terminate or restrict participant's access or access to services on the assumption that participant still meets its obligations relating to granted access. CDCP is entitled to withdraw or suspend access of a participant or access to individual types of services if further provision of services (granted access) could endanger secure and proper execution of CDCP operation and provision of related services.
- 18.2 During resolution the succession company is entitled to be granted participant's access in order to perform rights of the participant in resolution, unless stipulated otherwise in this article. Provisions of article 7 of this part of the Rules of Operation and provisions of this article apply adequately to granting of access. CDCP has to act without delay in connection with processing of request, whereas adequate risk management standards have to be maintained and regulatory requirements have to be fulfilled.
- 18.3 In compliance with Act on resolution CDCP shall grant access to succession company also in case the company is not compliant with all participation criteria and it is imposed by relevant resolution authority. The succession company has to subsequently become compliant with the participation criteria and declare compliance with the criteria no later than on the last day of period set by relevant resolution authority. This provision shall no apply if granting of access could endanger safe and proper execution of CDCP operation and provision of related services (especially if the succession company does not meet conditions without which execution of activities/services is not possible or it has no relevant authorisation).
- 18.4 Obligations specified in the Rules of Operation and special contractual arrangements apply fully to the succession company, unless stipulated otherwise in relevant legal regulation. Respective measures and sanctions apply to the succession company in case of noncompliance with the obligations (except exemptions stipulated in this article).
- 18.5 In case resolution proceeding against a participant was opened, the rules for termination of settlement according to part VI of the Rules of Operation remain intact unless stipulated otherwise in relevant legal regulation.
- 18.6 CDCP shall provide the participant in crisis situation, succession company and resolution authority with required cooperation in order to assure continuity of critical activities and transaction of asset of participant's clients. Provisions of part V. of the

Rules of Operation and provisions on transition of the member's registry shall apply to transfer of clients' assets.

## **MEMBERSHIP**

### **Article 19**

#### **Introductory provisions**

- 19.1 In conformity with § 104 section 1 of ZOCP, only a participant and a central depository, which became the CDCP's participant in conformity with CSDR regulation, may be a CDCP member.
- 19.2 A member position is created based on decision of CDCP on granting a membership. A condition for granting of the membership and duration of the same is the granted access for the participant/participation in conformity with this part of the Rules of Operation and relevant regulation.
- 19.3 The position of the member is not transferable and it may not be transferred in any way to any other person, and may not be transferred to a legal successor.
- 19.4 All members have identical rights and obligations depending on the type of services that have been made accessible to the member.
- 19.5 An applicant for membership or the participant may ask for the access to each service type according to article 20 of this part of the Rules of Operation performing of which is authorized.
- 19.6 The member's activity is restricted to the activities related to each service type to which access was granted by CDCP to the member, and performance of which was granted to the participant by relevant authority of the state. This is without prejudice to pursuing the activity of the participant.
- 19.7 In connection with the pursue of each type of service according to article 20 to which the access was granted by CDCP, the member shall comply with or meet the participation criteria according to article 6 of this part of the Rules of Operation.

### **Article 20**

#### **Request for membership**

- 20.1 Provisions of article 7 of this part of the Rules of Operation apply adequately to submission of the request for membership, unless stipulated otherwise in this article.
- 20.2 In particular, the following documents and information must be attached to the request:
  - a) a relevant permit or permit issued by relevant authority giving proof of authorization to pursue activities or type of services which the applicant asks for granting the access to (in particular the permit for provision of investment services in the extent of § 6, section 1, paragraph a), b) or d) of ZOCP) including submission of other documents required for granting access to a specific type of services in the sense of the Rules of Operation.
  - b) An abstract from a commercial register or similar of a state not older than 3 months or other documents that give proof of existence and how the applicant acts in the

- sense of applicable regulations, and authorization of the applicant in case the latter is not registered in the commercial register or similar official register.
- c) affirmation of the applicant's statutory body that data in the request for access and appendices thereto is complete, true, and correct;
- 20.3 The documents according to section 20.2 of this article may not be submitted in case CDCP has them already available in connection with position of the applicant as a participant or in case the applicant jointly asks for access according to article 7 of this part of the Rules of Operation, and the documents are already included in the request for access for the participant.
- 20.4 CDCP shall not later than one month of delivery of the request decide about consent or dismissal of the membership in connection with review of the request. Passing of the deadline according to previous sentence is suspended in case of an appeal for making the request complete and counts from the day of sending of the appeal up to delivery of the required documents. In case the applicant fails to submit the required documents within the reasonable time, CDCP shall decide on dismissal of the membership.
- 20.5 The applicant may submit the request for membership at the same time with the request for access of the participant according to article 7 of this part of the Rules of Operation, wherein the deadline according to section 20.4 of this article commences from the date when the request for access for the participant comes into force. CDCP shall have right to decide about granting of the membership to the applicant earliest on the day when the participation comes into force.
- 20.6 The decision on granting of the membership comes into force on the day of CDCP's decision and into effect on the day following CDCP decision or on other day specified in the decision.
- 20.7 CDCP shall grant access to the applicant to each service type on the day not later than on which the membership comes into force, and upon compliance with the conditions for granting the access to each service type according to relevant provisions of the Rules of Operation.

## **Article 21**

### **Types of services made accessible to a member**

- 21.1 A member may ask for access to the following type of services:
- a) Client's account services,
  - b) Services of authorized member to non-allocated accounts.
- 21.2 The request for access to each service type in case of an applicant for the membership forms a part of the request for membership. The member may ask for access to each service type in the form of a specific request and in conformity with applicable provisions of the Rules of Operation.
- 21.3 The selection of type of services is optional and intended for the members/applicants provided that the member/applicant has right to pursuit in this type of service, and complies with the conditions and criteria for pursuing this type of services.
- 21.4 The member shall have right through the Client's account services according to section 21.1, paragraph a) of this article to perform the instructions over the client's account opened by CDCP in his behalf. The Client's account service allow the member to render the member's record with respect to said client's account (create the owner's accounts under the client's accounts, register changes to data of these owner's accounts, process

the debit and credit settlement instructions for the owner's accounts and information services). The provisions of part V of the Rules of Operation and of ZOCP relating to the client's account shall apply to opening and maintenance of the client's account.

- 21.5 The Services of authorized member to non-allocated accounts according to section 21.1, paragraph b) of this article permit the member to render the operations over the non-allocated accounts to the extent and in procedure defined according to ZOCP and the Rules of Operation. Provisions of article 5 of part V of the Rules of Operation shall apply to rendering of the activities of the authorized member. CDCP shall grant access to the services according to this article based on special contractual arrangements with the authorized member.
- 21.6 Granting of the access to each service is conditional on successful certification testing in conformity with Executory Decree No. 1 – Communication of the participant and other market infrastructure with the IS CDCP in connection with said type of services.
- 21.7 CDCP publishes the specific list of services for each type of services according to this article on its website [www.cdcp.sk](http://www.cdcp.sk).

## **Article 22**

### **Rights and obligations of the member**

- 22.1 Provisions of article 10 and article 11 of this part of the Rules of Operation shall apply to the rights and obligations of the member adequately.
- 22.2 When providing services to the owners of securities, the member shall use services in conformity with the IS CDCP's technical specification. The member shall conduct the report duty according to § 28, section 8 of ZOCP if he keeps the owner's account of the securities transferee in his records.
- 22.3 Should a permit in the sense of § 23, section 1 of ZOCP be required and an obliged person has no such permit available, the member shall inform the relevant authority following the transfer registration, and the decision of that authority should be attached to the transferee's instruction.
- 22.4 The member must not cancel the securities owner's account being registered in his record if the latter placed an instruction subject of which is purchase of the securities in favour of this owner's account.

## **Article 23**

### **Audit mechanisms**

- 23.1 CDCP shall have right to conduct an audit in connection with pursuing the activity of the member, in particular in the following cases:
- a) reviewing and assessment whether the member complies with the participation criteria being applied on him in conformity with article 19 of this part of the Rules of Operation including actions, procedures, and mechanisms implemented by the member in connection with compliance with the participation criteria;
  - b) compliance with the obligations the member agreed to according to the Rules of Operation or special contractual arrangements in connection with pursuing activities of the member;
  - c) in cases where CDCP entrusted pursuing its activities to the member.
- 23.2 Provisions of article 12 of this part of the Rules of Operation shall apply to the procedure in pursuing the audit accordingly.

## **Article 24**

### **Actions and sanctions**

- 24.1 Should CDCP find out breach of the member's obligations or other shortcomings in connection with the activity of the member, CDCP shall have right depending on severity of the shortcoming found to impose the following actions or sanctions on the member:
- a) notice on the shortcomings found and recommendations for removal,
  - b) lay obligation to remove or remedy of the shortcomings found with stipulation of a reasonable deadline,
  - c) suspension of the access to the services,
  - d) cancellation of the access to the services,
  - e) cancellation of membership.
- 24.2 Unless defined otherwise in this article, the actions and sanctions are governed by provisions of article 13 of this part of the Rules of Operation accordingly. Provision of article 14 of this part of the Rules of Operation shall govern the suspension of the access to the services according to section 24.1 paragraph c) of this article. Provision of article 15 of this part of the Rules of Operation shall govern the cancellation of the access to the services according to section 24.1 paragraph d) of this article.
- 24.3 The participant shall have right to submit objections in writing against the sanctions according to section 24.1, paragraph c) to d) of this article within 15 days of delivery on decision on imposing of the sanction in writing. Submission of the objections against the decision on imposing of the sanction according to section 24.1, paragraph c) has no deferrable effect. The member shall have right to submit the objections in writing according to section 24.1, paragraph a) and b) of this article within 15 days of delivery of decision on imposition of an action, and CDCP is required to make a statement thereto, and in legitimate case the objections shall be discussed with the member.

## **Article 25**

### **Cancellation of the membership**

- 25.1 CDCP shall decide on cancellation of membership:
- a) upon request of the member,
  - b) should the member fail to comply with the membership conditions, in particular in case the participant's access is cancelled,
  - c) if the member got the membership based on untrue documents, declaration or otherwise illegally, wherein this manners result in the fact the member significantly fails to comply with the conditions for granting of the membership,
  - d) in case of occurrence of assumptions for cancellation of the access to all types of service to which the access was granted to the member,
- 25.2 CDCP shall issue decision on membership cancellation, excepting if the membership ceases due to cessation of the participant or termination of the membership on basis of the member's request in case all conditions stipulated in this article are met.
- 25.3 At the moment of placing request for cancellation of the membership at the latest or prior to its dissolution, the member shall arrange termination of maintenance of the owner's account registered by the member, termination of maintenance of the client's account, and arrange termination of performing of the types of services to which access was granted, if it is necessary in connection with membership withdrawal. In case the

conditions according to this provision are not met, CDCP shall reject the request submitted according to section 25.1 letter a) of this article (in particular if the participant did not terminate administration of individual accounts) and shall inform the participant on this fact without delay.

- 25.4 Withdrawal of membership based on request pursuant to section 25.1 letter a) of this article occurs on basis of placing of the member's request and becomes valid and effective on working day following the day when request for withdrawal of the membership was delivered or on later day stated in the request for withdrawal of the membership if the participant specified such date. When withdrawal of the membership on basis of request pursuant to section 25.1 letter a) of this article becomes valid, access to individual types of services made accessible ceases to exist as well. CDCP shall inform the CDCP member without delay on withdrawal of the membership in writing and via e-mail.
- 25.5 The decision on cancellation of the membership includes the statement of the decision, justification of the same, or other relevant information. In its decision, CDCP shall have right to stipulate a deadline for settlement of all liabilities of the member with respect to his clients, other participants, CDCP, or other involved persons resulting from his position and provision of the services of the member.
- 25.6 CDCP shall deliver the decision on cancellation of the membership immediately to the participant in writing and via e-mail to the communication address agreed with the member.
- 25.7 The cancellation of the membership pursuant to section 25.1 letter b) through d) of this article becomes effective on the day of CDCP's decision on cancellation of the membership, and comes into force upon expiration of the deadline for submission of objections or on the day on which the objections were discussed. Should the member fail to attend the discussion over the objections within the deadline defined by CDCP, the objections shall be regarded as discussed. The provisions on suspended membership for the member according to article 14 of this part of the Rules of Operation with reference to provisions of article 24, section 24.2 of this part of the Rules of Operation shall apply on pursuing the services of the member effectively from the CDCP's decision about the same, wherein no special decision on suspension of the access to the services is required. As soon as the decision on cancellation of the membership pursuant to section 25.1 letter b) through d) of this article comes into force, the member shall be liable for settlement of all liabilities resulting from provision of the services to which the access was granted. The member shall inform CDCP immediately about compliance according to previous sentence, wherein the special contractual arrangement based on which the access to relevant type of services was granted to the member ceases on the day of achieving of the compliance.
- 25.8 As soon as the decision on cancellation of the membership pursuant to section 25.1 letter b) through d) of this article comes into force, the member shall have right to pursue only tasks to settle the liabilities resulting from his position and pursuing the activities of the member, or tasks explicitly defined in the Rules of Operation. In particular, the member shall arrange transfer of the assets of clients/owners of the accounts to the accounts kept in conformity with the regulations in other central depository or with a participant of the central depository. The member is not authorized upon delivery of the decision on cancellation of the membership to process new instructions and submit the requests for service, unless the Rules of Operation stipulate otherwise, or can process the same based on consent of CDCP only.



- 25.9 CDCP shall have right to check the compliance of the member's obligations in connection with the arrangements of procedure according to of this article. CDCP shall have right to stipulate the extent and conditions for submission of the instructions and requests for service with respect to the type of services to which the access was cancelled to the member. In application of this provision, CDCP shall consider an adequate procedure that ensures settlement of the member's liabilities resulting from his pursuing the activities of the member.
- 25.10 In case of cancellation of the membership by the CDCP, the latter shall inform thereof all participants, other market infrastructures to which the access was granted, NBS, and publish this information on its website.

## **Article 26**

### **Transfer of member's registry**

- 26.1 Under conditions in this article the member may transfer the registry kept according to § 104 of ZOCP exclusively to other member, provided that the acquiring member agrees with the transfer, and has access to the Client's account service.
- 26.2 The transfer of the registry maintained by the member according to § 104 of ZOCP may be affected:
- a) for reason of dissolution of the member as a legal entity, of which legal successor is a member of CDCP at the moment of the dissolution, or
  - b) by resolution of CDCP based on a request of the member.
- 26.3 The transfer of the registry kept according to §104 of ZOCP may be demanded by the member only when:
- a) no sanction by CDCP according to article 24, section 24.1, paragraph c) to e) of this part of the Rules of Operation was imposed on the member acquiring the registry according to §104 of ZOCP,
  - b) the member whose registry is to be transferred, informs CDCP well in advance in writing about indicative interest in termination of the membership/dissolution of the member as a legal entity with a legal successor in case of transfer of the registry according to section 25.2, paragraph b) of this article, wherein the legal successor must ask for the transfer of the registry at the same time with the request for membership,
  - c) the member who is interested to transfer the registry according to §104 of ZOCP and the member acquiring the registry according to §104 of ZOCP shall enter into trilateral agreement with CDCP on transfer of the registry kept according to §104 of ZOCP in case of transfer of the registry according to section 26.2, paragraph a) of this article,
  - d) the member or applicant for membership – legal successor, being the acquiring member of the registry according to § 104 ZOCP, referring to transfer of the registry according to section 26.2, paragraph b) of this article, shall conclude an agreement with CDCP on transfer of the registry kept according to §104 ZOCP.
- 26.4 In the agreement pursuant to section 26.3 of this article, the procedure and conditions of the transfer of the registry according to this article shall be defined.



# ACCESS AND LINKS OF THE CENTRAL DEPOSITORIES

## Article 27

### Setting up of central depositories links

- 27.1 Provisions of this part of the Rules of Operation apply to central depositories link and access of the central depository in situation when CDCP is the accepting central depository.
- 27.2 According to CSDR Regulation direct link can be created as:
- a) access within standard link (standard link),
  - b) access within customised link (customised link),
  - c) interoperable link.
- 27.3 Provisions of CSDR Regulation and respective implementing regulations apply to procedure of setting up the link between CDCP and other central depository, to the link and granting of access.
- 27.4 CDCP and other central depository, before and also after setting up the link pursuant to this article, shall identify, assess, monitor and manage all potential sources of risk to themselves and to their participants arising from central depositories link and shall adopt appropriate arrangements for their mitigation.
- 27.5 The link between CDCP as accepting central depository and the requesting central depository is based on an agreement in compliance with requirements of the CSDR Regulation and respective implementing regulations and it includes primarily relevant rights and obligations of linked central depositories and of participants of the central depositories if required, arrangements for ensuring information confidentiality in relation to operation of the link, harmonised standards and procedures with regard to operation issues and communication pursuant to the Article 35 of CSDR Regulation. Specification and further requirements related to the interoperable link, including method how the requirements specified in article 84, section 3 of Delegated Regulation 2017/392 shall be met are included in an Agreement on link.
- 27.6 In order to set up the link, the central depository requesting to set up the link is obliged to provide CDCP with inevitable co-operation and perform all necessary acts with respect to competent or relevant authorities pursuant to the CSDR Regulation.
- 27.7 In connection with placing the request for access or opening of link, the requesting central depository is obliged mainly to:
- a) provide CDCP with required co-operation and information allowing identification of potential sources of risk to CDCP and its participants that may arise from setting up the link,
  - b) provide necessary co-operation and, depending on type of the link, to submit information and documents to consider requirements pursuant to the CSDR Regulation and respective implementing regulation, which the central depositories are obliged to satisfy with respect to competent and relevant authorities, if relevant,
  - c) present information on expected volumes and values of settlement to be processed via the link,
  - d) present assessment of applicability of the legal regulations on insolvency related to operation of the link and their impact on CDCP and requesting central depository,

- e) submit description of the link in case access via customised link is requested.
- 27.8 Condition to put the link between CDCP and requesting central depository into operation is:
- a) successful completion of certification testing (testing of end connection),
  - b) implementation of emergency plan which is part of Business Continuity Plans,
  - c) compliance with other possible requirements pursuant to the CSDR Regulation.
- 27.9 Provisions applied to participants apply also to the central depository that become CDCP participant based on the link, unless otherwise stated in the Rules of Operation.
- 27.10 For purpose of operational risk management, the requesting central depository is obliged to be compliant with provisions of article 69 of the Delegated Regulation no. 2017/392, it is mainly to:
- a) provide CDCP, based on request, with information on key service providers which the requesting depository is dependent upon, and information on each alternation of these providers immediately after change occurs,
  - b) ensure governance and management system and managing processes in way which will not influence smooth provision of CDCP services, including measures for risk management and conditions for non-discriminatory access; for mentioned purpose, the requesting central depository is obliged to provide CDCP, based on request, information necessary for assessment of operational risks or to inform CDCP without delay on reasons for which the requesting depository is not able to be compliant with this provision.
- 27.11 In case of occurrence of facts which give reason that existing legal relationship between CDCP and requesting central depository can be regarded for interoperable link according to article 2, section 1, item 33 in connection with article 19, section 5 of CSDR Regulation (e.g. due to migration of requesting central depository to T2S), the requesting central depository has to provide CDCP with necessary cooperation in order to become compliant with all requirements for interoperable links in sense of legal regulations. To be compliant with requirements according to article 19 of CSDR Regulation the requesting central depository has to inform CDCP on mentioned facts in advance.
- 27.12 Establishing of interoperable link shall become effective by coming into effect of an Agreement on link (or its supplement), providing that all acts and requirements in relation to relevant authorities according to the CSDR Regulation were fulfilled.

## **Article 28**

### **Access of the central depository**

- 28.1 CDCP as accepting central depository may grant access to other central depository:
- a) as standard link pursuant to article 50 of the CSDR Regulation,
  - b) as customised link pursuant to article 51 of the CSDR Regulation.
- 28.2 In case of the request for access, CDCP shall act in compliance with CSDR Regulation and respective implementing regulations. Provisions of article 7 of this part of the Rules of operation shall apply adequately to procedures in case of the request for access, unless otherwise is stated in this article. When assessing the request, CDCP results from the documents and information that requesting central depository attached to the request for access and from the documents and information submitted pursuant to the article 27 of this part of the Rules of Operation.

- 28.3 CDCP, in three months period from the delivery of the request at the latest, shall decide on the request and send reply in written form to the requesting central depository, depending on assessment of the request; respectively specific decision on granting or not granting the access. Provisions of the Article 7 of this part of the Rules of Operation shall apply adequately to further procedures for processing of the request.
- 28.4 CDCP has right to reject the access in cases stipulated in the CSDR Regulation, i.e. in case the access would threaten fluent and orderly functioning of the financial markets or would cause systemic risk, or in case the requesting central depository is not compliant with the participation criteria set by CDCP in compliance with the article 6 of this Part of the Rules of Operation. Rejection can be based only on complex assessment of the risks and CDCP shall state relevant facts which were ground for assessment of the request. CDCP shall reject the request for access if it is considered well-founded upon risk based reasons in compliance with the CSDR Regulation, and also in case the requesting person shall not submit documents that need to be attached to the request for granting access, neither after a notice to do so.
- 28.5 Granting of access to central depository becomes effective by coming to effect of the Agreement on link. The requesting central depository becomes participant on basis of established link and in compliance with Agreement on link and CSDR regulation, thus is obliged to be continuously in compliance with the participation criteria pursuant to article 6 of this part of the Rules of Operation and other requirements pursuant to the Rules of Operation and legal regulations.

## **Article 29**

### **Types of services accessible to linked central depositories**

- 29.1 CDCP shall make all securities issues, for which CDCP is the issuer or technical issuer depository, accessible to the requesting central depository to which access has been granted based on its request.
- 29.2 CDCP may grant access to following types of services to the linked central depository with standards link:
- a) Opening and administration of an owner's account and access to relevant Services to the owner's account pursuant to article 8, section 8.1 letter a) of this part of the Rules of Operation.
  - b) Opening and administration of an holder's account and access to relevant Services to the holder's account pursuant to article 8, section 8.1 letter b) of this part of the Rules of Operation.
- 29.3 The central depository may require access to individual types of services in form of special request and in compliance with relevant provisions of the Rules of Operation. In connection with granting access to individual types of services, the requesting person is obliged to submit required documents and meet requirements pursuant to applicable provisions of the Rules of Operation, depending on type of services.
- 29.4 Selection of type of services is voluntary and set by the requesting central depository.
- 29.5 Specific services provided within customised interoperable link are specified in an Agreement on link.

## **Article 30**

### **Reconciliation procedures**

- 30.1 The requesting central depository is obliged to adhere to procedures and measures for reconciliation pursuant to article 86 of the Delegated Regulation 2017/392 in connection to the holder's account, based on which it created link with CDCP. This article is without prejudice to provisions of article 11 of this part of the Rules of Operation.
- 30.2 For purpose of fulfilment of obligations pursuant to this article, CDCP shall provide the requesting central depository with necessary information via IS CDCP and granted access to services, mainly by access to Services to holder's account and access to other services which were made accessible to the requesting central depository as participant. In case the requesting depository is providing its services exclusively via authorised participant, CDCP shall provide information via IS CDCP and granted access to services directly to the authorised participant, whereas this is without prejudice to obligations of the requesting depository pursuant to this article.
- 30.3 In case CDCP suspends the securities issue for purpose of settlement or cancel such suspension in compliance with article 65 section 2 of the Delegated Regulation 2017/392, the requesting depository is obliged to suspend the securities issue for purpose of settlement or cancel such suspension immediately after CDCP informed the requesting depository on this fact. If the requesting central depository is providing its services exclusively via authorised participant, CDCP shall inform the authorised participant on this fact, whereas this is without prejudice to obligation of the requesting depository pursuant to this provision.
- 30.4 In case of corporate action decreasing balances on account opened for the requesting central depository, when processing given corporate action the central depository shall not process the settlement instructions relating to given issue, or shall not update balances recorded in its registry, until CDCP does not fully process given corporate action.

## **ACCESS OF OTHER MARKET INFRASTRUCTURES**

### **Article 31**

#### **General provisions**

- 31.1 Provisions of article 7 of this part of the Rules of Operation shall apply accordingly to the procedure of a request for granting access to other market infrastructure. The other market infrastructure is obliged to submit identification data pursuant to section 31.7 of this Article with the request for access.
- 31.2 Unless specified otherwise, the other market infrastructure with access granted shall be governed accordingly by the provisions applicable to a participant. Access of other market infrastructure is obtained on day when CDCP shall decide on granting access and becomes effective on the day when an Agreement on granting access to other market infrastructure becomes effective.
- 31.3 On the grounds of the access granted to the other market infrastructure, CDCP shall grant access to the other market infrastructure to the settlement system and access to the settlement services associated therewith in the sense of part VI. of the Rules of

Operation. Specific list of accessible services pursuant to this provision is published by CDCP on its web page.

- 31.4 CDCP may grant access to the other market infrastructure to the IS CDCP in order to pursue the activities according to applicable regulations, ZOCP in particular.
- 31.5 For purpose of fulfilling obligation pursuant to article 3 section 2 of CSDR Regulation, CDCP shall provide information on securities booked in CDCP to the trading venue with granted access to CDCP settlement system.
- 31.6 In connection with the access granted, the other market infrastructure has to be compliant with the participation criteria according to article 6 of this part of the Rules of Operation in the extent of:
- a) article 6, section 6.4, paragraph a) and paragraph c) to h); article 6, section 6.5, paragraph a) b), f), h) and i); article 6, section 6.6 of this part of the Rules of Operation in case of the trading venue;
  - b) participation criteria according paragraph a) of this provision and article 6, section 6.5, paragraph e) of this part of the Rules of Operation in case of the central counterparty.
- 31.7 In connection with the access granted the other market infrastructure shall use following identifier, except BIC code, which it must have assigned during the time of access granted:
- a) LEI code in case of the central counterparty
  - b) MIC code in case of the trading venue
- 31.8 For purpose of operational risk management the other market infrastructure is obliged be compliant with provisions of article 69 of Delegated Regulation 2017/392, and mainly to:
- a) provide CDCP, based on request, information on key service providers which the other market infrastructure is dependent upon, and information about each alternation of these providers immediately after such change occurs,
  - b) ensure governance and management system and managing processes in way which will not influence smooth provision of CDCP services, including measures for risk management and conditions for non-discriminatory access; for mentioned purpose, the other market infrastructure is obliged to provide CDCP, based on request, information necessary for assessment of operational risks or to inform CDCP without delay on reasons for which the requesting depository is not able to be compliant with this provision.

## **PART III. RULES FOR ALLOCATION OF THE IDENTIFICATION CODES**

### **Article 1**

#### **Principles of allocation of ISIN, CFI, and FISN codes**

- 1.1 CDCP as the National Numbering Agency and the member of the Association of National Numbering Agencies (ANNA) in the Slovak Republic follows the valid international standard, ZOCP, the Rules of Operation, international standards and ANNA recommendations in allocation and cancellation of ISIN as well as in change to details related to an allocated ISIN.
- 1.2 At the same time with allocation of ISIN code, CDCP shall allocate a CFI code to a financial instrument and FISN code in conformity with the international standards and ANNA recommendations.
- 1.3 A request for allocation or cancellation of ISIN or change to ISIN details can be submitted in person at the registered office of CDCP or delivered to the registered office of CDCP using a form being available at the registered office of CDCP and from [www.cdcp.sk](http://www.cdcp.sk), unless the Rules of Operation specify otherwise or the issuer required for change or cancellation of the ISIN code in other request for service. Attached to the request must be documents that give proof of existence and how the applicant is acting, as well as the documents that give proof of identity and authorization of a person to act on behalf of the applicant according to part I of the Rules of Operation. The documents attached must be originals or authenticated copies. The request for allocation/change to details/ cancellation of ISIN may not contain an authenticated signature.
- 1.4 CDCP shall have right to ask the applicant for documents inevitable for giving proof of facts specified in the request and eligibility of submission of the request.
- 1.5 CDCP has right to change the CFI code and FISN code if necessary due to changes in international standards. CDCP will inform its clients on changes made in accordance with this provision by publishing of relevant information on its web site.
- 1.6 The issuer requesting for allocation of the ISIN code pursuant to this part of the Rules of Operation must have allocated valid LEI code, which will state in the request for service.
- 1.7 CDCP is not liable for correctness of data provided by the requesting person in the request for assigning, change of data and cancelation of ISIN.

### **Article 2**

#### **ISIN allocation**

- 2.1 CDCP shall allocate ISIN upon request of the issuer not later than 5 days of meeting all conditions for allocation of ISIN and submission of documents needed. CDCP shall immediately inform the applicant about allocation of ISIN. The issuer shall place the request for ISIN allocation in writing on specified form published on CDCP web page [www.cdcp.sk](http://www.cdcp.sk), whereas the issuer is obliged to state in the form all required information.
- 2.2 Referring to the debt securities, the request for allocation of ISIN may be delivered in electronic form by e-mail to the address intended for this purpose and published on [www.cdcp.sk](http://www.cdcp.sk). Attached to the e-mail message should be a scanned wording of signed written request including all appendices. The issuer shall also deliver or submit in person

the original of the request with the documents to the registered office of CDCP not later than 3 days thereafter.

### **Article 3**

#### **Change to ISIN essentials**

- 3.1 Should there be changes to essentials of the allocated ISIN, the issuer shall immediately ask for registration of the changes by CDCP.
- 3.2 Change to the essentials of ISIN in particularly means:
  - a) issuer's identification data;
  - b) selected essentials of the security.

Specific extent of ISIN essentials is resulting from the requirements of relevant international standard and required scope is published on CDCP web site.
- 3.3 CDCP shall register the required change immediately upon receipt of the request for change.
- 3.4 The issuer of the book-entry securities registered in the issuer's registry kept by CDCP shall at the same time with the request for change to essentials of ISIN ask for making the change in the registration of given security issue of the book-entry securities in the manner defined in the Rules of Operation or special contractual arrangements

### **Article 4**

#### **ISIN cancellation**

- 4.1 In connection with termination of registration of book-entry securities issue CDCP shall immediately cancel allocated ISIN:
  - a) upon request of the issuer,
  - b) upon request of other authorized person in the sense of ZOCP or special legal regulation,
  - c) in his own initiative in case of cancellation of the issue of the securities due to dissolution of the issuer without legal successor.
- 4.2 In case of cancellation of a security issue of the book-entry securities registered in the issuer registry kept by CDCP, the issuer or the authorized person shall submit a request for cancellation of ISIN not later than on signing of a contract on cancellation of the issue of book-entry securities.
- 4.3 In case of cancellation of security issue of book-entry securities registered in the issuer registry kept by other central depository and in case of paper-form securities, the issuer or the authorized person shall submit a request for cancellation of ISIN immediately after cancellation of the securities issue
- 4.4 The issuer shall attach documents confirming entitlement to cancel the ISIN to the request.

### **Article 5**

#### **CFI code**

- 5.1 CDCP shall allocate CFI code automatically along with allocation of ISIN.
- 5.2 The issuer has to request for change of the CFI code if details of the financial instrument creating the CFI code should change. The issuer will request for change in CFI code



along with change of ISIN or FISN essentials, if data are related also to these identification codes.

- 5.3 Along with the request for change in the CFI code, the issuer of book-entry securities which are registered in the issuer's registry kept with CDCP, has to request for change in registration of respective issue of book-entry securities as specified in the Rules of Operation, or in special contractual arrangements if such change relates to essentials of the securities issue.
- 5.4 Change of assigned CFI code means cancellation of the original CFI code and its replacement by new CFI code for the specific financial instrument.
- 5.5 Extent of data creating CFI code for individual financial instruments is given by requirements of relevant international standard and is published on CDCP web site. Data creating CFI code are primarily:
- a) type of the financial instrument and detailed and qualification of the financial instrument type
  - b) further details on the financial instrument (e.g. selected essentials of the security, information on election rights, information on restriction of ownership or transferability).
- 5.6 CDCP shall cancel the CFI code assigned to a specific security issue together with the issue automatically with cancellation of ISIN or in case CFI code shall change according to this article.

## **Article 6**

### **FISN code**

- 6.1 CDCP shall allocate the FISN code automatically along with allocation of ISIN.
- 6.2 The issuer has to request for change of the FISN code if details on the issuer or on the financial instrument creating the FISN code shall change. The issuer will request for change in FISN code along with the change of ISIN or CFI essentials, if data are related also to these identification codes..
- 6.3 Along with the request for change in the FISN code, the issuer of book-entry securities which are registered in the issuer's registry kept with CDCP, has to request for change in registration of respective issue of book-entry securities as specified in the Rules of Operation, or in special contractual arrangements if such change relates to essentials of the securities issue.
- 6.4 Change of assigned FISN code means cancellation of the original FISN code and its replacement by new FISN code for the specific financial instrument.
- 6.5 Extent of data creating FISN code for individual financial instruments are given by the requirements of relevant international standard and is published on CDCP web site. Data creating FISN code are primarily:
- a) trade name/ name of the issuer (short form according to the requirements of the international standard),
  - b) data on the financial instrument (e.g. selected essential of the security – maturity date of the securities issue or on security type),
  - c) further details pursuant to rules for creation of FISN code according to the international standard.



- 6.6 CDCP shall cancel the FISN code allocated to a specific security issue automatically with cancellation of the ISIN code, or in case the FISN code shall change in compliance with this article.

## **PART IV. RULES FOR REGISTRATION AND WORKING WITH THE ISSUES AND KEEPING THE LIST OF SHAREHOLDERS AND OWNERS OF SECURITIES**

### **Article 1**

#### **Introductory provisions**

- 1.1 An issuer who requests for provision of services, shall submit to CDCP all necessary documents and information for provision of the services as well as all documents and information to review the risks related to accessing of the issuer to the CDCP services according to CSDR regulation and related regulations. Provisions of part I of the Rules of Operation and this part of the Rules of Operation shall apply on submission of the requests for service and relevant documents.
- 1.2 CDCP may reject to provide the service to the issuer in conformity with article 49 of the CSDR regulation. The rejection can only be based on full risk review or if CDCP does not provide services listed in section A, section 1 of appendix to the CSDR regulation in connection with the securities issued according to business companies laws or similar laws of relevant member state.
- 1.3 Referring to rejection to provide the CDCP services, all grounds for the rejection shall be provided to the requesting issuer.
- 1.4 The requesting issuer to whom CDCP rejected provision of the services may submit a complaint to NBS according to article 49 of the CSDR regulation.
- 1.5 To provide reports on corporate actions to the participants, account owners, and to publish the same, CDCP shall have right to provide data on changes being prepared and implemented in the issuer registry, issue data, change to form of the securities, which is without prejudice to confidentiality obligation related to confidential or protected data in the sense of applicable regulations or special contractual arrangements.
- 1.6 In case of debt securities, the central depository records the issue data, registration of change in data on securities, registration of securities data to accounts, and settlement of the transactions with the securities in the value of the securities.
- 1.7 The issuer requesting for issuer registration pursuant to this part of the Rules of Operation must have allocated valid LEI code, which will state in the request for service.
- 1.8 Provisions of this part of the Rules of Operation shall apply adequately also to execution of powers of resolution authority and application of measures for resolution related to securities issues. Together with request for service entitled person shall submit decision of resolution authority and/or other relevant documents declaring entitlement to place the request for service.

### **Article 2**

#### **Integrity of security issue**

- 2.1 For the purpose of decreasing and management of risks relating to protection of assets of the participants, their clients and CDCP clients, and in order to ensure that the assets are exactly defined in the records and at the same time their protection is ensured, CDCP implemented rules, procedures and check for prevention of unauthorised creation or

deletion of securities. Main instruments implemented in order to achieve this goal are securing of issue integrity and setting of reconciliation rules.

- 2.2 For the purpose of assets protection and securing of issue integrity, CDCP applies mainly:
- a) double entry accounting principles in its books, i.e. it applies rules defining that settlement instruction and instruction for entry of data on securities crediting or debiting an account can be settled only in case of concurrent realisation of debiting or crediting entry on accounts opened in CDCP, or on account and in the issuer's registry,
  - b) automatic controls performed in real time, which prevent unauthorised creation of securities, overdraw of securities in the accounts and debit balances in the accounts,
  - c) regular (on daily basis) repetitive check, in which CDCP compares, for all issues issued in CDCP, whether total amount of securities of given securities issue registered on accounts opened in CDCP registry and members' registries is equal to amount of securities issued in that moment for that securities issue.
- 2.3 In case of discrepancy is identified during above mentioned checks, CDCP shall adopt necessary actions in order to retrieve preservation of integrity of the issue and removal of identified discrepancy.
- 2.4 If CDCP shall not remove identified discrepancy by the end of operation day following the operation day at the end of which discrepancy has been identified, CDCP shall register SDR for entire securities issue for time necessary for remediation of discrepancy. CDCP shall inform without delay persons with granted access, NBS and relevant authorities on registration of SDR and later on correcting of unauthorised creation or deletion of securities.
- 2.5 In case discrepancy has been identified, the participants are obliged to provide CDCP with information and necessary cooperation in order to ensure integrity of the issue, primarily to solve potential problems with reconciliation. CDCP is obliged to require information and cooperation pursuant to previous sentence in justified cases with respect to circumstances of specific discrepancy.

## **ISSUER'S REGISTER**

### **Article 3**

#### **Opening and administration of the Issuer's Register**

- 3.1 CDCP shall open an issuer's register upon the issuer's request and in compliance with the agreement between the issuer and CDCP before registration of the first issue of the issuer's book-entry securities. Concurrently with opening the issuer's register, CDCP shall assign a registration number to the issuer pursuant to Article 3 of Part I of the Rules of Operation
- 3.2 CDCP only keeps one issuer's register for the issuer, where it registers information in scope according to §107 of ZOCP.
- 3.3 If an issuer ceases to exist with the legal successor and such issuer has issued an issue of debt securities which is not fully redeemed at the day of termination of the issuer, the issue remains registered in the issuer's registry of the legal predecessor, i.e. it is not

transferred to the registry of the legal successor whereas the issuer's registry of the legal predecessor cannot be renamed to the issuer's register of the legal successor. This provision does not apply in case of transfer of the program of secured bonds or of its part.

#### **Article 4**

##### **Change of data in issuer's register**

- 4.1 The issuer is obliged to apply for change of data kept in the issuer's registry with undue delay after change occurred or came into effect; the issuer shall apply for change in way stipulated in this Rules of Operation or special contractual arrangement whereas the issuer is obliged to submit relevant documents necessary to demonstrate the change in question. The change in data concerns mainly to change of data on the issuer and the security issues registered in the issuer's registry.
- 4.2 Before change of data in the issuer's registry is made, the issuer is also obliged to apply for change in ISIN essentials.
- 4.3 CDCP shall change the data in the issuers registry based on agreement with the issuer in form of an agreement, or supplement to the agreement on registration of issue of book-entry securities. CDCP will change the data in the issuer's registry also by alternative method (based on application on required form) in case this method has been agreed on in the agreement on registration of issue of book-entry securities (e.g. by notice).
- 4.4 In the event of change of data concerning an issuer's entity in the issuer's register, CDCP is entitled to change data related to registration of all issues of book-entry securities in CDCP's registry that has not been cancelled.
- 4.5 In the event of change of data concerning an issuer, which consists of change in person of the issuer (e.g. due to transfer of program of secured bonds), the original issuer and person who the issue has been transferred to are obliged to provide necessary cooperation in order to take over rights and obligations related to registration of specific issue which the changes relate to.

#### **Article 5**

##### **Cancellation of issuer's register**

- 5.1 CDCP shall cancel an issuer's register after cancellation of the last issue of book-entry securities that the issuer has registered at CDCP's registry,

#### **Article 6**

##### **Statement of and provision of information from issuer's register**

- 6.1 CDCP shall submit to the issuer a statement of its issuer's register pursuant to §107 of ZOCP. A statement of an issuer's register shall contain information according to ZOCP.
- 6.2 The application for statement of the issuer's register shall be submitted by the issuer in writing on a form published on the webpage [www.cdcp.sk](http://www.cdcp.sk) or available in the seat of CDCP as follows:
  - a) in person at CDCP's registered office,
  - b) by post to the address of CDCP's registered office.
- 6.3 CDCP shall only hand over information from an issuer's register to a person other than the issuer on the basis of a request, when fulfilling CDCP's information duties in

compliance with ZOCP or other generally binding legal regulation. CDCP only provides information from an issuer's register as of the current date at the time of information processing.

- 6.4 The application for provision of information from the issuer's register shall be submitted by authorised person in writing on a form published on the webpage [www.cdcp.sk](http://www.cdcp.sk) or available in the seat of CDCP or in other written form as follows:
- a) in person at CDCP's registered office,
  - b) by post to the address of CDCP's registered office
  - c) electronically to given address, published on the webpage [www.cdcp.sk](http://www.cdcp.sk). The application submitted electronically must be delivered in written form in three working days.
- 6.5 Based upon a request of the issuer or other authorised person, CDCP shall issue a statement of or shall provide information from the issuer's register in written form, and shall hand it over in person or send it by post without delay.

## **Article 7**

### **Transmission of notice on convening of General Meeting according to the article 107o of ZOCP**

- 7.1 An issuer which has its registered office in a Member State and the book-entry shares of which are admitted to trading on a regulated market situated or operating within a Member State and which are administered by CDCP in the issuer's register, has to provide CDCP with information on convening of General Meeting of the issuer according to the article 107o of ZOCP without delay.
- 7.2 The issuer shall provide CDCP with notice on convening of General Meeting of the issuer according to the article 107o of ZOCP on prescribed form via e-mail sent to dedicated address published on the web site of CDCP.
- 7.3 A notice on convening of General Meeting shall be provided by an issuer under the article 2, section 2 of the Commission implementing regulation (EU) 2018/1212 in the language in which it publishes its financial information pursuant to the Directive 2004/109/EC of the European Parliament and of the Council and, unless not justified taking into account the issuer's shareholder base, also in a language customary in the sphere of international finance.
- 7.4 CDCP shall transmit a notice on convening of General Meeting received from the issuer:
- a) to shareholders of the issuer registered in CDCP registry – by publishing of the notice on the web site of CDCP;
  - b) to shareholder of the issuer who is also a participant of CDCP with access to IS CDCP, whereas the special method of a notice delivery/transmission is applied as in event of a participant;
  - c) to each intermediary, i.e. to CDCP participant on whose client or holder account the shares of the issuer are registered or shall be transferred to such account by the record date (i.e. by the record date on which shareholder's right to participate and vote in a General Meeting of the issuer is determined);
  - d) to an authorised participant or an authorised member performing services with respect to a holder account or owner account on which shares of the issuer are registered or shall be transferred to such account by the record date.

- 7.5 A notice transmission method for purpose of the article 107o of ZOCP among CDCP and participants, and related obligations are regulated by article 9 of the Part V of the Rules of Operation.
- 7.6 CDCP shall transmit a notice on convening of general meeting of the issuer pursuant to previous section without delay after receiving the notice, but by the end of the business day on which CDCP received the notice on convening of general meeting from the issuer at the latest. In case CDCP receives the notice on convening of general meeting from the issuer after 4pm, it shall transmit the notice by 10 am on the following business day at the latest.
- 7.7 Notice on a general meeting is transmitted by CDCP daily from the day of the first notice transmission according section 7.5 of this article, until the record date.
- 7.8 An intermediary to whom a notice on convening of general meeting of the issuer has been transmitted shall forward the notice to shareholders of the issuer registered in its registry without delay. If another intermediary is registered as shareholder in the registry of the intermediary to whom a notice on convening of general meeting of issuer has been transmitted, the intermediary shall transmit without delay the notice on convening of general meeting of issuer to this another intermediary. Each other intermediary to whom a notice on convening of general meeting of issuer has been transmitted shall proceed equally.
- 7.9 An authorised participant and authorised member shall transmit the notice received according to section 7.4 of this article to relevant account owners.
- 7.10 The issuer, CDCP, as well as an intermediary, authorised member and authorised participant shall proceed adequately according to this article also in case of update or cancellation of a notice on convening of general meeting of the issuer.

## **Article 8**

### **Confirmation of entitlement to exercise shareholders rights in a general meeting**

- 8.1 CDCP facilitate the exercise of shareholder rights of the issuer shares of which are admitted to trading on regulated market situated or operated within a Member State of EU as regards confirmation of entitlement to exercise shareholders rights in a general meeting according to this article and under the Commission implementing regulation (EU) 2018/1212.
- 8.2 CDCP shall provide the issuer, based on issuer request, a list of owners including shareholder identification and related information required to confirm entitlement of shareholders to exercise their rights in a general meeting. The list of shareholders includes information:
- a) on shareholders whose owner account is administered by CDCP;
  - b) on shareholders registered in a member registry (whose owner account is administered by a member)
- 8.3 As regards the confirmation of entitlement to exercise shareholders rights in a general meeting, the participant for whom a holder account is administered, performs its duties with respect to a shareholder in the holders registry individually.

# **REGISTRATION OF BOOK-ENTRY SECURITIES ISSUE**

## **Article 9**

### **Registration of book-entry securities issue**

- 9.1 Registration of book-entry securities issue means registration of data on the securities issue to the issuer's register, which mainly consists of essentials of the security pursuant to ZOCP and other legal regulations.
- 9.2 CDCP shall register an issue of book-entry securities in the issuer's register based on the issuer's application and based on an agreement on registration of issue of book-entry securities subsequently concluded between the issuer and CDCP. Along with the application the issuer must submit enclosures (given forms) comprising all necessary data needed for registration of book-entry securities issue and documents demonstrating the eligibility to act in case of registration of an issue of book-entry securities.
- 9.3 In compliance with article 49 of the CSDR Regulation, when the issuer submits application for registration of its securities, CDCP shall process the application in non-discriminatory manner and will provide a response to the issuer within three months from securities issue registration application date at the latest. Submitting the request for registration of securities issue means submitting of complete draft of an agreement on registration of securities issue along with all required documents by the issuer, template of which CDCP published on its web page.

## **Article 10**

### **Changes in registration of a book-entry security issue**

- 10.1 A change in registration of an issue shall mean a change of data on issue of book-entry securities (e.g. change in the number of units of securities within a single issue of fungible securities, change of ISIN, change of the nominal value), which (the data) is entered in the issuer's register.
- 10.2 The issuer is obliged to apply for change of data with undue delay after change in registered data on the securities issue occurred or became effective. Procedures specified in article 4 of this part of the Rules of Operation apply to the change in issue registration adequately. In case of the request for change in registration of a securities issue, which means primarily increase of number of units / value of securities, CDCP requires that the request for service is submitted personally by the client in the CDCP office due to mandatory client's due diligence and verification of his/her identity.
- 10.3 Before change of data in registration of the issue registry is made, the issuer is also obliged to apply for change in ISIN essentials.
- 10.4 CDCP shall register relevant changes in data on the book-entry securities issue on the owner's accounts in the CDCP registry, in the member's registry, on the client's accounts and the holder's accounts, whereas registration of the change is possible only after registration of the change on the book-entry securities issue.

## **Article 11**

### **Issuance of securities**

- 11.1 When issuing a book-entry security, CDCP shall record the data on security in the owner's account (and also in the client's account, if the owner's account is kept in the member's registry) / holder's account administered by the central depository after



registration of given book-entry security issue and based on instruction from the issuer for registration of securities to an account of securities owner or person to who the holder's account has been open.

- 11.2 The issuer shall submit an instruction for registration of data about securities crediting an account in manner specified in an agreement on registration of book-entry security issue concluded between CDCP and the issuer. In case of recording of data about securities crediting an account placed through an issuing agent, special provisions in compliance with article 26 of this part of the Rules of Operation apply to placing of the instruction. For purpose of the mandatory client's due diligence CDCP may require client to place the request for service in person at the registered office of CDCP.
- 11.3 Issuer's instruction for registration of data about securities crediting an account consists mainly of:
- a) ISIN,
  - b) registration number of the issuer,
  - c) identification of entity, in whose registry is the account opened,
  - d) identification number of the owner's/holder's account,
  - e) number of an owner's account or holder's account,
  - f) number of units of security that shall be credited to the account or, in case of debt securities, value that shall be credited to the account,
  - g) other essentials in compliance to legal regulations.
- 11.4 CDCP/member/participant (depending on where the account is administered) shall inform persons, for which the accounts were opened, on issuance of securities by a transaction account statement if such obligation is stipulated in the legal regulation, mentioned does not apply if specified persons agreed otherwise.

## **Article 12**

### **Termination of securities and cancellation of a securities issue**

- 12.1 CDCP shall delete a security from the registry on the basis of request from the issuer based on relevantly documented facts and in compliance with procedure specified in this article and provisions of ZOCP. Deletion of securities means record of information about securities debiting the account. The issuer is obliged to require CDCP to cancel registration of an issue without delay after occurring of legal fact which gives reason for deletion of book-entry security from the registry pursuant to ZOCP or other legal regulation. CDCP may cancel registration of the issue also based on own initiative if the issuer ceased to exist without legal successor.
- 12.2 The securities can be deleted from the registry by way of:
- a) cancellation of the entire issue (i.e. debiting securities from the owner's accounts; if the owner's account is kept in the member's registry, the securities will be also debited from the client account/holder's account and the issue deleted from the issuer's register)
  - b) deletion of a certain number of securities of the given issue, or deletion of securities value in case of debt securities, (i.e. debiting this number of securities, or value of securities, from the owner's accounts; if an owner's account is kept in the member's registry, securities will be also debited from the client account/holder's account)
- 12.3 CDCP shall cancel the registration of an issue of book-entry securities in the issuer's register based on concluded agreement between the issuer and CDCP or in other way



- agreed in the agreement on registration of book-entry securities issue. With the request for service, the issuer must include enclosures and documents demonstrating the eligibility of cancellation of registration of an issue of book-entry securities.
- 12.4 CDCP shall cancel registration of the securities issue in the issuer's registry only if following conditions are met:
- a) at least 20 operation day elapsed from the maturity/settlement date or from expiration date of the securities issue; however this provision is not in prejudice to possibility of premature redemption.
  - b) the securities issue isn't marked in T2S as acceptable collateral for the purpose of auto-collateralisation by the central bank,
  - c) the securities issue isn't marked in T2S as acceptable for settlement by the investor securities depository.
- 12.5 The cancellation of a securities issue in the event that the issuer does not cease to exist is governed by the provisions of the relevant legal regulations.
- 12.6 When the issuer is concluding an agreement on cancellation of registration of book-entry securities or placing other agreed requests for service resulting into cancellation of issue registration, the issuer is obliged to apply for cancellation of the ISIN code concurrently.
- 12.7 CDCP shall delete a book-entry security from an owner's account/client account/holder's account based on the issuer's instruction for deletion of securities.
- 12.8 The instruction for securities deletion is submitted by the issuer by means of the agreement on cancellation of registration of an issue of book-entry securities, or in other manner agreed in the agreement; this instruction must include ISIN. Special provisions pursuant to article 32 or this part of the Rules of Operation apply in case of deletion of securities executed through the issuing agent.
- 12.9 CDCP/member/participant (depending on where the account is administered) shall inform persons on deletion of securities by a transaction account statement, unless agreed otherwise.
- 12.10 If, due to repeated deletion of a certain number/value of securities of a given issue, all securities of this issue are debited from the owner's accounts kept in CDCP's registry and in members' registries, from client accounts and from the holder's accounts, the issuer has to request for cancellation of registration of the issue in the issuer's registry.
- 12.11 The issuer is obliged to request for cancellation of registration of the issue based on the agreement on cancellation of issue registration or in other agreed way if the issuer acquires all securities of an issue:
- a) of bonds which it has acquired before the maturity date and on which it has decided to terminate via acquisition on the account of the owner-issuer,
  - b) of bonds which are in property of the issuer and the rights and obligations associated with the bonds will expire on the bond maturity date without undue delay after the bond maturity date
  - c) of co-operative units,
  - d) of shares without the nominal value in case of joint stock company with variable registered capital, when the shares expire at the moment of buy-out in compliance with the act on collective investment,

- e) of mortgage bonds which expire in situation when the mortgage bond is bought by the issuer itself in compliance with the Act 530/1990 Coll. on Bond as amended by later legislation.

### **Article 13**

#### **Issue conditions of bonds and investment certificates**

- 13.1 The issuer of bonds is obliged to deliver to CDCP the issuance terms in 15 days from the day when the first bond was issued, the issuance terms shall be delivered to CDCP's registered address or e-mail dedicated to that purpose, published on CDCP web site. CDCP is not responsible for completeness, trueness and compliance of the content of the issue conditions and their execution.
- 13.2 When change in the issue conditions has been made, the issuer is obliged to deliver to CDCP all changes in the issue conditions and their complete version without undue delay. Provisions in the item 13.1 of this Article shall apply adequately when change in the issue conditions is submitted
- 13.3 The issuer of bonds can grant CDCP consent to publish the issue conditions on the web site of CDCP. The issuer has right to revoke this consent in written form and without giving a reason.
- 13.4 In case the issuer replaced the issue conditions of bonds by parts of a security prospectus, the issuer is obliged to submit CDCP relevant parts of the prospectus, including all its changes with their full wording, whereas provisions of section 13.1 and section 13.2 of this article are applied adequately.
- 13.5 Provisions of sections 13.1 through 13.4 of this article apply adequately to submission of the issue conditions of investment certificates, including their changes. The issue conditions of investment certificate must include declaration of the issuer that the data stated in the conditions are complete, true and are in compliance with requirements for investment certificate pursuant to ZOCP or other legal regulation.
- 13.6 CDCP shall make accessible the issue conditions to entitled person for inspection and will provide copy of the conditions based on request.

### **Article 14**

#### **Change of form of securities**

- 14.1 CDCP shall perform a change of form of securities based on the issuer's request and based on a consequently concluded agreement on the provision of services during change of form of securities, but only in case that such change applies to the entire issue of securities.
- 14.2 During a change of form of securities, CDCP shall proceed in compliance with the relevant provisions of ZOCP (§15, §16, §17 and §104 Section 5 of ZOCP) and at the same time it fulfils the information duties pursuant to §17 Section 5 of ZOCP.
- 14.3 When fulfilling the information duty pursuant to §17 Section 1 of ZOCP, CDCP is entitled to retrieve – by means of software - the necessary information directly from the owner's accounts administered by a member.

## **Article 15**

### **Movement of book-entry securities issue registered in the issuer's registry administered by CDCP**

- 15.1 Movement of book-entry securities issue is executed when registration of the securities issue in CDCP is terminated, data on securities debiting the holder's account of the central depository to which the issue is being moved are entered and consequent registration of the issue is performed in other central depository. Termination of registration of the issue in CDCP does not mean cancellation of the issue. CDCP shall not cancel the issuer's registry if it contains data on moved issue which was not cancelled.
- 15.2 Provisions of this article are applied exclusively to movement of issue pursuant to art. 107, sec. 13 of ZOCP between the central depositories with registered seat in territory of the Slovak Republic.
- 15.3 CDCP shall execute movement of an issue only in case following conditions were met:
- a) the central depository to which the issue is to be moved has registered seat in territory of the Slovak Republic,
  - b) all securities of given securities issue are registered on the holder's account administered for the central depository to which the securities issue is to be moved,
  - c) no SDR, pledge or transfer as collateral is registered on any security from given issue,
  - d) if the issue which should be moved is registered in compliance with the prospectus or issuance conditions, the movement can't be in conflict with the prospectus or the issuance conditions.
- 15.4 CDCP shall move the issue on basis of request from the issuer and an agreement consequently concluded between CDCP, the issuer and the central depository to which the issue is to be moved.
- 15.5 Request for movement of the securities issue must include:
- a) identification data on the issuer,
  - b) ISIN,
  - c) identification data on the central depository to which the issuer intends to move the issue,
  - d) intended date for movement of the issue.
- 15.6 CDCP shall reject the request for movement of the issue in case the conditions for movement of the issue pursuant to section 15.3 of this article were not fulfilled, whereas the issuer shall be informed on this fact.
- 15.7 In case the issuer placed the request for movement of the issue and conditions pursuant to section 15.3 of this article are fulfilled at the same time, CDCP shall execute the movement of the issue based on the agreement concluded in compliance with sec. 15.4 of this article. Inevitable precondition for concluding the agreement is:
- a) compliance with conditions pursuant to sec. 15.3 of this article in the moment of concluding the agreement,
  - b) execution of all required acts in connection with termination of the issue registration in CDCP and with registration in other central depository.
- 15.8 If during the time from concluding the agreement till execution of the movement occurs event due to which the conditions pursuant to sec. 15.3 of this article are not met, CDCP shall not move the securities issue.

- 15.9 Data on the security issue referring to the security issue before the security issue has been moved continue to be registered in CDCP. The information obligations of CDCP in respect to the status of the security issue and data on securities from given security issue until it was moved are not affected by execution of the movement of the security issue. CDCP and the central depository to which the securities issue was moved are obliged to provide for mutual cooperation for purpose pursuant to this provision.

## **Article 16**

### **Movement of securities issue of book-entry securities to the registry administered by CDCP**

- 16.1 Movement of the issue of book-entry securities to the registry administered by CDCP is executed by termination of registration of the securities issue in the other central depository and by entry of data on securities debiting the holder's account administered by mentioned central depository and consequent registration of the issue in CDCP.
- 16.2 Provisions of this article apply exclusively to movement of the issue pursuant article 107, sec 13 of ZOCP between the central depositories with registered seat in territory of the Slovak Republic.
- 16.3 CDCP shall execute movement of the issue based on request from the issuer and an agreement consequently concluded between CDCP, the issuer and the central depository from which the issue is to be moved, and if the issuer submitted all data in extent necessary for completion of entries in CDCP registry. If entry of data on securities should be made in accounts administered in the member's registry due to movement of the issue, condition for concluding the agreement pursuant to this provision is authorisation granted to CDCP by respective member to entry data on securities crediting the accounts administered in the member's registry.
- 16.4 Provisions of this part of the Rules of Operation apply adequately to registration of the issue in CDCP as a result of movement of the securities issue. At the moment of registration the issuer is obliged to submit to CDCP all data necessary for movement of the issue. If SDR, pledge or transfer as collateral is registered on the securities from given issue, CDCP shall not execute registration of the issue.

## **LIST OF OWNERS OF BOOK-ENTRY SECURITIES**

### **Article 17**

#### **List of shareholders of book-entry registered shares and owners of book-entry bonds and units of unit trust**

- 17.1 In case of the list of shareholders of book-entry registered shares, the registry of book-entry securities administered in compliance with ZOCP is replacing the list of shareholders. List of securities owners is replacing the list of shareholders.
- 17.2 In case of SJC, CDCP administers register of shareholders that substitutes list of shareholders under the article 220j of the Commercial Code. Detailed regulation is included in article 21 of this part of the Rules of Operation.

- 17.3 CDCP is administering the list of owners of registered book-entry bonds pursuant to §4, sec. 2 of the Act 530/1990 Coll. on Bonds as amended by later legislation and list of owners of registered book-entry units of unit trust pursuant to § 8 sec. 10 of the Act on Collective Investment based on registration of given securities issue.
- 17.4 When fulfilling the information duty pursuant to §107 of ZOCP, CDCP is entitled to retrieve the necessary information directly from the owner's accounts administered by the member via IS CDCP.

## **Article 18**

### **Information from the list of shareholders of registered book-entry shares and list of owners of book-entry bonds and units of unit trust**

- 18.1 CDCP shall issue a list of securities owners / an extract from the list of securities owners according to relevant legal regulations based on application from the issuer or other authorized person submitted:
- a) in writing or on a form in person at CDCP's registered office or by post to address of CDCP,
  - b) in electronic form (in compliance with technical specification to the IS CDCP) if it results from an agreement concluded between the issuer/entitled person and CDCP,
  - c) in a special way based on granted participant access to the Issuer Services.
- 18.2 CDCP is entitled to require from other entitled person to prove entitlement to obtain list of owners, e.g. in connection with execution of squeeze-out the proposer has to submit decision of a general meeting on transition of shares and previous consent of NBS together with the request.
- 18.3 CDCP shall issue a list of securities owners /a statement from the list of securities owners for every securities issue separately.
- 18.4 The list of security owners contains primarily:
- a) commercial name/name, registered office and identification number of the issuer if it is a legal entity, or name, surname, permanent residence and birth registration number for natural person,
  - b) ISIN, nominal value of securities and the number of securities in the given issue or value of securities in case of debt securities,
  - c) commercial name/name, registered office and identification number of a security owner in case of legal entity, or name, surname, permanent residence and birth registration number for natural persons,
  - d) the number of units of securities of the given issue, or value in case of debt securities, owned by the person,
  - e) information on pledge (including information on pledgee) and information on other restrictive rights attached to the securities if the requesting person requires for provision of such information on the request for list of owners.
- 18.5 In case of book-entry securities, a list of security owners shall be sent/handed over by CDCP to:
- a) the issuer in electronic form (in compliance with the IS CDCP specification);
  - b) the person authorised under ZOCP or other legal regulation in printed form,
  - c) the participant with granted access to the Issuer Services via access to these services.

- 18.6 Based upon a request of the issuer, CDCP shall issue a list of security owners that is handed over pursuant section 18.5 (a) of this article also in written/paper form, or send it by post without delay.
- 18.7 Based upon a request of the authorised person, CDCP shall issue a list of security owners that is handed over pursuant section 18.5 (b) of this article also in electronic form.
- 18.8 In the application for provision of the list of security owners, the applicant must clearly specify the form (written/electronic) and the required delivery method (in person /by post) of the list of security owners.
- 18.9 Data in the list of security owners shall be automatically updated by data from the registry administered by CDCP and from the members' registries.

## **Article 19**

### **Disclosure of information regarding shareholder identity under article 107o ZOCP**

- 19.1 The issuer with registered office in EU Member State the shares of which are admitted to trading on regulated market situated or operating within EU Member State may require from CDCP provision of information on identity of its shareholders with share on registered capital of the issuer, or voting rights of the issuer higher than 0.5%.
- 19.2 The request for provision of information on shareholders identity is placed by the issuer in writing, on prescribed form, in person at CDCP registered address or via mail delivered to the registered office of CDCP.
- 19.3 The issuer shall place request for disclosure of information on shareholders identity for each security issue (ISIN) separately.
- 19.4 The request for disclosure of information on shareholders identity shall include all prescribed essentials, in other case the request shall be reject by CDCP. In the request the issuer may indicate if requires:
- a) to determinate a date from which the shares have been held; i.e. date from which the shareholder owns at least one share from given issue;
  - b) to transmit the request for disclosure of information on shareholders identity to each other intermediary, i.e. to a participant of CDCP down the chain of intermediaries with respect to holding of securities of given issue (except to section 19.7 of this article).
- 19.5 The issuer shall set the record date in the request (i.e. the date on which shareholders identity shall be determined). The record date can't be set more than 12 month in the past, or 30 calendar days in the future from the request delivery date.
- 19.6 Disclosure of information on shareholders identity means provision of identification data on shareholders from the list of shareholders on required record date and other data defined in the Commission implementing regulation (EU) 2018/1212, primarily:
- a) specification of original request;
  - b) information on share (quantity of securities) from responding intermediary (CDCP/member), i.e. data on securities in CDCP/member registry;
  - c) information on shareholder identity;
  - d) date from which the shares have been held, if the issuer requires such information.

- 19.7 Based on issuer request according to section 19.1 of this article CDCP shall automatically disclose to the issuer also identity of shareholders from the participant registry.
- 19.8 If required by the issuer, regardless of specified 0.5% threshold with respect to the registered capital or voting rights, CDCP shall forward the request for disclosure of information on shareholders identity to each other intermediary (to CDCP participant):
- a) in the holder account of which the shares of given issue were registered on required record date;
  - b) in the holder account of which the shares of given issue are registered, or shall be transferred to this account in case the record date is in future.
- 19.9 CDCP shall transmit the request according to previous section to the participant without delay after receiving the request, but no later than by the close of a business day on which it received the request. In case CDCP receives the request after 16.00, it shall transmit the information no later than by 10.00 of the next business day. Participant shall process the forwarded request in compliance with the article 107o of ZOCP. The participant whom the issuer request has been transmitted to, shall disclose without delay to the issuer or to person nominated in the request the identification data on shareholders and other related data under the Commission implementing regulation (EU) 2018/1212. If another intermediary is registered as a shareholder in the registry of the holder to which the request has been transmitted, the holder shall transmit the request to disclose information on shareholders identity according to article 107o of ZOCP to such intermediary without delay. Each other intermediary in the chain to which the request to disclose information on shareholder identity has been transmitted shall follow the same procedure. The procedure according to this section shall apply also to updates or cancellation of the request made by the issuer. Fees for processing of transmitted issuer request are regulated by pricelist of relevant participant, while obligation of the issuer to pay fee for processing of the original request by CDCP is not affected.
- 19.10 CDCP/participant shall send response to issuer's request to disclose information on shareholders identity to address of the issuer or third party nominated in the request for that purpose.
- 19.11 CDCP or participant shall transmit response to issuer's request to the issuer or to third party nominated in the request:
- a) without delay but no later than by the close of a business day following the required record day or request receipt date, whichever occurs later;
  - b) by the issuer deadline defined in the request if the request cannot be processed in standard form or is received seven business days after required record date; the deadline defined by the issuer has to be at least 10 business days after the request receipt date.
- 19.12 CDCP shall send identification data of shareholders registered in CDCP registry, or in registry of participants, who have share on registered capital or voting rights of the issuer higher than 0.5% to the issuer primarily in electronic form. Electronic delivery has to fulfil the safety requirements; CDCP publishes specification of the requirements on its web site. CDCP shall use other appropriate and safe delivery method if safety requirements are not fulfilled.

# **ADMINISTRATION OF REGISTERS OF SIMPLE JOINT-STOCK COMPANY (SJC)**

## **Article 20**

### **General provisions**

- 20.1 CDCP keeps following SJC registries:
- a) register of simple joint-stock company shareholders under article 107d of ZOCP,
  - b) register of rights to join transfer of shares,
  - c) register of rights to demand transfer of shares.
- 20.2 Data entered into the SJC registries are published on the website of CDCP – [www.cdcp.sk](http://www.cdcp.sk) in extent set by relevant provisions of ZOCP. Published data are updated after relevant entries into CDCP books and relevant registries are made.

## **Article 21**

### **SJC shareholder register**

- 21.1 The original entry and also update of data entered into the SJC shareholder register is performed by CDCP based information from CDCP register and members' register kept under ZOCP.
- 21.2 CDCP in compliance with relevant legal regulation and based on written request submitted on dedicated form shall issue:
- a) current excerpt from SJC shareholder register or confirmation that SJC shareholder register does not include certain entry,
  - b) full excerpt from SJC shareholder register.
- 21.3 The excerpt from SJC shareholder register contains data on issues of the SJC of particular issuer.
- 21.4 CDCP shall issue excerpts pursuant to section 21.2 of this article:
- a) based on request of any natural person or legal entity in extent of published data,
  - b) based on request of particular shareholder in extent covering data related to that shareholder (including a Birth ID number or date of birth),
  - c) based on request from SJC to which the excerpt concerns, in extent of data included in the SJC shareholder register (i.e. including information on Birth ID numbers or dates of birth of all shareholders).
- 21.5 Request for excerpt under section 21.4 (a) to (c) of this article or confirmation that the SJC shareholder register does not include certain entry can be delivered by mail sent to the registered office of CDCP or in person to the mail room of CDCP. Official verification of the signature in the request according to section 21.4 (a) of this article is not required. Participant of CDCP can place a request for excerpt according to this article via the IS CDCP, in scope accessible services.

## **Article 22**

### **Register of rights to join transfer**

- 22.1 CDCP keeps register of rights to join transfer in case respective issue is recorded in issuer register in CDCP.



- 22.2 CDCP proceeds in compliance with ZOCP and the Rules of Operation when registering establishment/ changes/ deletion of right to join transfer, whereas it assesses submitted documents and consequently proceeds according to article 107f and following of ZOCP.
- 22.3 CDCP shall perform registration of establishment/ change/ deletion of the right to join transfer based on instruction from party entitled to or bound by the right to join transfer. Only shares issued by the same SJC can be subject to specific right to join transfer.
- 22.4 One right to join transfer can concern multiple entitled subjects, but not bound; mentioned does not exclude plurality of the bound parties due to shared ownership. In case of plurality of parties entitled to the right to join transfer, or bound by the right to join transfer, within such right established by one shareholder agreement:
- a) instruction to establish the right to join transfer is placed by any of them along with written notice of the content of shareholder agreement, signed by all entitled and bound parties, while signatures of entitled and bound parties shall be officially verified,
  - b) instruction for change of registration of the right to join transfer is placed by entitled/ bound party that the change on data concerns to; if change of data concerns all entitled/bound parties (e.g. time for which the right is established), the entitled/bound party placing instruction for change of registration of the right to join transfer shall submit notice on change in content of shareholder agreement signed by all entitled and bound parties, while signatures of entitled and bound parties shall be officially verified,
  - c) instruction to register deletion of the right to join transfer is placed by all entitled parties together, or by any obliged party that is obliged to place along with the instruction a written confirmation on cessation of the right to join transfer or other document declaring reason for cessation of the right to join transfer issued by all entitled parties with officially verified signatures of the entitled parties.
- 22.5 CDCP shall assess and process instruction to register establishment/ change/ deletion of the right to join transfer and attached documents in order and time pursuant to article 8 of part I. of the Rules of Operation. CDCP shall not assess and process instruction to register establishment/ change/ deletion of the right to join transfer and attached documents on the receipt date. On basis of client's request, CDCP shall process instruction to register establishment/ change/ deletion of the right to join transfer and attached documents preferentially, in two working days from instruction receipt date, while procedure according to article 23, section 23.5 of part V of the Rules of Operation applies accordingly to preferential processing.
- 22.6 The right to join transfer is established at the moment of registration in CDCP register of rights to join transfer based on written notice of the content of shareholder agreement and client's instruction compliant with all requirements of ZOCP.
- 22.7 Instruction to register the right to join transfer is placed by client on dedicated form, in person in the registered office of CDCP, or via post sent to address of the registered office of CDCP.
- 22.8 Client can place instruction to register establishment of the right to join transfer:
- a) in CDCP if data on book-entry security and owner are registered on owner's account in CDCP register,
  - b) to a member if data on owner are registered on owner's account in the member's registry. Member is obliged to forward the instruction for registration of the right to join transfer without undue delay after receiving the instruction, along with relevant

documents and the request for registration of the right to join transfer based on client's instruction in written form, to be registered in the register of the rights to join transfer. The member is responsible that instruction is placed by an authorised person.

- 22.9 The instruction for registration of the right to join transfer shall be attached with:
- a) written notice of the content of shareholder agreement establishing the right to join transfer,
  - b) original or officially verified copy of documents certifying existence and method of acting of entitled and bound party according to valid legal regulations and documents certifying identity and authorisation of client to place instruction,
  - c) written consent of issuer to establish the right to join transfer in case security with restricted negotiability containing officially verified signature of the issuer, along with documents certifying existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The conclusion date of shareholder agreement in form of notary's deed establishing the right to join transfer shall not precede the date of the issuer's consent to establish the right to join transfer.
  - d) written consent of issuer to establish the right to join transfer and document declaring establishment of the right for SJC shares takeover under article 220l (1) of the Commercial Code, along with documents certifying existence and method of acting of the issuer and authorisation to act on behalf of the issuer, in case of securities with excluded negotiability. Consent of the issuer has to comply with requirements under letter c) of this section.
- 22.10 Written notice of the content of shareholder agreement establishing the right to join transfer shall contain essentials under article 107h of ZOCP, including official verification of signature of entitled and bound party. The written notice of the content of shareholder agreement has to include also:
- a) conclusion date of the agreement in form of notary's deed,
  - b) declaration of entitled and bound party that the shareholder agreement substituted by this written notice is valid and in effect on the day when instruction to register establishment of the right to join transfer is placed.
- 22.11 In case a proxy of entitled/bound party is a person authorised to conclude shareholder agreement and to place instruction to register establishment of the right to join transfer, it is understood that is authorised also to sign the written notice of the content of shareholder agreement on behalf of the mandator.
- 22.12 Instruction to register establishment of the right to join transfer shall include at least essentials under article 107h of ZOCP.
- 22.13 After registration of the right to join transfer to register of rights to join transfer CDCP shall:
- a) in case of securities kept in CDCP register, mark the right to join transfer without undue delay also on respective owner's account,
  - b) in case of securities kept in member registry, inform the member on this fact electronically. After receiving the information from CDCP, the member shall mark the right to join transfer on relevant owner's account without undue delay.

If changes occur in registered right to join transfer that have to be registered in the register of rights to join transfer, then entitled or bound parties are obliged to place, without undue delay, an instruction to register the change or deletion of the right to

join transfer. Condition for registration of change in the right to join transfer can be primarily change of data on entitled, bound party or other data registered in the register of rights to join transfer.

- 22.14 In case of change of the right to join transfer also a transferee of shares according to ZOCP is a bound person. In case a bound party changed due to exercise of the right to join transfer by the entitled party, such change does not have to be registered in the registry of rights to join transfer.
- 22.15 Number of securities for which the right to join transfer is registered can be increased only by placing of new instruction for registration of the right to join transfer.
- 22.16 In case registered right to join transfer shall cease to exist in compliance with relevant provisions of the Commercial Code, the bound or entitled parties shall place without undue delay an instruction to register deletion of the right to join transfer. If security ceased to exist and was deleted from registry established under article 10 (4)(a) of ZOCP, CDCP shall register deletion of the right to join transfer for this security even without instruction; CDCP shall inform bound and entitled parties on this fact by sending the information to address recorded in the register of rights to join transfer.
- 22.17 CDCP shall register partial cessation of the right to join transfer due to decrease in number or value of securities, for which the right to join transfer is registered as change in the right to join transfer, on basis of instruction to register change in the right to join transfer.
- 22.18 Instruction for change or deletion of the right to join transfer shall include the same essentials as the instruction for registration of the right to join transfer and registration number of the right.
- 22.19 Instruction for registration of change in the right to join transfer shall be attached by (except documents according to section 22.18) written notice of change in the content of shareholder agreement which includes data pursuant to section 22.10 of this article. Signatures of entitled and bound party shall be officially verified.
- 22.20 Instruction to register deletion of the right to join transfer shall be attached (except documents according to section 22.18) by:
  - a) written confirmation issued by entitled party; signature of the entitled party has to be officially verified if the instruction to register deletion of the right to join transfer is placed by bound party, or
  - b) other documents declaring cessation of the right to join transfer.
- 22.21 Procedure according to section 22.13 of this article shall be applied accordingly after registration of change or deletion of the right to join transfer. In case of deletion of the right to join transfer, CDCP shall enter deletion date of the right to join transfer to the register of rights to join transfer in compliance with provisions of the Commercial Code.

## **Article 23**

### **Register of rights to demand transfer of shares**

- 23.1 CDCP keeps register of rights to demand transfer of shares in case respective issue is kept in issuer register in CDCP.
- 23.2 When registering establishment/ change/ deletion of the right to demand transfer of shares, CDCP proceeds in compliance with ZOCP and the Rules of Operation, while it assesses submitted documents and consequently, based on the assessment, proceeds in compliance with article 107j and following of ZOCP.

- 23.3 Provisions of this article 22 of this part of the Rules of Operation apply accordingly to registration of establishment/ change/ deletion of the right to demand transfer of shares.

## **LIST OF SHAREHOLDERS FOR REGISTERED PAPER-FORM SHARES**

### **Article 24**

#### **Administration of list of shareholders**

- 24.1 In case of an issuer of registered shares in paper form, CDCP keeps the list of shareholders based on concluded agreement on administration of the list of shareholders between the issuer and CDCP. The issuer is obliged to conclude the agreement with CDCP without undue delay after issuing registered shares in paper form, and to enclose all required documents with the request.

### **Article 25**

#### **Entry of changes into the list of shareholders**

- 25.1 CDCP shall register changes in the list of shareholders based on the issuer's instruction, in compliance with the agreement on administration of the list of shareholders or agreement on placing of instructions. The issuer is obliged to place the instruction in person at CDCP's operation workplace or to deliver via post. Condition for provision of the service based on instruction delivered via post is settlement of advanced payment equal to full price of provided service.
- 25.2 CDCP is entitled to perform the necessary inspection and, if provided data are found to be incomplete or incorrect, to require from the issuer to correct or supplement the data. If the issuer does not inform CDCP of the correction or supplementing the data within three working days from delivery of CDCP's request at the latest, CDCP is entitled to enter the changes of shareholders based also on the issuer's original information delivered to CDCP, or to postpone the date of entry of change of shareholders. In the latter case, the responsibility for possible damage shall be borne by the issuer in full extent.
- 25.3 The issuer is obliged to notify CDCP of any changes related to the list of shareholders immediately after learning of such changes. In the opposite case, the issuer shall be liable for damage resulting from failure to meet this obligation.

### **Article 26**

#### **Change of shareholder's data**

- 26.1 CDCP shall register changes in data on shareholder in the list of shareholders based on the issuer's instruction, in compliance with the agreement on administration of the list of shareholders. The issuer shall submit an instruction in person in CDCP seat or by post to the address of CDCP's registered office, unless otherwise agreed in the agreement.
- 26.2 The issuer is obliged to inform CDCP of changes related to a shareholder's data (e.g. change of name, residence etc.) without delay after learning of such change. In the opposite case, the issuer shall be liable for damage resulting from failure to meet this obligation.

## **Article 27**

### **Change of issuer's identification data**

- 27.1 For the purpose of administration of the list of shareholders of registered shares in paper form, CDCP shall register changes in an issuer's identification data based on the issuer's application and a subsequently signed supplement to the agreement, or based on the instruction placed in compliance with procedure agreed in relevant agreement.
- 27.2 The application/instruction shall be submitted by the issuer in person at CDCP's office, or by post to the address of CDCP's registered office, unless otherwise agreed in the agreement.
- 27.3 The issuer is obliged to inform CDCP of changes in the issuer's identification (e.g. change of commercial name, registered office etc.) without delay after such change comes into effect. In the opposite case, the issuer shall be liable for damage resulting from failure to meet this obligation. The issuer is obliged to submit all necessary documents demonstrating change in data and documents required pursuant Part I. of the Rules of Operation. Obligation of the issuer to make relevant changes in relation to data registered in the issuer's registry and changes in relation to registration of book-entry security issue is not affected by meeting obligation pursuant this section.

## **Article 28**

### **Increase and decrease of registered capital, change of the nominal value and number of units**

- 28.1 The issuer is obliged to request with CDCP for registration of increase/decrease of registered capital, change in number of units of securities or nominal value without delay after the change becomes effective, in opposite case it is liable for damage incurred by breach of this obligation.
- 28.2 CDCP shall register increase or decrease of registered capital, change in number of units or nominal value based on:
  - a) the agreement or amendment to the agreement,
  - b) instruction or in other way if agreed in relevant agreement.
- 28.3 The issuer is obliged to submit all necessary documents demonstrating change in data and documents required pursuant Part I. of the Rules of Operation.
- 28.4 In case the issuer is requesting change of the nominal value and concurrently change in the number of units of securities it has to enclose complete list of shareholders to the request.
- 28.5 Provisions of this article shall apply adequately in case of increase or decrease of registered basic capital of a joint stock company with variable basic capital.

## **Article 29**

### **List of shareholders and statement of the list of shareholders for registered shares in paper form**

- 29.1 CDCP shall issue a list of shareholders / an extract from the list of shareholders based on application from the issuer or other authorized person submitted in compliance with ZOCP, submitted in writing or on a form in person at CDCP's office, or by post to the address of CDCP's registered office.

- 29.2 CDCP shall issue a list of shareholders separately for every securities issue identified by a ČEM code.
- 29.3 CDCP shall make a statement of the list of shareholders for all securities issues of one issuer together.
- 29.4 For securities in paper form, CDCP shall hand over/send a list of shareholders:
- a) to the issuer in paper form, unless an agreement with the issuer states otherwise,
  - b) to other authorised person in compliance with legal regulations in paper form.
- 29.5 CDCP shall always hand over a statement of the list of shareholders in paper form.
- 29.6 For registered shares in paper form, a list of shareholders shall contain adequate information in extent defined in article 18, section 18.4 of this part of the Rules of Operation.

### **Article 30**

#### **Track records on shareholder of registered paper-form shares**

- 30.1 CDCP shall provide a track records on shareholder of registered paper-form shares from the list of shareholders based on application from the issuer submitted on a form in person at CDCP's office, or delivered by post to the CDCP address.
- 30.2 CDCP shall make a track records on shareholder of registered paper-form for all issues of registered paper-form securities of one issuer at the same time.
- 30.3 Track records of shareholder of registered paper-form shares contains information on all entries concerning specific shareholder in the list of shareholders of registered paper-form shares (specifically identification details of the issuer and shareholder, date and information on change of identification details of the shareholder according to article 18 of this part of the Rules of Operation, date and information on change in person of the shareholder in the list of shareholders according to article 25 of this part of the Rules of Operation).

## **SPECIAL REGISTRY OF SECURITIES WITH A CLAIM CONNECTED WITH AN OBLIGATION OF SUBORDINATION**

### **Article 31**

#### **Administration of special registry of securities with a claim connected with an obligation of subordination**

- 31.1 CDCP does keep a security issue with a claim connected with an obligation of subordination in an issuer's registry open according to article 107 of ZOCP.
- 31.2 CDCP shall assign to the security issue with a claim connected with an obligation of subordination a separate code in the list of codes for Security Type, which shall unambiguously identify a security with a claim connected with an obligation of subordination.

- 31.3 The fact, that a security issue with a claim connected with an obligation of subordination should be issued, must be stated in an agreement concluded with CDCP in compliance with this part of the Rules of Operation.

## ISSUING AGENT

### Article 32

#### General provisions

- 32.1 Activities of the issuing agent pursuant to § 107c of ZOCP is allowed to perform, based on agreement with an issuer:
- a) CDCP participant,
  - b) securities broker,
  - c) foreign securities broker,
  - d) ARDAL.
- 32.2 When acting on behalf of the issuer, the Issuing Agent has rights and obligations pursuant this Rules of Operation of the same extent as the issuer, unless the Rules of Operation stipulate otherwise.
- 32.3 Provisions of Part I. of the Rules of Operation relating to content, essentials, placing and recalling of Power of Attorney apply adequately to submitting of the agreement with the issuer based on which the issuing agent is eligible to act on behalf of the issuer in the face of the central depository and its participant, method and procedure for delivery of documents approving termination of such agreement.
- 32.4 The Participant with granted access to the Issuer Services has right to perform activities of the Issuing Agent with direct access to IS CDCP in compliance with specific list of services to the Issuer Services which is published by CDCP on its web page [www.cdcp.sk](http://www.cdcp.sk), primarily in following extent:
- a) recording of details on securities crediting accounts administered in CDCP,
  - b) recording of details on securities debiting accounts administered in CDCP,
  - c) preparation of list of securities owners.
- 32.5 The Participant is entitled to make records of details on securities to accounts in compliance with section 32.4 of this article only in case of records crediting an account due to issuance of securities and in case of records debiting the account due to deletion of securities. The Participant is not entitled to make records pursuant to this provision in case of correction of incorrect record of details on securities to the account. In case erroneous instruction/record of details on securities to the account shall occur during execution of Issuer Agent activities, due to which it will be necessary to make correction or supplementation in CDCP registry, the Participant is obliged to inform CDCP without delay about such fact and proceed in a way for placing and processing of complaints. Only CDCP is entitled to make correction in CDCP registry on basis of placed complaint.
- 32.6 The participant is entitled to record details on securities pursuant to section 32.4 of this article due to change in number of units of issued issue only in case the request for recording of relevant change of issue details to the issuer's registry has been placed to

CDCP by the issuer. To recording of details on securities to accounts pursuant to this provision following applies:

- a) for recording of details on securities crediting the account – CDCP shall allow to record details on securities to the account after relevant change of the issue details has been made in the issuer’s registry,
  - b) for recording of details on securities debiting the account – CDCP shall record relevant change of issue details in the issuer’s registry without delay after all records of details on securities debiting the accounts were made. The Participant is obliged to inform CDCP electronically without delay, on the day when details on securities were recorded to the accounts, information on the date when details on securities were recorded to the account and will send the information to contact published on CDCP web page.
- 32.7 Breach of obligation pursuant to section 32.5 and 32.6 of this article by the Participant is regarded as substantial breach of the Rules of Operation, by reason of which CDCP has right to apply actions and sanctions pursuant to Part II of the Rules of Operation against the Participant.
- 32.8 In order to ensure cancellation of the securities issue, the Participant is obliged to inform the issuer on recording of details on securities debiting the accounts which apply to all securities of given issue in compliance with section 32.4 of this article.
- 32.9 The issuer can authorise only one Participant to exercise activities of the Issuing Agent for the issue pursuant to section 32.4 of this article and to place requests for services of CDCP in relation to specific securities issue.
- 32.10 The Participant is entitled to perform activities pursuant to section 32.4 of this article only during time period when it has concluded valid agreement with the issuer pursuant to §107c of ZOCP and granted authorisation (Power of Attorney or other authorisation) from the issuer, and only in scope of mentioned agreement and granted authorisation. Breach of this provision is regarded as substantial breach of the Rules of Operation.
- 32.11 In connection with performing the Issuer Services and activities pursuant to section 32.4 of this article CDCP shall register the Participant in relation to specific securities issue in order to perform activities of the Issuing Agent for the issuer after submitting relevant authorisation granted to the Participant by the issuer pursuant to section 32.10 of this article. The authorisation must be compliant with requirements pursuant to article 2, Part I of the Rules of Operation and must include the issue identification in relation to which the Participant is authorised to exercise activities pursuant to section 32.4 of this article. Based on registration in sense of this article CDCP shall provide the Participant with access to performance of activities pursuant to section 32.4 of this article in relation to given issue.
- 32.12 The Participant is liable that all documents which are entitling him to exercise activities pursuant to section 32.4 of this article are correct and complete and at the same time is liable for damage arising due to unauthorised placement of the instruction or breach of obligations according to this article.
- 32.13 In case the issuer withdraw the authorisation for Participant or the Participant is not for other reason entitled to perform services pursuant to section 32.4 of this article, the Participant is obliged without delay to ask CDCP to cancel the registration in relation to specific issue in connection with performance of activities of the Issuing Agent and to submit the authorisation withdrawal or other relevant document. Breach of obligation



pursuant to previous sentence is regarded as substantial breach of the Rules of Operation. The Participant has right to request for cancellation of the registration in relation to specific issue also due to other reason than withdrawal of authorisation for performance of activities pursuant to section 32.4 of this article.

- 32.14 The issuer has right to request CDCP for cancellation of registration of the Participant in relation to its issue and cancellation of performance of activities pursuant to section 32.4 of this article. CDCP shall cancel registration according to previous sentence on basis of delivered or submitted withdrawal of authorisation granted to the Participant by the issuer or other relevant document.
- 32.15 CDCP has right to cancel registration in connection with performance of activities of the Issuing Agent pursuant to section 32.4 in relation to specific issue also on basis of other relevant fact stipulated in this Rules of Operation (e.g. in case actions and sanctions are applied), whereas it shall inform the Participant on this fact without delay.
- 32.16 CDCP is not obliged to inform the issuer on registration or cancelation of registration of the Participant in connection with performance of activities pursuant to section 32.4 of this article – in relation to specific issue.
- 32.17 In case of participant default, suspension or withdrawal of access, special provisions pursuant to article 13 and following of Part II of the Rules of Operation and provisions of article 7, Part VI of the Rules of Operation apply.
- 32.18 Provisions of this article apply adequately if activities of the Issuing Agent for an issue pursuant to section 32.4 of this article are performed by ARDAL.
- 32.19 The right of the issuer to place requests for services in relation to given issues is not affected by performance of the activities of the Issuing Agent, including requests for services executed by the Issuing Agent.

## **DISTRIBUTION OF PROCEEDS FROM SECURITIES**

### **Article 33**

#### **General provisions**

- 33.1 CDCP provides the service of distribution of proceeds from securities by the issuer in the sense of ZOCP and the Rules of Operation.
- 33.2 The service is provided based on an agreement with the issuer.
- 33.3 Referring to the distribution of proceeds from the securities, CDCP shall:
  - a) publish information about distribution of proceeds via the IS CDCP and on CDCP's website,
  - b) create a list of owners of the securities for distribution of proceeds,
  - c) inform the entitled owners or holders of the securities,
  - d) collect the account numbers of owners or holders of the securities for the purpose of the distribution of proceeds,
  - e) record data needed for the distribution of proceeds,
  - f) check the tax domicile,
  - g) calculate amount of the proceeds and distribute the same to cash accounts of owners of the debt securities,

- h) make withdrawals and payment of relevant tax,
  - i) issue confirmation about tax withdrawal and payment,
  - j) communicate and correspond with a natural or legal entity receiving the proceeds from the securities,
  - k) final review of the distribution of proceeds.
- 33.4 CDCP shall, based on data to the distribution of proceeds being prepared, contact the issuer to submit:
- a) calculation of total value of cash funds needed for distribution of proceeds,
  - b) request for transfer of that value of cash funds to a cash account of CDCP.
- 33.5 Should it not be possible to deliver the payments to owners of the securities, CDCP shall proceed according to the agreement with the issuer.

## **PART V. RULES FOR WORKING WITH THE REGISTRY**

### **Article 1**

#### **Introductory provisions**

- 1.1 The rules for working with the registry apply also to an organizer of multilateral trading system to an extent identical to stock exchange.
- 1.2 With respect to the holder's registry, the provisions of the Rules of Operation, which specify in detail the use of CDCP's services, provisions of the Rules of Operation related to creation/change/cancellation of pledge according to § 53a ZOCP and creation/change/cancellation of transfer as collateral according to § 53c ZOCP do not apply to the holder.
- 1.3 The central depository makes entries on securities data in the registry
  - a) in case of the debt securities in value of the securities
  - b) in case of equity securities in volume (number of units)
- 1.4 If specification of securities volume or value is required when submitting the request for service, the client shall state information in compliance with section 1.3 of this Article in the request for service. In case of paper-form debt securities or in other justified cases connected to debt securities (e.g. in case the request for service submitted through decision of government body, in statement of which along with identification of securities is specified also number of securities units) CDCP can accept request for service with specification of number of securities units).
- 1.5 Provisions of this part of the Rules of Operation shall apply accordingly also to execution of powers of resolution authority and application of measures for resolution. Together with request for service an entitled person shall submit decision of resolution authority and/or other relevant documents declaring entitlement to place the request for service.

## **OPENING AND KEEPING OF ACCOUNTS**

### **Article 2**

#### **Accounts opened and maintained by CDCP**

- 2.1 CDCP keeps the registry of data on book-entry securities and accounts, which allow at any time and immediately to segregate on the accounts in CDCP securities of the client for which it maintains the account from securities of any other client, and from securities owned by CDCP. CDCP is maintaining the following types of accounts:
  - a) owner's account,
  - b) client's account,
  - c) holder's account.
- 2.2 The account according to subsection 2.1 of this article opened by CDCP includes data according to ZOCP and data assigned by CDCP for its unambiguous identification (e.g. account number). Opening of an account refers to allocation of a new account number

- to the registration number of the entity according to article 3, section 3.3, paragraph c) of Part I of the Rules of Operation by CDCP or member.
- 2.3 CDCP opens and keeps the owner's accounts according to section 2.1, paragraph a) of this article opened and kept for the participants, the client's accounts according to section 2.1, paragraph b), and the holder's accounts according to section 2.1, paragraph c) of this article automatically also in T2S.
- 2.4 The T2S accounts according to section 2.3 of this article contain data about the securities kept in the accounts opened according to section 2.1 of this article with the exception of data about:
- a) registered SDR not applicable to whole issue,
  - b) securities in co-ownership,
  - c) pledge registered according to article 45 of ZOCP,
  - d) pledge registered according to article 53a and following of ZOCP,
  - e) pledge registered based on decision on security measure under article 343 of the Act No. 160/2015 Coll. Civil Dispute Proceedings Code as amended.
  - f) transfer of securities as collateral registered according to article 53 of ZOCP,
  - g) right to join transfer under article 220x of the Commercial Code and right to demand transfer of shares under article 220y of the Commercial Code.
- 2.5 CDCP shall automatically register the change of data on a person for which the account is kept also on T2S account according to section 2.3 of this article after making the change of data on relevant account kept according to section 2.1 of this article.
- 2.6 CDCP shall cancel the T2S account according to section 2.3 of this article automatically after cancellation of the account kept according to section 2.1 of this article.
- 2.7 Data about the securities on the owner's accounts, with the exception of the owner's account opened for the participants, are kept on a CDCP aggregate technical account in T2S. The CDCP aggregate technical account does not contain data in the sense of section 2.4 of this article.
- 2.8 Data about the securities in divided co-ownership are kept in T2S on CDCP aggregate technical account different from the CDCP aggregate technical account according to section 2.7 of this article. The CDCP aggregate technical account does not contain data in the sense of section 2.4 of this article.
- 2.9 CDCP shall have right for the purposes of implementation of the services according to the Rules of Operation to create other technical accounts required in the sense of the T2S documentation.
- 2.10 CDCP shall open the account according to section 2.1 of this article based on written request or properly filled in CDCP form, and subsequently after concluding the agreement on opening and keeping of account. The request for opening of account shall contain in particular:
- a) for natural person – full name, birth number, permanent address, type of account;
  - b) for legal entity – name/business name, business ID, address of registered office, type of account.
- 2.11 In case of opening an account for CDCP, section 2.10 of this article shall not apply.

### **Article 3**

#### **Owner's account**

- 3.1 CDCP shall open the owner's account to:
- a) a member,
  - b) a participant,
  - c) a central depository,
  - d) a state body acting on behalf of the Slovak Republic,
  - e) the company MH Manažment, a.s.,
  - f) other legal entity.
- 3.2 CDCP shall open the owner's account based on a written request on a relevant form submitted in writing at the registered office of CDCP and the agreement on opening and keeping of account for the book-entry securities. The relevant form is available at the registered office of CDCP and CDCP's website.
- 3.3 A person asking for opening of the owner's account and the owner of already opened owner's account shall for the purpose of compliance with requirements in the sense of AVI act, Decree 446/2015 Coll. and in the sense of FATCA shall provide an inevitable cooperation to CDCP, in particular to submit, for the purpose of investigating whether the account owner or a controlling person is a person subject to reporting duty in the sense of the above-mentioned regulations, following:
- a) affirmation whether the account owner is either citizen or tax resident of the USA, EU member state other than the Slovak Republic, or one of the states according to § 2, paragraph b) of AVI act, and whether the account owner is a passive non-financial (foreign) entity,
  - b) the list of natural persons factually controlling the account owner – a passive non-financial (foreign) entity with declaration whether some of the controlling person is either citizen or tax resident of the USA, EU member state other than the Slovak Republic, or one of the states according to § 2, paragraph b) of AVI act,
  - c) data and documents that give proof of the facts under paragraph a) and b) of this section or required in the sense of the regulations mentioned above.
- 3.4 Should CDCP find out that data in the original affirmation according to section 3.3, paragraph a) of this article or in the list of the controlling persons according to section 3.3, paragraph b) of this article is untrue, incorrect, or doubtful, CDCP shall have right to ask the account owner to submit a new affirmation and the new list of controlling persons. Upon request of CDCP, the owner of the owner's account shall present a new affirmation according to section 3.3, paragraph a) of this article and the new list of the controlling persons according to section 3.3, paragraph b) of this article.
- 3.5 The account owner shall inform CDCP without undue delay about any change to circumstances (data) related to the account owner or his controlling person having an impact on determining whether the account owner or his controlling person subject to the reporting duty in the sense of applicable regulations listed in section 3.3 of this article.
- 3.6 Should a person asking for opening of the owner's account fail to provide or reject to provide cooperation according to section 3.3 of this article, CDCP shall have right to reject requested opening of the owner's account. Should the owner of already opened owner's account fail to provide or reject to provide cooperation according to section 3.3 of this article or fail to reject submission of a new affirmation or a new list of controlling

persons according to section 3.4 of this article, CDCP shall regard the account owner as a person subjected to the reporting duty.

- 3.7 Unless specified otherwise in the Rules of Operation, provisions of these Rules of Operation shall apply accordingly to the owner's account opened for CDCP.

#### **Article 4**

##### **Providing of the Services of authorized participant for the owner's account**

- 4.1 The account owner may grant power of attorney (authorize) to a participant to operate the owner's account kept by CDCP and to submit the requests for CDCP services related to this account. The account owner may grant authorization to one participant only.
- 4.2 The authorized participant pursues in the activities according to section 4.1 of this article based on the access granted to the authorized participant to Services for the owner's account according to article 8, part II of the Rules of Operation. CDCP shall grant access to said services with respect to a specific account (through registration on the owner's account) upon presentation of power of attorney granted to the participant by the account owner. The power of attorney should comply with the requirements according to article 2, part I of the Rules of Operation, and should contain owner's account number in relation to which the participant is authorized to pursue the Services of authorized participant to the owner's account.
- 4.3 The authorized participant shall have right to pursue activities according to subsection 4.1 of this article only for the term of validity of the power of attorney from the account owner, and only to the extent specified therein. Breach of this obligation shall be regarded as substantial breach of the Rules of Operation.
- 4.4 The authorized participant shall be liable for correctness and completeness of all documents permitting him to provide the activity according to section 4.1 of this article, and be liable also for damage occurring from unauthorized placing of an instruction or breach of obligations according to this article.
- 4.5 Where the account owner revokes the power of attorney for the authorized participant or the latter is no longer authorized to provide the services according to this article for any other reason, the authorized participant shall demand CDCP without undue delay to deny access to the specific account (cancellation of registration on the owner's account) and present the revocation of the power of attorney or other relevant document. Breach of this obligation shall be regarded as substantial breach of the Rules of Operation.
- 4.6 The authorized participant shall have right to ask for cancellation of the access with respect to a specific owner's account (cancellation of registration on the owner's account) also for reason other than withdrawal of the power of attorney to provide the activities of the authorized participant.
- 4.7 The account owner shall have right to ask CDCP to cancel the access to the authorized participant with respect to his owner's account (cancellation of the registration on the owner's account). CDCP shall, without delay, cancel registration according to previous sentence based on submission or presentation of revocation of the power of attorney of the same to the authorized participant by the account owner, or any other relevant document.
- 4.8 CDCP shall have right to cancel the access with respect to a specific owner's account (cancellation of registration on the owner's account) also based on other relevant facts

defined in these Rules of Operation (e.g. in case of imposing of the actions and sanctions), wherein the authorized participant is informed immediately thereof.

- 4.9 CDCP shall not be liable to inform the account owner about granting or cancelling the access of the authorized participant with respect to specific account (creation/cancellation of registration on the account).
- 4.10 Provisions of this article do not apply to the non-allocated accounts. Specific provisions according to article 5 of this part of the Rules of Operation shall apply to the non-allocated account.
- 4.11 The provisions of this article shall not apply in case of the owner's account opened and kept for the participants. With respect to the owner's account opened and kept for the participant, the specific provisions according to article 9, part II of the Rules of Operation shall apply.
- 4.12 Referring to the default of the participant, suspension or denying of the access, the special provisions according to article 13 et seq. of part II of the Rules of Operation and provisions of article 7 part VI of the Rules of Operation shall apply.

## **Article 5**

### **Special arrangements related to the non-allocated account and provision of the Services of authorized member for a non-allocated account**

- 5.1 Provisions of these Rules of Operation related to the owner's account and the securities registered on the owner's account shall accordingly apply to the non-allocated account and the securities registered on the non-allocated account, unless the Rules of Operation or ZOCP define otherwise.
- 5.2 The owner of the non-allocated account shall submit an instruction for registration of a debit or credit transfer of book-entry securities on the non-allocated account and instructions for other transactions defined in section 5.3 of this article to CDCP exclusively through an authorized member. Only one authorized member may be appointed for each non-allocated account by the owner of the non-allocated account for submission of the instructions according to this provision.
- 5.3 Referring to the non-allocated account, the authorized member performs the instruction for other transactions in the following extent:
  - a) instruction for registration/cancellation of registration of owner's SDR,
  - b) instruction for registration of movement of the securities;
  - c) instruction for registration of transition of the securities, except to registration of an instruction for registration of transition of the securities submitted by a target company in connection with exercising of squeeze-out according to article 118i of the Act.
- 5.4 The account owner submits the requests for services/instructions not defined in section 5.2 and 5.3 of this article to CDCP, wherein general provisions of these Rules of Operation and provisions of ZOCP shall apply on submission thereof.
- 5.5 The requests for services/instructions submitted by the authorized persons other than the account owner, shall be governed by the general provisions of these Rules of Operation and provisions of ZOCP.

- 5.6 The authorized member appointed by the owner of a non-allocated account according to section 5.2 of this article shall be liable for correctness and integrity of all documents authorizing him to act according to this article. The authorized member, who submits the instructions to a non-allocated account, shall be responsible for correctness, integrity, and punctuality of submitted instructions.
- 5.7 Even without a request, CDCP shall cancel the non-allocated owner's account where no data about book-entry securities is recorded.
- 5.8 The authorized member is providing the activities according to this article based on the access granted to the Services of authorized member to the non-allocated accounts according to article 21 part II. of the Rules of Operation. CDCP shall grant access to said services based on entering into a special agreement between CDCP and the authorized member.
- 5.9 The authorized member is obliged to require necessary consent or authorization from the owner of the non-allocated account based on which the account owner appointed him as the authorized member to a specific account, and based on which he is authorized for the registration and pursue the Services of the authorized member to the non-allocated account on the specific non-allocated account.
- 5.10 The authorized member shall obtain all consents from the owner or a person acting on behalf of the owner of the non-allocated account in order to process the specific data in conformity with the generally applicable regulations including consent with processing of personal data for purpose of audit performed by CDCP in connection with pursuing the activities of the authorized member.
- 5.11 Should the account owner withdraw its consent or authorization granted according to section 5.8 of this article or if the authorized member is unable for other reasons to provide the services according to this article, the owner shall cancel his registration as the authorized member on the owner's account without undue delay. Breach of this obligation shall be regarded as serious breach of the Rules of Operation.
- 5.12 CDCP shall not be required to inform the owners of the non-allocated accounts about termination of an agreement concluded between the authorized member and CDCP in the sense of section 5.9 of this article, or about registration or cancelling the registration of the authorized participant with respect to a specific account.
- 5.13 The authorized member shall be liable for correctness and completeness of all documents permitting him to perform the activity according to this article, and be liable also for damage occurring from unauthorized submission of an instruction or breach of obligations according to this article.
- 5.14 CDCP publishes the list of members to whom CDCP has granted access to the Services of authorized member to the non-allocated accounts on its website [www.cdcp.sk](http://www.cdcp.sk).

## **Article 6**

### **Special provisions on owner's accounts established in compliance with § 164a of ZOCP**

- 6.1 CDCP established the accounts for owners pursuant to §105 of ZOCP on 01.01.2008 with an identification number starting with digits „97“.
- 6.2 CDCP subsequently transferred securities, along with registered SDR and pledges to the owner's accounts established pursuant to § 164a of ZOCP. In case the right for disposal or the right to request information on securities had been valid in these accounts, it was



inevitable for the account owner to register these rights in the registry according to ZOCP, as these rights were not transferred.

- 6.3 All provisions of these Rules of Operation apply to the newly opened accounts, in the same manner as they apply to the owner's accounts opened pursuant to §105 of ZOCP.
- 6.4 Concerning the owner's accounts opened pursuant to the Act No 600/1992 (Coll.) on Securities as amended by later legislation, CDCP only provides information services as of previous date (e.g. a statement from owner's account for the purpose of inheritance proceedings, the list of owners of securities for issuers etc.). In case of a request for information services as of previous date preceding the date 1 January 2008, it is necessary to specify a numerical identification of the owner's account opened pursuant to the Act No 600/1992 (Coll.) on Securities as amended by later legislation. If the entity submitting the request for information service as of previous date, which precedes the date 1 January 2008, uses a numerical identification of the account starting with number "7", it is deemed that the entity requests an information service in relation to an owner's account opened pursuant to the Act No 600/1992 on Securities as amended by later legislation.
- 6.5 In case the owner of an account applies for information service and he indicates owner's account identification number starting with number „97“ in the request for an account statement and he applies for information service as of the previous date, which precedes the date 1 January 2008, it is deemed that he applies for information service from an owner's account starting with digit "7".
- 6.6 CDCP accepts the substitution of numerical identification of an owner's account starting with number „97“ by numerical identification of an owner's account starting with digit „7“ in case of submission of instruction for change/extinction of contractual pledge in the Pledge Registry and marking of this extinction on the owner's account in case the pledge was registered before 1 January 2008 for securities kept in the owner's account opened in the securities registry established pursuant to the Act No 600/1992 (Coll.).

## **Article 7**

### **Client's account**

- 7.1 CDCP shall open the client account based on concluded agreement and written application on specified form according to procedure agreed in such agreement. CDCP shall open and administer a client account exclusively for a member of CDCP.
- 7.2 The Member for who CDCP administers the client's account on which securities are registered, is obliged to fulfil its information obligation towards relevant authority of SR pursuant to AEI Act, Decree 446/2015 Coll. and pursuant to FATCA Agreement.

## **Article 8**

### **Holder's account**

- 8.1 CDCP shall open the holder's account to a person specified in §105a) Section 3 of ZOCP based on concluded agreement and written request on dedicated form according to procedure agreed in such agreement. In compliance with CSDR regulation CDCP shall open an holder's account only to the Participant.
- 8.2 A transfer/transition/movement of securities to a holder's account is only possible in the case that no suspension of disposal right or pledge has been registered over these securities.

- 8.3 A pledge, a transfer as collateral and suspension of disposal right, except for suspension of disposal right for entire security issue cannot be registered on holder's account over the securities data on which are registered in the holder's account.
- 8.4 A transfer/transition/movement of securities from a holder's account is only possible on condition that no suspension of disposal right or pledge is registered over these securities in the holder's registry.
- 8.5 In case that a disposal right suspension applying to the entire issue of securities is registered over securities in a holder's account, the holder must not register a transfer/movement of securities in the holder's registry.
- 8.6 If suspension of disposal right, pledge or transfer as collateral is registered in compliance with this part of the Rules of Operation over the securities held in the holder's account, registration of transfer/transition on such securities is not possible. In case the transferee of securities that are held in the holder's account shall receive these securities due to transfer or transition, while suspension of disposal right, pledge or transfer as collateral is registered over these securities in compliance with this part of the Rules of Operation, required change in the securities owner can be made only in form of relevant record in the holder's registry in the same holder's account.
- 8.7 CDCP is not liable for possible damages, which arise from breach of provisions stipulated in this article by the holder.
- 8.8 CDCP is liable towards the holder for damages caused by wilful act or negligence by processing holder's instruction incorrectly, incompletely or with delay.
- 8.9 The person for who CDCP opened the holder's account on which securities are registered, is obliged to adopt measures necessary to fulfil information obligation towards relevant authority of SR pursuant to AEI Act, Decree 446/2015 Coll. and pursuant to FATCA Agreement.

## **Article 9**

### **Shareholders identification, information transmission and facilitating exercise of shareholder rights under article 107o of ZOCP in connection with account administration for participant**

- 9.1 The participant for whom CDCP administers a client account and/or a holder account, has to fulfil obligations with respect to provision and transmission of information under article 107o of ZOCP. For that purpose CDCP shall transmit relevant requests, notices and information from the issuer (including their changes and cancellations), where securities of given issuer are registered on client account and/or holder account, or were registered in such account on required record date, through:
  - a) IS CDCP if participant was granted access to IS CDCP, or method of communication pursuant to the Executory Decree No 1 to the Rules of Operation;
  - b) authorised participant according to section 9.2 of this article.
- 9.2 When services with respect to account of a participant (holder account, owner account of participant) are performed by an authorised participant, CDCP shall provide information according to section 9.1 of this article also to the authorised participant. In such case the authorised participant is obliged to provide/transmit information pursuant to section 9.1 of this article to the participant for which the account is administered without delay, unless agreed with such participant otherwise.

- 9.3 In connection with administration of client account CDCP shall provide the issuer with shareholder identification data from the member registry based on issuer request according to article 107o of ZOCP. For that purpose CDCP is entitled to obtain, to the extent necessary, data from the member registry. Procedure for processing of issuer request is defined in article 19 of part IV of the Rules of Operation. The member shall fulfil further duties with respect to transmission of information and facilitating of shareholder rights according to article 107o of ZOCP individually.
- 9.4 In connection with administration of a holder account, the holder shall fulfil duties as regards shareholder identification according to article 107o of ZOCP and article 19 of part IV of the Rules of Operation.
- 9.5 Procedure for processing of issuer request for shareholder identification submitted to CDCP is defined in article 19 of part IV of the Rules of Operation.
- 9.6 Obligations of a participant in connection with transmission of information according to article 107o of ZOCP are defined in articles 7 and 8 of Part IV of the Rules of Operation.

## **Article 10**

### **Change of data on entity for who the account is administered**

- 10.1 Change of data on an entity for which the account is administered, is change in identification data of a client as a subject registered under entity registration number pursuant to Article 3, section 3.3, subsection c) of Part I. of the Rules of Operation. By change of data on the account owner, an owner of securities registered in that account shall not be changed; mentioned does not apply to procedure pursuant to §108 of ZOCP.
- 10.2 CDCP shall change in data on an entity, for which an account pursuant to Section 2.1 of Article 2 of this Part of the Rules of Operation has been opened based on:
- a) written request of the person for who the account is administered, placed in person at CDCP's registered office or by post to address of CDCP ,
  - b) justified objection, valid decision of the court or on own initiative pursuant to §108 of ZOCP.
- 10.3 The request for change in data on the entity for who the account is administered must consist mainly of:
- a) previous (out-of-date) data, which are registered in the CDCP registry on given person-subject,
  - b) new data which shall be registered,
  - c) manifestation of will aiming to execution of relevant change in data,
  - d) day and signature of person for who is the account administered.
- 10.4 The request for change of data must be attached with original or verified copy of documents demonstrating required change of data (e.g. for change of data on a legal entity – current extract from the CR; for change of name/surname of natural person – marriage certificate, valid decision of the court; for change of the birth registration number – certificate on the birth number issued by RRSR). In case the entity for who the account is administered shall not demonstrate required change sufficiently and unequivocally, CDCP shall not register required change.
- 10.5 CDCP is entitled to make the change of data on person for who the account is administered in all accounts administered for this person in CDCP, based on request for

change of data or if other procedure for change of data than pursuant this article is applied.

- 10.6 Along with request for change in data on the account owner, the account owner is obliged to request simultaneously for relevant changes to be made in all CDCP registers in which the account owner has been registered (e.g. in the issuer's register, pledge register, special registry of transfers as collateral).
- 10.7 An account owner is obliged to request for a change of data to be made immediately after such change occurred or came into effect.

## **Article 11**

### **Closing the account**

- 11.1 An account opened and administered by CDCP can only be closed on the condition that no data on book-entry securities is registered in the account. In case of a client account, no owner's accounts pursuant to §105 Section 3 of ZOCP can be linked to this account.
- 11.2 CDCP shall close an account opened and administered by CDCP on the basis of written request. In case of a holder's account or client's account, it is required that the agreement on opening and administration of the holder's account, or on opening and administration of the client's account is terminated, unless the agreement is terminated in special manner.
- 11.3 For purpose of closing of accounts, CDCP may accept along with valid Power of Attorney also an extract from the Commercial Register that is older than 3 months, and for foreign legal entities may accept documents according to article 2, section 2.10 letter e) of part I of the Rules of Operation, that are older than 6 months.
- 11.4 CDCP shall close an account within the time specified in the request (if stated), but earliest on the day when the request for closing the account was delivered or when validity of agreement on opening and administration of the account expired.
- 11.5 Without the request, CDCP can close an owner's account kept in CDCP's registry, except for the owner's account of a participant, if there is no data on any security registered in the owner's account for a period of one year or if stipulated by ZOCP.
- 11.6 The owner's account of the benefactor open and kept in CDCP, on which no data on book-entry securities are registered, can be cancelled also based on request of an inheritor who will declare its legacy by valid decision on inheritance.
- 11.7 CDCP is entitled not to close an account from which or to which financial instruments should be transferred by the settlement instruction, which is not settled in the moment of placing the request for closing of the account.

## **Article 12**

### **Statement of account opened by CDCP and the method of its handing-over**

- 12.1 To the entity for which an account pursuant to Section 2.1 of Article 2 of this Part of the Rules of Operation has been opened, CDCP shall provide a statement of its account in paper form or in electronic form (if so stated in special contractual arrangement):
  - a) after making an accounting entry to the credit or to the debit of said account, unless it is agreed otherwise or unless the legal regulation stipulates otherwise – for example §105 Section 7 of ZOCP (transaction statement),

- b) based on request of the person for who the account has been opened (account statement, back-dated statement of account),
  - c) based on request from MH Manažment, a.s. according to §105 section 7 of ZOCP.
- 12.2 CDCP shall prefer to send the statement of an account, opened for a participant/member, in electronic form. Based on the participant's/member's request, which can be submitted to CDCP in electronic form, CDCP shall also issue account statement in paper form and shall send it by post without delay. In case of the account statement of owner's account that CDCP is providing pursuant to Section 12.1, subsection c) of this Article, CDCP is entitled to authorise the member to prepare the account statement in the paper form and to its delivery to the owner of account via post.
- 12.3 The request for statement of an account opened in CDCP, if in written form, must be delivered in person at CDCP's registered office or by post to address of CDCP .
- 12.4 The request for account statement pursuant to Section 12.3 of this Article must contain:
- a) data on person for which the account was opened (commercial name, registered office and identification number in case of the legal entity, or name, surname, permanent residence and birth registration number in case of the natural person),
  - b) the date as of which the statement should be made - if there is no date specified, the statement shall be made as of the date of provision of the service (current statement).
- 12.5 CDCP is entitled, pursuant to §105 par.7 of ZOCP, to authorise the member to prepare, process or hand-over the statement of the owner's account opened pursuant to article 3, section 3.1 letter c) of this part of the Rules of Operation. Authorisation pursuant to previous sentence of this Section has to be the subject of the agreement concluded between CDCP and the member.

### **Article 13**

#### **Provision of information on securities**

- 13.1 Information on accounts pursuant to article 2, section 2.1 of this part of the Rules of Operation and on securities registered in these accounts shall be provided by CDCP/a member to an entity other than the person for who the account was opened only upon written request, and:
- a) when fulfilling the information duties that CDCP/member has to fulfil in compliance with the legal regulations,
  - b) based on a previous registration of the authorisation pursuant to §105 Section 1 Subsections d) and e) of ZOCP, performed in the owner's account in the CDCP's/member's registration, in extent of such authorisation.
- 13.2 In case of an owner's account kept for an asset-management company or for a unit trusts administered by such company, the request can be submitted by the asset-management company or by the asset-management company's depository. The original or an officially verified copy of a valid agreement on performance of the depository's activity shall be attached to the request.
- 13.3 Information on a holder's account and information on securities, the data of which is registered in such account, shall be provided by CDCP to an entity other than the one for who the account has been opened based on written request, and only when fulfilling the information duties CDCP has to fulfil according to the legal regulation.
- 13.4 The request for provision of information pursuant to this Article must contain the following particulars:

- a) numeric identification of the account,
  - b) identification number of person for who the account is administered, or its BIC code,
  - c) identification of the entity to which the service is being provided, specifying its identification number; if it is a securities dealer/a foreign securities dealer, its registration number assigned by CDCP;
  - d) the extent of the authorisation to obtain information from the account.
- 13.5 A change and cancellation of registration of persons authorised to obtain information on securities in the owner's account shall be performed by CDCP/ member based on request of the account owner or the person registered pursuant to Section 13.1 Subsection b) of this Article; the provisions of Section 13.4 of this Article shall appropriately apply to the content of the request for cancellation of registration.

## **SUSPENSION OF DISPOSAL RIGHT**

### **Article 14**

#### **Persons authorised to place the instruction to register SDR /to cancel the registration of the SDR**

- 14.1 The instruction to register suspension of the disposal right can be submitted to CDCP/member/participant by clients that are authorised persons pursuant to §28, sec.3 of ZOCP. CDCP and the member can place the instruction to register the SDR when acting as authorised person in compliance with and on conditions pursuant to §28, sec.3 of ZOCP. CDCP is entitled to register SDR pursuant to §28 Section 5 of ZOCP.
- 14.2 If the data on a book-entry security and its owner is registered in an owner's account administered by CDCP, CDCP shall register the SDR / cancellation of the SDR (i.e. make the relevant record in CDCP's registry).
- 14.3 If the data on a book-entry security and its owner is registered in an owner's account administered by a member, the member shall register the SDR / cancellation of the SDR (i.e. make the relevant record in the member's registry). After the SDR has been registered in the member's registry, the SDR shall be concurrently registered in the client account of member, for the same number of securities of the given ISIN.
- 14.4 If the instruction to register the SDR /cancellation of the SDR refers to an entire issue of securities, the client shall place the instruction to register the SDR /cancellation of the SDR to CDCP. CDCP shall register the SDR over the entire issue also in the registration administered by members (i.e. CDCP shall make the relevant records in a member's registry as well as in the client's account of the member).
- 14.5 In case of registration of the SDR referring to an entire issue of securities, CDCP shall register the SDR on the working day following the day of delivery of the request (the client must deliver the request no later than on the working day preceding the working day when the SDR is to be effective). If, on the day of placement of the instruction to register the SDR referring to an entire issue of securities, only on single security of this issue a reservation flag has been registered, CDCP shall register the SDR on the working day following the day of delivery of the request.
- 14.6 The SDR shall be established and terminated (either partially or entirely) upon the entry in CDCP's/member's registry and in the holder's registry. During the period of



registration of the SDR, neither CDCP nor the member shall register the transfer of a book-entry security over which the SDR is registered.

- 14.7 The SDR can be terminated based on record performed in the CDCP/member's registry, according to and on conditions of §28, section 9 of ZOCP. In case the SDR has been registered based on instruction placed by a client pursuant to §28, section 3, subsection g) and h) of ZOCP, according to article 14, section 14.1 of this part of the Rules of Operation, CDCD/member shall register termination of the SDR after submitting the documents demonstrating termination of the SDR.
- 14.8 The number/value of securities for which the SDR is registered can be increased only via the placement of a new instruction to register the SDR. The number/value of securities for which the SDR is registered can be decreased via the placement of an instruction to register change of the SDR.
- 14.9 Unless stated otherwise in the Rules of Operation or unless anything different results from an agreement between the client and CDCP, the instruction to register the SDR /cancel the registration of SDR shall be submitted to CDCP by:
- a) clients that have owner's accounts open in CDCP, participants, members and issuers
    - i. by post or in person at CDCP's registered office, in writing or on a form,
    - ii. the participant/member via IS CDCP (in compliance with technical specification to the IS CDCP), if it results from the agreement with CDCP,
    - iii. special contractual arrangement concluded between the issuer and CDCP along with the request for change or termination of an issue, when the instruction is part of such arrangement.
  - b) a participant or a member, with the exception pursuant to Section 14.10 of this Article, usually via IS CDCP,
  - c) other market infrastructure which was granted Access, usually via IS CDCP (in compliance with technical specification to the IS CDCP),
  - d) other clients in written or on form, placed in person at CDCP's registered office or by post to address of CDCP.
- 14.10 A securities dealer/foreign securities dealer shall place the instruction to cancel the SDR (except for the SDR that has been registered based on its instruction pursuant to §28 Section 3 Subsection b) of ZOCP) in person at CDCP's registered office.
- 14.11 The form for the placement of instructions to register the SDR /to cancel the registration of the SDR is available at CDCP's registered office and on its website.
- 14.12 The instruction to register the SDR /to cancel the registration of the SDR is submitted to a participant or to a member by other market infrastructure which has been granted access via the IS CDCP (in compliance with technical specification to the IS CDCP); other clients shall use the manner specified by the member.

## **Article 15**

### **The instruction to register/to cancel registration of the SDR**

- 15.1 The instruction to register/to cancel registration of the SDR must contain all particulars according to ZOCP and information specified by CDCP in compliance with technical specification to the IS CDCP, or on a relevant form. If the instruction to register a SDR for a definite period is being submitted by clients pursuant to provisions of §28, section 3, letter g) and h) of ZOCP, the definite period need not be specified as a date in the instruction, if ZOCP or separate legal regulations allow it. CDCP/member shall register such instruction for an indefinite period. If the instruction to register a SDR does not

include a period for which the disposal right is to be suspended, it is deemed that, in compliance with §28 Section 4 of ZOCP, the registration for an indefinite period is being instructed. If the instruction is placed by entity pursuant to § 28, section 3, subsection a), g) and i) and it will not identify the securities and number of security units, the instruction will apply to all securities registered in the owner's account in the moment when the instruction is placed.

- 15.2 The issuer can place the instruction to register the SDR due to change or termination of securities only in form of special contractual arrangement in connection with registration of change or termination of the security issue.
- 15.3 The issuer that has received notification pursuant to §115 Section 1 must not place the instruction to register the SDR on an entire issue of securities until the clearing and settlement of the public offer to take over is finished. In this case, CDCP is entitled to decline to register the SDR.
- 15.4 The instruction to register the SDR can be also placed as a compound service, along with an instruction to register a transfer (refer to provisions on security transfers in this Part of the Rules of Operation). Such order can be placed by:
  - a) other market infrastructure,
  - b) a securities dealer/ foreign securities dealer, if authorised by an agreement with a client or a power of attorney granted by the client.

## **Article 16**

### **Notification pursuant to §28 of ZOCP**

- 16.1 CDCP shall fulfil the information duty pursuant to §28 Section 8 of ZOCP by delivery of notification, in written form, that contains:
  - a) registered name, registered office and identification number of the legal entity, or name, surname, permanent residence and birth registration number of the natural person in whose account the SDR has been registered,
  - b) ISIN and the number of units of securities, over which the disposal right suspension has been registered,
  - c) the number of units or value of securities that have been the object of a transition,
  - d) registered name, registered office and identification number of the issuer,
  - e) date of registration of the disposal right suspension,
  - f) date of expiration of registration of suspension of disposal right,
  - g) date of execution of transition,
  - h) original numerical identification of the SDR and new identification of SDR assigned by CDCP due to registration of security transition.
- 16.2 CDCP shall fulfil the information duty pursuant to §28 Section 10 of ZOCP by delivery of notification, in written form, that contains:
  - a) registered name, registered office and identification number for the legal entity, or name, surname, permanent residence and birth registration number of the natural person in whose account the disposal right suspension has been registered,
  - b) the number of units of securities, on which the SDR has been cancelled,
  - c) ISIN and number of units of securities, on which the SDR has been registered,
  - d) registered name, registered office and identification number of the issuer,
  - e) date of registration of the disposal right suspension,
  - f) date of expiration of registration of suspension of disposal right,



- g) date of cancellation of SDR.
- 16.3 The information duty specified in §28 Section 10 of ZOCP does not apply to CDCP, if CDCP is cancelling an instruction to register the SDR of an entity that has ceased to exist without a legal successor, or if CDCP is cancelling an instruction of person who placed the instruction to register the SDR or of a securities dealer/foreign securities dealer that has stopped providing investment services pursuant to relevant legal regulation.
- 16.4 CDCP shall fulfil the information duty pursuant to §28 Section 12 of ZOCP in the manner agreed upon in an agreement between CDCP and the Stock Exchange.

## **TRANSFER OF BOOK-ENTRY SECURITIES**

### **Article 17**

#### **Authorisation and the method of placement of instruction to register transfer of a book-entry security**

- 17.1 The client authorised to place an instruction to register transfer with CDCP/member/holder is:
- a) pursuant to §23 of ZOCP a transferor and a transferee in case of transfer of book-entry securities between accounts, whereas at least one of the accounts is administered by CDCP/participant,
  - b) pursuant to §24 of ZOCP a security broker/foreign security broker in case the broker provided for purchase or sale of book-entry securities, resulting in transfer of book-entry securities between accounts, whereas at least one of the accounts is administered by CDCP/participant,
  - c) pursuant to §25 of ZOCP a Stock Exchange or operator of multilateral trading system, in case of transfer of book-entry securities between accounts, whereas at least one of the accounts is administered by CDCP/participant,
  - d) pursuant to §107m of ZOCP, a party entitled to the right to demand transfer of shares on behalf of bound party as transferor.
- 17.2 The instruction for registration of book-entry securities transfer from an owner's account of a benefactor can be placed also by the transferor – inheritor based on valid Decision on inheritance pursuant to §18b of ZOCP. In such case the transferor-inheritor shall submit original or verified copy of valid Decision on inheritance.
- 17.3 The instruction to register transfer of securities can be submitted by the client to CDCP/member/holder:
- a) in whose registry the owner's account of the transferee, or data on the security transferee are kept pursuant to the Ac,
  - b) in whose registry is kept the owner's account in which are registered securities that will be transferred, or where are kept data on security owner (transferor) pursuant to ZOCP, whose securities will be transferred.
- 17.4 Unless stated otherwise in the Rules of Operation or unless something different results from an agreement between the client and CDCP, the instruction to register a transfer shall be submitted to CDCP by the client, in compliance with ZOCP, as follows:
- a) personally in CDCP office, usually on relevant form which is available in CDCP seat and on CDCP web page),

- b) via IS CDCP (pursuant to the technical specification to IS CDCP) for subject that were granted access.
- 17.5 The Stock Exchange or a multilateral trading system operator shall place the instruction to register a transfer to a member via IS CDCP (in compliance with specification to the IS CDCP); other authorised persons shall use the method specified by the member.
- 17.6 A transfer in the registry of book-entry securities in the owner's accounts administered by a member shall be performed by the member, based on an instruction from the client.
- 17.7 The technical realisation of the activity specified in Section 17.5 of this Article shall be performed, on the member's behalf and based on a power of attorney granted to CDCP (i.e. CDCP shall provide for the credit/debit of securities to/from the owner's account also in the registry administered by the member).

## **Article 18**

### **The instruction to register the transfer of a book-entry security**

- 18.1 The instruction to register a transfer must contain all particulars according to ZOCP, and information stipulated by CDCP in compliance with technical specification to the IS CDCP, or on a relevant form.
- 18.2 In the event that prior consent pursuant to §23 Section 2 of ZOCP is required, the person placing the instruction must specify, in the instruction to register a transfer, whether or not the required prior consent is enclosed with the documents authorising the person to place the instruction. If the required prior consent is not enclosed, further procedure will be pursuant to §23 Section 2 of ZOCP.
- 18.3 In case of issues of securities with restricted or excluded negotiability, when placing the instruction to register a transfer, CDCP/member/holder must verify the documents authorising to place the instruction in compliance with the legal regulations in effect (e.g. the issuer's written consent). The member/CDCP/holder shall be liable for damage resulting from the failure to verify the required documents, in the event that the negotiability of an issue of securities is restricted or excluded.
- 18.4 In case of additional arrangement to the (SJC) shareholder agreement applies that:
  - a) CDCP / member shall transfer the shares based on instruction for transfer of shares registered in the register of rights to join transfer if transferor submits a written declaration pursuant to article 107i of ZOCP along with the instruction; official verification of signature in the declaration is required,
  - b) CDCP / member shall process instruction for registration of transfer of securities registered in the register of rights to demand transfer of securities, placed by entitled party on behalf of bound party as a transferor, if the entitled party submits notary's certificate on this legal act along with the instruction,
  - c) CDCP shall register transfer of shares registered in the register of right to join transfer or in register of rights to demand transfer of shares to respective register of rights based on placed instruction for change of registration in respective register. Member shall inform CDCP without delay on transfer of shares by placing instruction for change of registration in respective register, based on which CDCP shall register the change in respective register.
- 18.5 The instruction to register a transfer, submitted via IS CDCP, can be a compound service that comprises the instruction for transfer itself and the instruction to cancel registration

of the disposal right suspension. If using this service, a Stock Exchange or a stock broker/foreign stock broker must enter identification of the SDR and type of SDR.

- 18.6 CDCP ascertains ownership of assets used by a client-transferee to accomplish the trade for each trade with a value at the least 15 000 EUR; it does not apply in case of instruction for the registration of book-entry securities transfer pursuant to § 24 and § 25 of ZOCP and the instructions of members and the Stock Exchange relating to clearing and settlement of trades in other financial instruments. CDCP ascertains ownership of assets from binding declaration of a client- transferee, which the client-transferee is obliged to submit to CDCP in this case. In the declaration, the client-transferee is obliged to state whether these assets are his ownership and whether trade is carried out on its own account. If these assets are ownership of other person, or if trade is carried out on other person's account, the client-transferee is obliged to state in the declaration name, surname, Birth Registration Number or date of birth and address of residence of natural person or name, registered office and identification number of legal entity if it was assigned, ownership of which the assets belong to and on account of which the trade is carried out; in this case client-transferee is obliged to hand over to CDCP also a written acceptance of the concerned person to use its assets in performed trade and to execute the trade on its account, while the signature of concerned person on the written acceptance must be verified. If the client-transferee shall not accomplish the obligations according to this Rules of Operation, CDCP shall decline to perform required trade.
- 18.7 CDCP ascertains ownership of assets used by a client-transferee to execute a trade according to Section 18.6 of this Article only in situation when a member specified in a transfer instruction is not identical with a securities broker or foreign sec. broker who procured the purchase/sale of book-entry security which is the subject of the transfer.
- 18.8 The declaration according to Section 18.6 of this Article must have written form and must contain data according to § 99 Section 17 of ZOCP and concurrently:
- a) data on transfer according to §27 of ZOCP
  - b) verified signature of a client-transferee.
- 18.9 Documents demonstrating the existence and method of action of a client-transferee and the concerned person pursuant to valid legislation and documents demonstrating the identity and eligibility of the client-transferee and the concerned person must be attached to the declaration and written acceptance according to Section 18.6 of this Article. All submitted documents must be original or verified copy.

## **MOVEMENT OF BOOK-ENTRY SECURITIES**

### **Article 19**

#### **Authorisation and the method of placement of instruction to register movement of a book-entry security**

- 19.1 The instruction to register a movement can be submitted to CDCP/member/holder by the owner of a security/holder in case of movement of book-entry securities from the owner's account to another account of the same owner, if at least one of these accounts is administered by CDCP/member. Unless stated otherwise in the Rules of Operation or unless something different results from an agreement with the account owner and CDCP/member, the instruction to register a movement shall be submitted to CDCP/ member by the client on a form which is available in CDCP seat and on CDCP web

page. The instruction can be placed in person in CDCP office or by post to the address of CDCP office.

- 19.2 In case of registration of movement of book-entry security from owner's account to a holder's account, a written declaration that owner of securities being moved shall not be changed due to the movement must be attached to the instruction for registration of the movement placed by the holder.
- 19.3 The realisation of movement within the registry of book-entry securities, in the accounts of owners administered by a member, shall be performed by the member based on the instruction from the client.
- 19.4 It is not possible to place an instruction to register movement of SJC shares in case of movement to participant's registry (holder account).

## **Article 20**

### **Instruction to register movement of a book-entry security**

- 20.1 An instruction to register a movement must contain all particulars according to ZOCP, as well as information specified by CDCP in compliance with the technical specification to the IS CDCP, or in a relevant form.
- 20.2 The provisions on transfer of securities shall appropriately apply to an instruction to move securities.

# **TRANSITION OF BOOK-ENTRY SECURITIES**

## **Article 21**

### **The instruction to register transition and realisation of transition of book-entry securities**

- 21.1 The client entitled to place an instruction to register transition to CDCP/member/holder is:
  - a) a transferee of securities in case of transition of book-entry securities between accounts, if at least one of these accounts is administered by CDCP/member,
  - b) a securities dealer/foreign securities dealer authorised by the transferee in case of transition of book-entry securities between accounts, if at least one of these accounts is administered by CDCP/member,
  - c) a holder in case of transition of book-entry securities between accounts, if at least one of these accounts is administered by CDCP/member.
  - d) target company in connection with execution of right according to article 118i of ZOCP
- 21.2 In case of restricted inheritance of SJC shares, restricted or excluded negotiability of SJC shares, CDCP/member is authorised to execute transition pursuant to article 220q of ZOCP only to entitled transferee and after relevant documents declaring such transition were submitted. The member/ CDCP is reliable for damage due to breach of this procedure.
- 21.3 Unless stated otherwise in the Rules of Operation or unless something different results from an agreement between the client and CDCP, or member, or holder the instruction to register a transition is submitted to CDCP/member/holder by the client on a form

which is available in CDCP seat and on CDCP web page. The instruction for registration of transition can be placed only in person in CDCP office.

- 21.4 The instruction to register a transition of securities shall be submitted by the client:
- a) to CDCP/member/holder in whose registry the owner's account of transferee is administered or data on the transferee of securities are administered according to ZOCP,
  - b) to CDCP/member/holder in whose registry the owner's account, in which are registered the securities that shall be the subject of transition, or in which the data on the securities owner are administered pursuant to ZOCP and whose securities are to be the subject of transition;
  - c) to CDCP in case of registration of transition of shares from remaining shareholders to proposer in connection with exercise of squeeze-out according to article 118i, section 8 of the Act, based on special agreement concluded with CDCP.
- 21.5 A change of owner by means of transition in registry of book-entry securities, in the owner's accounts administered by a member, shall be realised by the member based on the instruction from the client.
- 21.6 The instruction to register a transition must contain particulars related to a book-entry security, its owner and the transferee or holder on the transferee's side or holder on the owner's side that are identical with particulars of the instruction to register a transfer pursuant to Section 18.1 of Article 18 of this Part of the Rules of Operation. In case of supplementary arrangements to the (SJC) shareholder agreement attaching of special documents (declarations) pursuant to art.18, section 18.4 of this part of the Rules of Operation to the instruction for transition is not required.
- 21.7 A change in the person of the owner or holder by means of transition shall be registered by CDCP/member/holder based on an instruction as of the day of the transition, after the submission of the original or an officially verified copy of a document demonstrating the legal fact which is the basis for the transition, unless it is specified differently in ZOCP or other legal regulation. Underlying documents to the instruction for registration of transition are also further documents specified in ZOCP or in other special legal regulation (e.g. pursuant to article 118i of ZOCP).
- 21.8 It is not possible to place instruction for registration of transition of SJC shares in case of transition to participant's registry (holder account).

## **JOINT OWNERSHIP OF SECURITIES**

### **Article 22**

#### **Joint ownership of several owners**

- 22.1 If a security is jointly owned by several owners, CDCP or a member/holder shall register data on the security in the owner's account/client's account/holder's account/account in the holder's registry in compliance with the relevant provisions of ZOCP.
- 22.2 Based on an instruction to register a transition of securities in joint ownership placed by clients, CDCP or member/holder shall record the following data in its registry:
- a) registered names or titles, identification numbers of joint owners of securities for legal entities, and the size of their shares, or,

- b) names and surnames, birth registration numbers of joint owners of securities for natural persons, and the size of their shares.
- 22.3 If a security is jointly owned by several owners, CDCP or member or holder shall register data on the security in the owner's account or account in the holder's registry of every joint owner, specifying the relevant share.
- 22.4 When requesting for services, to identify a given security the joint owners are obliged to use the unique numerical identification assigned to the security at the registration of joint ownership.

## **PLEDGE OVER SECURITIES**

### **Article 23**

#### **Contractual pledge**

- 23.1 When registering the establishment/change/termination of pledge, CDCP and a member/holder shall proceed pursuant to ZOCP and these Rules of Operation, whereas they are obliged to review the submitted documents and, based on this review, proceed pursuant to §45 and the following paragraphs, or pursuant to §53a) and the following paragraphs of ZOCP.
- 23.2 If the pledgor is an asset-management company, the instruction to register the establishment/change/termination of contractual pledge shall be submitted by the depository of this asset-management company or by the asset-management company. In the latter case, written consent of the asset-management company's depository must be submitted.
- 23.3 The form for placing the instruction for registration of establishment/change/termination of contractual pledge is available at CDCP's registered office and on website of CDCP.
- 23.4 In case of plurality of pledgees and pledgers as regards a pledge over security registered by one agreement on pledge over securities:
  - a) instruction to register contractual pledge over securities is placed by any of pledgees/pledgers along with written confirmation on content of the agreement on pledge over securities signed by all pledgees and pledgers, whereas signatures of pledgers have to be officially verified;
  - b) instruction for change in registration of pledge over securities shall be placed by pledger/pledgee who the change of data concerns; if the change of data concerns to all pledgers/pledgees (e.g. change in value of secured claim, change in maturity of secured claim), then the pledger/pledgee placing an instruction for change in registration of contractual pledge shall attach the instruction with written confirmation on change in content of the agreement on pledge over securities signed by all pledgers and pledgees, whereas signatures of pledgers/pledgees who are not submitting the instruction shall be officially verified.
- 23.5 instruction to register cancellation of contractual pledge over securities shall be placed either by all pledgees together, or by any of pledgees who shall attach the instruction with written confirmation on payment of claim secured by the pledge, or other document demonstrating reason for cancellation of the contractual pledge issued by all pledgees with officially verified signatures of the pledgees.



- 23.6 CDCP shall review and process instruction for registration of creation/change/cancellation of contractual pledge according to articles 45 and 53a of ZOCP and attached document in order and within period according to article 8 of part I of the Rules of Operation. CDCP shall preferentially process instruction for registration of creation/change/cancellation of contractual pledge according to article 45 and article 53z of ZOCP and attached documents in two working days from receiving of the instruction if the client shall place a written request for preferential processing of the request for service and pay additional fee for preferential processing of the request in compliance with the Scale of Fees of CDCP. If preferential processing should result in preferential execution of required service (i.e. in two working days from receiving of instruction for service) than besides standard fee for required service CDCP shall charge the client also additional fee for preferential execution of service pursuant to CDCP Scale of Fee. CDCP does not review and execute instruction for registration of creation/change/cancellation of contractual pledge according to articles 45 and 53a of ZOCP and attached documents on the same day when the instruction was received. CDCP is entitled to deny preferential processing of request for service in legitimate situations.

#### **Article 24**

##### **Registration of establishment/change/termination of contractual pledge over book-entry securities pursuant to §45 of ZOCP**

- 24.1 CDCP keeps the Pledge Register for book-entry securities, provided that they are kept in an issuer's register.
- 24.2 The contractual pledge pursuant to §45 of ZOCP over book-entry securities shall be established:
- a) upon registration in the pledge registry of CDCP, based on a written notice on content of an agreement on pledge over securities and client's instruction,
  - b) upon provision of a bank credit, according to separate regulation, for the period of provision of the bank credit. CDCP is obliged to register such contractual pledge in the Pledge Registry based on the instruction of the NBS.
- 24.3 The client entitled to submit the instruction to register contractual pledge over book-entry securities can be the pledgee, the pledgor or the NBS (in cases according to ZOCP). The client can place the instruction for registration of pledge over book-entry securities:
- a) to CDCP if the data on a book-entry security and its owner is registered in an owner's account in CDCP's registry
    - i. by the pledgee or the pledgor in person, in writing or on a form, which is available in the CDCP office or on CDCP web site.
    - ii. by NBS in electronic form,
  - b) to a member if the data on the owner is registered in an owner's account in the member's registration. After receiving the instruction to register the establishment of contractual pledge over book-entry securities, the member is obliged to deliver this instruction, along with the relevant documents and the request for registration of pledge in the Pledge Register based on client's order, in writing to CDCP in person and without undue delay, in order for them to be registered in the Pledge Register. In the case that the pledgee is the member in whose registry is the owner's/pledgor's account, the member does not submit the request according to the previous sentence.

The member is liable for ensuring that the instruction has been submitted by an authorised person.

- c) to a holder if the data on the owner is registered in an account in the holder's registry. After receiving the instruction to register the contractual pledge over book-entry securities, the holder is obliged to deliver this instruction, along with the relevant documents and the request for registration of pledge in the Pledge Register based on an client's instruction, in writing to CDCP in person and without undue delay, in order for them to be registered in the Pledge Register. The holder is liable for ensuring that the instruction has been submitted by the client.

24.4 The following must be enclosed to the instruction to register the establishment of a contractual pledge:

- a) a written notice of the content of the agreement on pledge over the securities (this does not apply if the instruction to register the establishment of contractual pledge is being submitted by the NBS),
- b) the originals or officially verified copies of documents that are demonstrating the pledgor's and the pledgee's existence and the course of action pursuant to the legal regulations in effect, as well as documents demonstrating the identity and eligibility of the client to place the instruction,
- c) the written consent of the issuer to create pledge over the security, if transferability of the security is restricted, with officially verified signature of the issuer, supplemented with the documents demonstrating existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The date of the agreement on pledge over the securities can't precede the date when the issuer granted consent to create pledge over the securities,
- d) the written consent of the issuer to register pledge over security and document evidencing establishment of the right to buy-out of SJC shares under article 2201 (1) of the Commercial Code in case of excluded negotiability of SJC shares; with officially verified signature of the issuer, supplemented with documents demonstrating existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The date of agreement on pledge over the securities can't precede the date when the issuer granted consent to create pledge over the securities.

24.5 The written notice of the content of the agreement on pledging the securities shall contain:

- a) the pledgor's commercial name or title and registered office if it is a legal entity, or the pledgor's name, surname and address of permanent residence if it is a natural person,
- b) identification number or birth register number of the pledgor,
- c) identification of pledged security, including ISIN for book-entry security or type and form for paper-form security, identification number, the issuer's commercial name or title and registered office if it is a legal entity, or the issuer's name, surname and permanent residence if it is a natural person,
- d) the pledgee's commercial name or title and registered office if it is a legal entity, or the pledgee's name, surname and address of permanent residence if it is a natural person,
- e) the pledgor's identification number or birth registration number, if assigned,
- f) volume or value of security, nominal value of security,
- g) the amount of claim for which the pledge has been established, the maturity period and the currency in which the claim is denominated,



- h) date on which the agreement on pledge over securities was concluded,
  - i) the permission of the pledgee to submit the instruction for registration of SDR in compliance with § 28, section 3 (d) of ZOCP, if the pledgee and the pledgor have agreed in agreement on pledge over security,
  - j) the declaration that the pledgor was authorised in the agreement on pledge over security to submit instruction on registration of SDR in compliance with § 28, section 3 (d) of ZOCP on behalf of pledgee, if pledgor submits this instruction, whereas applies that if pledgor submits the instruction for registration of SDR on behalf of pledgee, the signature of the pledgee in written notice on content of the agreement has to be officially verified; the provision of this subsection shall not apply if the pledgor submits the separate power of attorney to place the instruction granted by the pledgee,
  - k) the pledgor's and pledgee's notice that the agreement on pledge over the securities, which is being replaced by such written notice, is valid and effective as of the day of placing the instruction to register the pledge,
  - l) officially verified signatures of the pledgor and the pledgee, whereas the pledgee's signature does not have to be officially verified in case the pledgor is a participant of CDCP.
- 24.6 If the proxy is a person authorized for conclusion of pledge agreement to securities and for placing the instruction to register the pledge, it is deemed that the person is authorized to sign the written notice on content of security agreement.
- 24.7 The instruction to register the establishment of pledge shall contain at least the following:
- a) information on the pledgor
    - i. registered name, registered office and identification number for a legal entity,
    - ii. name, surname, permanent residence and birth registration number for a natural person.
  - b) information on the pledgee
    - i. registered name, registered office and identification number for a legal entity,
    - ii. name, surname, permanent residence and birth registration number for a natural person.
  - c) identification of securities including ISIN for book-entry security, or the type and form of paper-form securities, the issuer's commercial name or title and registered office for a legal entity, or the issuer's name, surname and permanent residence for a natural person,
  - d) volume or value of securities that the pledge refers to,
  - e) the amount of the claim for which the pledge has been established, maturity period, expressed by a date and currency in which the claim is denominated,
  - f) in case of a pledge established at the provision of a credit pursuant to a separate regulation (the NBS): the period for which the SDR has been established,
  - g) in case of submission of the instruction in electronic form: further information stipulated by CDCP in compliance with technical specification to the IS CDCP.
- 24.8 After registering the contractual pledge over book-entry securities in the Pledge Register, CDCP shall proceed as follows
- a) in case of securities kept in CDCP's registry, CDCP shall immediately record the pledge in the relevant owner's account,

- b) in case of book-entry securities kept in a member's registry, CDCP shall notify the member of this fact in electronic form. Immediately after receiving CDCP's notice, the member is obliged to record the pledge in the relevant owner's account,
  - c) In case of book-entry securities kept in a holder's registry, CDCP shall notify the holder of this fact in electronic form. Immediately after receiving CDCP's notice, the holder is obliged to record the pledge in the relevant account.
- 24.9 If, after registration of a contractual pledge over book-entry securities in the Pledge Register, the pledge fails to be recorded in the account of the pledgor or in the holder's registry without CDCP's fault, CDCP shall not be liable for the resulting damages.
- 24.10 Simultaneously with registering the contractual pledge over securities in the Pledge Register, the NBS shall place an instruction to register the disposal right suspension pursuant to §28 Section 3 Subsection d) of ZOCP for a period of duration of the credit.
- 24.11 If there are changes to a pledge that need to be registered in the Pledge Register, or if there arises situation that may lead to termination of the pledge, the pledgee or the pledgor are obliged to submit immediately the instruction to register the change or termination of the pledge. In case security was cancelled and was deleted from the registry established pursuant to §10, section 4 (a) of ZOCP, CDCP shall register cessation of pledge related to such security even without instruction, whereas CDCP shall send information on this fact to pledgor and pledgee to address registered with the pledge.
- 24.12 A precondition for registration of change of a pledge can be primarily change of data:
- a) on the pledgee,
  - b) on the pledgor,
  - c) on the amount of claim and on the currency in which it is denominated,
  - d) on the maturity date of the claim,
  - e) on volume or value of pledged securities.
- 24.13 Partial cancellation of pledge due to decrease in number or value of pledged securities shall be registered by CDCP as a change in pledge based on instruction for change in pledge.
- 24.14 A precondition for registration of termination of a pledge can be mainly the following:
- a) cessation of claim (e.g. it is properly and timely fulfilled),
  - b) termination of securities over which the pledge has been established,
  - c) the pledgee's waiver of the pledge,
  - d) expiry of a period for which the pledge has been registered,
  - e) selling the pledged securities by the pledgee due to exercise of the pledge.
- 24.15 The instruction to register a change/termination of contractual pledge over book-entry securities shall be submitted to CDCP/member/holder by clients, applying the manner and procedure pursuant to Section 24.3 of this Article, whereby in case of change in the identification data of registered persons (pledger, pledgee) the instruction can be delivered to CDCP by post. In case of change of a pledge, also the acquirer of the pledge is the obliged person pursuant to ZOCP. If there is a change in the person of the pledger due to the pledgee's exercise of the pledge, such change need not be registered in the Pledge Register. This does not affect the obligation to register the termination of pledge. After the change or termination of pledge is registered in the Pledge register, the procedure pursuant to Section 24.8 of this Article will apply accordingly.

24.16 The instruction to register a change/termination of pledge must contain adequately the data specified in Section 24.7 of this Article, and number of the pledge agreement.

24.17 The following documents must be enclosed with the instruction to register a change of pledge:

- a) for pledge registered in the Pledge Register before 31 December 2006: the original or an officially verified copy of a document demonstrating the change or termination of pledge,
- b) for pledge registered in the Pledge Register after 1 January 2007: a written notice on a change in the content of the agreement on pledging the securities or a document demonstrating other reason for change of a contractual pledge,
- c) the original or officially verified copies of documents demonstrating the pledgor's and the pledgee's existence and the manner of procedure pursuant to the legal regulations in effect, as well as documents demonstrating the identity and eligibility of the client to place the instruction.

(The document demonstrating the change of contractual pledge shall be for instance the declaration of both the original and the new pledgee, if the person of the pledgee has changed on the basis of obligatory legal relation, which is not ruled by the law and order of the Slovak Republic that this obligatory legal relation is not in conflict with the legal regulations of the Slovak Republic)

24.18 The written notice of a change in the content of the agreement on pledging the securities shall contain information pursuant to Section 24.5 of this Article and the data change of which is being requested for in the Pledge Register. A notice on change of content of an agreement on pledge over security must bear an officially verified signature of the pledgor and the pledgee. The notice on change of content of an agreement on pledge over security does not have to bear an officially verified signature if the instruction to change registration of a pledge is being submitted by the pledgor who is a participant of CDCP.

24.19 The following must be enclosed with the instruction to register termination of pledge:

- a) the original or officially verified copy of documents that are demonstrating the pledgor's and the pledgee's existence and the course of action pursuant to the legal regulations in effect, as well as documents demonstrating the identity and eligibility of the client to place the instruction,
- b) the pledgee's written confirmation of the fulfilment of obligation or other document demonstrating the cause of termination of a contractual pledge, issued by the pledgee; the pledgee's signature must be officially verified if the instruction to register termination of a contractual pledge over securities is being submitted by the pledgor.

24.20 If the disposal right suspension pursuant to §28 Section 3 Subsection d) of ZOCP is registered over pledged securities, when submitting the instruction to register termination of a contractual pledge, the pledgee must also submit the instruction to cancel the disposal right suspension. If the instruction to register termination of pledge is being submitted by the pledgor, the pledgee is obliged to authorise the pledgor to submit the instruction to cancel relevant SDR. If the pledgee does not submit the instruction to cancel the SDR that has been registered pursuant to §28 Section 3 Subsection d) of ZOCP, the pledgee shall be liable for the resulting damage. If the pledgee has issued for the pledgor a confirmation of the fulfilment of obligation by the (pledge) debtor, the pledgor is entitled to submit the instruction to terminate the disposal right suspension, registered pursuant to §28 Section 3 Subsection d) of ZOCP, without the authorisation.

- 24.21 The provisions on the establishment and termination of pledge pursuant to this Article shall not apply to the establishment and termination of a pledge whose registration has been handed over pursuant to §12 of the Collective Investment Act.

## **Article 25**

### **Registration of establishment/change/termination of contractual pledge over book-entry securities pursuant to §53a) et seq. of ZOCP**

- 25.1 The contractual pledge over book-entry securities pursuant to §53a) and following par. of ZOCP, shall be established when registered in an owner's account in the CDCP's/ member's registry, provided that the pledgor and the pledgee are entities pursuant to §53a) Section 1 of ZOCP. The contractual pledge pursuant to §53a) and following par. of ZOCP shall not be registered in the Pledge Register.
- 25.2 The provisions of Section 24.3 of Article 24 of this Part of the Rules of Operation shall appropriately apply to the manner and procedure of registration of the establishment of a contractual pledge over book-entry securities pursuant to §53a) and following paragraphs of ZOCP.
- 25.3 Following documents must be enclosed with the instruction to register the establishment of a contractual pledge:
- a) the original or an officially verified copy of the agreement on pledge, or a written notice of the content of the agreement on pledging the securities,
  - b) the original or officially verified copy of documents that are demonstrating the pledgor's and the pledgee's existence and the course of action pursuant to the legal regulations in effect, as well as documents demonstrating the identity and eligibility of the client to place the instruction,
  - c) if transferability of security is restricted written consent of the issuer to register pledge over the security with verified signature of an issuer, and documents declaring existence and way of acting of an issuer and right to act on behalf of an issuer. Date of agreement on pledge over securities must not precede date of consent to register pledge over securities granted by the issuer,
  - d) the written consent of the issuer to register pledge over security and document evidencing establishment of the right to buy-out of SJC shares under article 2201 (1) of the Commercial Code in case of excluded negotiability of SJC shares; with officially verified signature of the issuer, supplemented with documents demonstrating existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The date of agreement on pledge over the securities can't precede the date when the issuer granted consent to create pledge over the securities.
- 25.4 The written notice on the content of the agreement on pledging the securities shall contain information pursuant to section 24.5 of article 24 of this Part of the Rules of Operation; the pledgor's and the pledgee's signatures need not to be officially verified.
- 25.5 The documents demonstrating the authorisation to submit the instruction to register the establishment/change/termination of the contractual pledge shall remain stored at CDCP or with the member, depending on where the pledgor has opened the owner's account which contains data on securities that are the subject of pledge.
- 25.6 The instruction to register the establishment of a contractual pledge shall contain appropriate information pursuant to Section 24.7 of Article 24 of this Part of the Rules of Operation.

- 25.7 CDCP/member shall register the contractual pledge over book-entry securities pursuant to §53a) and following articles of ZOCP based on instruction from the client in the owner's account administered in its registry, or the holder in the holder's registry.
- 25.8 If there are changes to a pledge that need to be registered in the account of the owner of pledged securities, or if there arises a circumstance that may lead to termination of the pledge, the pledgee or the pledgor are obliged to immediately submit the instruction to register the change or termination of the pledge.
- 25.9 The provisions of article 23 and Sections 24.12 through 24.16 and section 24.22 of article 24 of this Part of the Rules of Operation shall appropriately apply to the registration of change/termination of a contractual pledge over book-entry securities pursuant to §53a) of ZOCP.
- 25.10 The following must be enclosed with the instruction to register a change/termination of a contractual pledge over book-entry securities pursuant to §53a) of ZOCP:
- a) the original or an officially verified copy of a document demonstrating the change/termination of the contractual pledge,
  - b) the originals or officially verified copies of documents that are demonstrating the pledgor's and the pledgee's existence and the manner of procedure pursuant to the legal regulations in effect, as well as documents demonstrating the identity and eligibility of the client to place the instruction.

## **Article 26**

### **Registration/amendment/termination of contractual pledge pursuant to § 53a sec. 4 and 5 of ZOCP**

- 26.1 Registration/change/termination of contractual pledge pursuant to § 53a section 4 of ZOCP is not subject to provisions of the Articles 23, 24 and 25 of this part of the Rules of Operation.
- 26.2 The instruction for registration of contractual pledge pursuant to § 53a section 4 of ZOCP shall be placed by the NBS, the ECB, a CNB or the pledgor who can submit the instruction via IS CDCP based on special contractual arrangement. The instruction for registration/termination of SDR in accordance with the provision of § 28, section 3, letter d) of ZOCP, when the contractual pledge pursuant to § 53a section 4 of ZOCP shall be submitted by the NBS, the ECB, a NCB which can place the instructions via IS CDCP based on special contractual arrangement.
- 26.3 The instruction for change/termination of the contractual pledge pursuant to § 53a section 4 of ZOCP shall be always confirmed by the NBS. In case the NBS shall not submit, in compliance with the technical specification to the IS CDCP, the consent with change or termination of the contractual pledge registered pursuant to §53a par.4 of ZOCP on the same operation day when the instruction for change/termination of this contractual pledge has been placed, CDCP shall not execute change/termination of contractual pledge registered pursuant to § 53a, section 4 of ZOCP and the instruction for change/termination of this contractual pledge shall be cancelled.
- 26.4 In compliance with § 53a, section 4 of ZOCP, it is possible to register the contractual pledge pursuant to this Article exclusively in the owner's account open in the registry of CDCP.
- 26.5 Registration/change/termination of the contractual pledge pursuant to § 53a section 5 of ZOCP is not subject to provisions of the Articles 23, 24 and 26 of this part of the Rules

of Operation. The contractual pledge over book-entry security in favour of the NBS, the ECB or a CNB pursuant to § 53a section 5 of ZOCP shall be set by movement or transfer of securities to an owner's account in CDCP registry, which is restricted for the benefit of a pledgee pursuant to § 105, section 11 of ZOCP.

- 26.6 The contractual pledge over securities pursuant to § 53a section 5 of ZOCP shall terminate by movement or transfer of securities from the owner's account restricted for the benefit of the pledgee based on instruction from the pledgee, or based on the instruction from the pledgor and the pledgee, for benefit of which was the owner's account restricted. Movement or transfer of securities from the owner's account restricted for the benefit of the pledgee is not possible based on any other instruction.

## **Article 27**

### **Registration of establishment/change/termination of contractual pledge over paper-form securities**

- 27.1 CDCP keeps the Pledge Register for paper-form securities issued under the legislation of the SR.
- 27.2 A contractual pledge over paper-form securities is established:
- a) when such contractual pledge is registered in the Pledge Register based on a written notice on content of the agreement on pledge of securities and the instruction from the client,
  - b) when the pledge is delivered to the pledgee or a third person for custody, or for custody and administration if the pledgor and the pledgee are the entities pursuant to §53a) Section 1 of ZOCP and they have agreed on it at the same. In such case the contractual pledge over paper-form securities pursuant to § 53a and following of ZOCP shall not be registered in the Pledge Register.
- 27.3 The client shall submit the instruction for registration of contractual pledge over the paper-form securities to CDCP in person, in writing, or on a form, whereas the client shall attach to the instruction one non certified copy of the paper form security (with already marked endorsement in compliance with article 45 section 4 of ZOCP) of given issue of paper-form securities. For execution of the service the client submits also originals of all securities which are to be pledged, or on which change or termination of a contractual pledge is to be marked. In case that a paper-form security has an appendix, such appendix must be an indivisible part of the paper-form security (has to be firmly connected). CDCP shall record the pledge to the appendix attached to the paper-form security, whereby the pledgor shall be responsible for the sufficiently firm attachment of the appendix to the paper-form security (i.e. the pledgor shall be liable for possible damages should the appendix detach from the paper-form security).
- 27.4 The provisions of article 23 and Sections 24.4 to 24.7 of Article 24 of this part of the Rules of Operation shall appropriately apply to registration of the establishment of a contractual pledge over paper-form securities pursuant to §45 of ZOCP. The client shall submit the instruction for registration of change in the contractual pledge over the paper-form to CDCP personally in writing, or by use of relevant form. In case of change in identification data of registered persons (pledger, pledgee) the instruction can be delivered by post.
- 27.5 After registration of the establishment of a contractual pledge over paper-form securities in the Pledge Register, CDCP shall mark the 'to be pledged' clause on the paper-form security.

- 27.6 The provisions of article 23 and Sections 24.12 through 24.14 and Sections 24.16 through 24.20 of the Article 24 of this part of the Rules of Operation shall appropriately apply to the registration of change or termination of a contractual pledge over paper-form securities pursuant to §45 of ZOCP.
- 27.7 When registering a change/termination of a contractual pledge over a paper-form security in the Pledge Register, CDCP shall mark this fact on the paper-form security by the 'Change of pledge' or the 'Termination of pledge' clause. When marking the "change of pledge" clause on the paper-form security, CDCP has also right to specify the reason for the change of pledge.
- 27.8 CDCP shall control the consent of the issuer pledge the security only in case that restricted transferability of security is marked on registered paper-form share. CDCP shall not be liable for damage, which arises in consequence of registration of pledge to registered paper-form share, on which the details on restricted transferability are not stated despite transferability is restricted.

## **Article 28**

### **Statutory pledge**

- 28.1 The establishment/change/termination of a statutory pledge is registered in the Pledge Register as of the day of the establishment/change/termination of the statutory pledge, based on the instruction from the client.
- 28.2 A statutory pledge over securities can be also established based on a decision of a court, tax administrator or a customs authority, issued pursuant to separate regulations, and shall be registered in the Pledge Register pursuant to this Article.
- 28.3 The instruction to register the establishment/change/termination of statutory pledge over book-entry securities shall be submitted by the relevant state authority (e.g. court, tax administrator, customs office) through valid decision of relevant state authority on establishment/change/ termination of a statutory pledge:
- a) to CDCP if the data on pledged book-entry security and its owner is registered in the owner's account in the CDCP's registry in written form, in person at seat of CDCP or by post to the CDCP's address.
  - b) to a member if the data on the owner of pledged book-entry security is registered in the owner's account kept in the member's registry, except case when decision of the state authority directly lays CDCP under obligation and for that purpose it is delivered to CDCP,
  - c) to a holder if the data on the owner of pledged book-entry security is registered in the holder's registry.
- 28.4 With the instruction to register a statutory pledge the relevant state authority (e.g. court, tax administrator, customs office) shall enclose the original or an officially verified copy of valid decision on establishment/change/termination of the statutory pledge, which must bear stamp of the authority with the national emblem and signature of an authorised person. The decision of the state authority on creation/ change/termination of the statutory pledge over book-entry securities shall include mainly:
- a) identification of the pledgee that has issued the decision,
  - b) identification of the debtor (pledgor), its name, surname, birth registration number, permanent residence in case of a natural person, or commercial name, registered office, identification number in case of a legal entity,
  - c) identification of the claim, its amount and currency in which it is denominated,



- d) identification of pledged security including ISIN for book-entry security or the type and form of security in case of paper-form security, the issuer's identification number commercial name or title and registered office in case of a legal entity, or the issuer's name, surname, and permanent residence in case of a natural person,
  - e) volume or value of securities that are subject to the pledge,
  - f) the date of establishment of the statutory pledge.
- 28.5 The provisions on contractual pledge of these Rules of Operation shall appropriately apply to the registration of the establishment/change/termination of statutory pledge over securities. The instruction for registration of creation/change/termination of the statutory pledge over securities can be submitted personally in CDCP office or sent by post to the address of CDCP office.

## **Article 29**

### **Pledge established pursuant to security measure according to the Civil Dispute Proceeding Code**

- 29.1 The pledge established by issuing of resolution on security measure pursuant to § 343 of the act no. 160/2015 Coll. Civil Dispute Proceedings Code as amended (CDP) comes into existence by registration in the pledge registry.
- 29.2 Instruction for registration of establishment/change/cancellation of the pledge established on basis of security measure according to CDP to securities is placed by:
- a) relevant court by the decision by which it establishes/changes/cancels the security measure,
  - b) pledgee, whereas enclosed is decision of relevant court which establishes/ changes/ cancels the security measure including validity and enforceability date of the decision.
- 29.3 Instruction for registration of establishment/change/cancellation of the pledge established on basis of security measure according to CDP to securities is placed by authorised person:
- a) to CDCP if data on book-entry security which is subject to the pledge and on owner of the security are registered on owner's account in CDCP registry or if security measure concerns to paper-form securities,
  - b) to CDCP if data on owner of book-entry security which is subject to pledge are registered on an owner's account in the member's registry, whereas CDCP shall inform the member on the registration without delay, except case when decision of state authority lays directly the member under the obligation and for that reason is delivered to the member.
  - c) to the holder if data on owner of book-entry security which is subject to the pledge are registered in the holder's registry.
- 29.4 If the court determined that the security measure will last for certain time period:
- a) in case duration of the security measure is limited by specific date, CDCP shall register cancellation of the pledge automatically,
  - b) in case duration of the security measure is limited by certain fact, CDCP shall register cancellation of the pledge on basis of instruction placed by authorised person and when the fact which results into cessation of the security measure is proved.



- 29.5 Decision of the court by which is ordered/changed/cancelled the security measure by which is established/changed/cancelled the pledge to securities must include mainly:
- a) specification of pledgee, to the benefit of which the pledge is established,
  - b) specification of the debtor (pledger), his/her name, surname, birth identification number, permanent address in case of natural person or trade name, registered seat, company ID in case of legal entity,
  - c) specification of secured claim, its value and currency,
  - d) specification of pledged security, including ISIN code for book-entry security or type, form in case of paper-form security, company ID number, trade name and seat of the issuer in case of legal entity or name, surname and permanent address in case of natural person,
  - e) volume or value of securities which are subject to the pledge.
- 29.6 Provisions on contractual pledge of the Rules of Operation apply adequately to registration of establishment/change/cancellation of the pledge to securities pursuant to this article. The instruction for registration of creation/change/termination of the statutory pledge over securities can be submitted personally in CDCP office or sent by post to the address of CDCP office.

### **Article 30**

#### **Provision of data from the Pledge Register**

- 30.1 CDCP shall issue an excerpt from the Pledge Register based on request of a legal entity or a natural person. The request must be submitted in writing, or on a form, in person at the CDCP's registered office, or by post to the address of the CDCP's registered office.
- 30.2 The form for the request for statement from the Pledge Register is available at CDCP's registered office and on its website.
- 30.3 A statement from the Pledge Register contains the following information:
- a) pledgee's commercial name or title and registered office in case of a legal entity, or the pledgee's name, surname and address of permanent residence in case of a natural person,
  - b) identification of pledged security including ISIN for book-entry security or the type and form of security in case of paper-form security, the issuer's identification number commercial name or title and registered office in case of a legal entity, or the issuer's name, surname, and permanent residence in case of a natural person,
  - c) the volume or value of securities units,
  - d) the date of registration of pledge in the Pledge Register.
- 30.4 Required extent of the statement from the Pledge Register must be specified in the request by stating some of the data specified in section 28.3 of this Article, or their combination. The statement of the Pledge Register shall contain information on the data pursuant to Section 30.3 of this Article, depending on the extent specified in the request.
- 30.5 CDCP shall make accessible data from the Pledge Register on its website and the data shall be updated once a week. The data published on the website is only informative and cannot be used for legal purposes.

## **Article 31**

### **Handing over the pledge registry from the Pledge Register**

- 31.1 CDCP shall hand over, to a unit trust depository or administrator, the records from the Pledge Register in the part pertaining to changed units of the unit trust pursuant to §12 of the Collective Investment Act and a subsequently concluded agreement. CDCP will conclude an agreement with the entity pursuant to previous sentence, to which it will hand out the Pledge Register, one day before handing out the registry at latest.
- 31.2 The day of handing over the data from the Pledge Register shall be determined in the agreement specified in the section 31.1 of this Article, and it shall not be possible to change it.
- 31.3 In case a pledge, which data is being handed over, contains securities other than changed units of the unit trust, CDCP:
- a) shall hand over, in the manner pursuant to Section 31.1 of this Article, only the data on changed units of the unit trust and shall proceed pursuant to §12 of the Collective Investment Act,
  - b) in relation to a pledge concerning the securities other than changed units of the unit trust, CDCP shall proceed pursuant to ZOCP and these Rules of Operation when registering a change/termination of the pledge on such securities.
- 31.4 In case securities other than the changed units of the unit trust are added to the subject of the pledge, records of which has been handed over in the manner pursuant to Section 31.1 of this Article, CDCP shall proceed pursuant to ZOCP and these Rules of Operation when registering a change/termination of the pledge on such securities.
- 31.5 The records being handed over is the output of the particular service, which contains a selection of up-to-date information from the Pledge Register as of the date of the handover, i.e. the delivered records will comprise all data on pledges that were not cancelled as of the date of delivery and met the selection criteria, including any data on possible changes since the date of registration of the establishment of the given pledge. If in the Pledge Registry over securities does not occur any data concerning changed paper form units of the unit trust, CDCP does not have any knowledge of this fact in advance, until the particular service is performed, i.e. CDCP hands over the output of the particular service to the depository of the unit trust or administrator.
- 31.6 From the moment of performing the service, result of which is data pursuant to Section 31.5 of this Article, CDCP shall proceed, in relation to these pledges, in compliance with the wording of §12 of the Collective Investment Act.
- 31.7 Until the moment of performing the service, result of which is data pursuant to Section 31.5 of this Article, CDCP shall perform services related to the records being handed over in compliance with ZOCP and these Rules of Operation.
- 31.8 CDCP is entitled to create an archive copy of the data file being handed over, which it can use in the event that a unit trust depository requests for repeated performance of the service, result of which is data pursuant to Section 31.5 of this Article; the provision of this copy shall be deemed as a service of the Central Depository pursuant to the Rules of Operation. CDCP shall archive such copy for one calendar year, and is obliged to discard the copy after this period.

# **TRANSFER OF SECURITIES AS COLLATERAL**

## **Article 32**

### **Transfers as collateral of securities pursuant to §53 of ZOCP (book-entry and paper-form securities)**

- 32.1 The transfers as collateral of securities shall be registered by CDCP in a special registry of transfers as collateral.
- 32.2 CDCP shall review and process instruction for registration of creation/change/cancellation of collateral transfer of securities and of attached documents in order and in period according article 8 of part I of the Rules of Operation. CDCP shall preferentially process the instruction for registration of creation/change/cancellation of collateral transfer of securities and attached documents in two working days from receiving of such instruction or request if the client shall place written request for preferential processing of request for service and shall pay additional fee for preferential processing of request for service according to CDCP Scale of Fees. If preferential processing of request results in preferential execution of required service (i.e. in two working days from receiving of instruction for service), than except standard fee for required service CDCP shall charge the client also additional fee for preferential execution of service according to CDCP Scale of Fees. CDCP does not review and process instruction for registration of collateral transfer of securities and attached documents on the same day when they are received.
- 32.3 The instruction to register the establishment/change/termination of transfer as collateral of book-entry securities in the special registry of transfers as collateral can be placed by the creditor, the debtor or the NBS. The client shall place the instruction for registration of establishment/change/termination of transfer as collateral for book-entry securities:
- a) to CDCP, personally in the CDCP office, in writing or on a form if data on a book-entry security and its owner is registered in the owner's account in CDCP's registry,
  - b) to a member in writing or on a form if data on the owner is registered in the owner's account in the member's registry. After receiving the instruction to register the establishment/change/termination of transfer as collateral of book-entry securities, the member must forward this instruction, along with the relevant documents to be registered in the special registry, to CDCP without undue delay. The member is obliged to deliver the required documents to CDCP in written form and in person. The member is responsible for ensuring that the instruction has been submitted by an authorised person.
  - c) to a holder, if the data on securities is registered in the holder's registry. After receiving the instruction to register the establishment/change/termination of transfer as collateral of book-entry securities, the holder must forward this instruction, together with the relevant documents, to CDCP without undue delay to be registered in the special registry. The holder is obliged to deliver the required documents to CDCP in written form and in person. The holder is responsible for ensuring that the instruction has been submitted by an authorised person.
- 32.4 The instruction to register the establishment/change/termination of transfer as collateral of paper-form securities in the special registry can be submitted to CDCP by the client, i.e. the creditor, the debtor, or the NBS; in written form and in person at CDCP's registered office .

- 32.5 The form for placement of instructions to register the establishment/change/termination of transfer as collateral is available at CDCP's registered office and on its website.
- 32.6 If the debtor is an asset-management company, the instruction to register transfer as collateral in the special registry must be submitted by the depository of this company, or by the asset-management company itself, which shall in this case submit written consent of its depository.
- 32.7 The following must be enclosed with the instruction to register transfer as collateral in the special registry of transfers as collateral:
- a) written notice on content of an agreement on transfer of securities as collateral, which must include:
    - i. commercial name or title, registered office of a debtor if is a legal entity, or name, surname, permanent residence of the debtor in case of a natural person,
    - ii. identification number or birth registration number of the debtor,
    - iii. identification of securities which is subject to transfer as collateral, including ISIN for book-entry security, or the type and form for paper-form security, identification number, commercial name or title and registered office of the issuer if is a legal entity, or name, surname and permanent residence of the issuer if is a natural person,
    - iv. commercial name or title and registered office of the creditor if is a legal entity, or name, surname, permanent residence of the creditor in case of a natural person,
    - v. identification number or birth registration number of the creditor, if was assigned,
    - vi. volume or value of securities and the nominal value of securities that are the subject of transfer as collateral,
    - vii. the value of the claim for which the transfer as collateral has been established, maturity period and the nominal value of secured claim,
    - viii. the date when the agreement on transfer of securities as collateral has been concluded,
    - ix. declaration from the debtor and creditor that on the day when the instruction for registration of the transfer as collateral is placed, the agreement on transfer of securities as collateral, replaced by this written declaration, is valid and effective
    - x. officially verified signature of debtor and creditor; signature of the creditor does not have to be officially verified if the creditor is a participant of CDCP.
  - b) documents demonstrating the debtor's and the creditor's existence and course of action in compliance with the legal regulations in effect, and documents demonstrating the debtor's and the creditor's identity and eligibility,
  - c) the written consent of the issuer to register transfer as collateral over the security for security with restricted transferability, whereas the signature of the issuer shall be officially verified and the consent supplemented with the documents demonstrating existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The date of the agreement on transfer of securities as collateral can't precede the date when the issuer granted consent to transfer the securities as collateral
  - d) the written consent of the issuer to register collateral transfer of security and document evidencing establishment of the right to buy-out SJC shares under article 2201(1) of the Commercial Code in case of excluded negotiability of SJC shares; with officially verified signature of the issuer, supplemented with documents demonstrating existence and method of acting of the issuer and authorisation to act on behalf of the issuer. The date of agreement on collateral transfer of securities can't

precede the date when the issuer granted consent to create collateral transfer of securities..

32.8 The instruction to register transfer as collateral in the special registry shall contain:

- a) information on the transferor – the debtor:
  - i. commercial name, registered office and identification number for a legal entity,
  - ii. name, surname, permanent residence and birth registration number for a natural person,
- b) information on the transferee - the creditor:
  - i. commercial name, registered office and identification number for legal entity,
  - ii. name, surname, permanent residence and birth registration number for a natural person,
- c) identification of securities including the type of security, commercial name or title and registered office of the issuer if it is a legal entity, or name, surname and permanent residence of the issuer if it is a natural person,
- d) ISIN and volume or value of securities that are the subject of transfer as collateral,
- e) indication that instruction concerns a transfer as collateral,
- f) the value of the claim for which the transfer as collateral has been established, and maturity period of the claim,
- g) in case of book-entry securities: the commercial name and registered office of CDCP/member with whom the transferor and the transferee have opened the owner's account,
- h) if the client (the transferor or the transferee) is being represented by a securities dealer/foreign securities dealer, the instruction must contain commercial name, registered office and identification number of that securities dealer, or the commercial name and registered office of the foreign securities dealer, the registration number of the securities dealer/foreign securities dealer assigned by CDCP pursuant to Article 3 of Part I. of the Rules of Operation and the registration number pursuant to §73 Section 4 of ZOCP,
- i) the transferor's and transferee's registration number assigned by CDCP or by a member pursuant to Article 3, section 3, letter c) of Part I. of the Rules of Operation,
- j) the date of placement of the instruction to register the transfer as collateral,
- k) numeric code of the service, assigned by CDCP,
- l) if the instruction shall be placed in electronic form, further information stipulated by CDCP in compliance with the technical specification to the IS CDCP.

32.9 Securities that are already pledged can't be subject to transfer as collateral.

32.10 In case of book-entry securities, immediately after registration of transfer as collateral in the special registry of transfers as collateral, the creditor and the debtor must place an instruction to register transfer of securities that are subject to the transfer as collateral, in compliance with the relevant provisions of the Rules of Operation.

32.11 If a transfer as collateral refers to paper-form registered shares, immediately after the change in person of the shareholder has been demonstrated, the issuer is obliged to ensure that the corresponding entry is changed on the list of shareholders of registered paper-form securities.

## **Article 33**

### **Change and termination of transfer of securities as collateral pursuant to §53 of ZOCP**

- 33.1 The instruction for change or termination of transfer as collateral is submitted to CDCP/member/holder by clients, with enclosed original or officially verified copy of a document demonstrating the change or termination of transfer as collateral. CDCP will register termination of transfer as collateral of right to this security without instruction in case the security was cancelled and deleted from the Registry established pursuant to §10, section 4, letter (a) of ZOCP.
- 33.2 The instruction for a change or termination of transfer as collateral must contain appropriate data specified in Section 32.8 of Article 32 of this part of the Rules of Operation.
- 33.3 An instruction to register a change/termination of transfer as collateral over book-entry securities can be submitted by the client, which is a creditor, a debtor, the NBS (in cases stipulated by ZOCP). The client shall place the instruction for registration of change/termination of transfer as collateral for book-entry securities:
- a) To CDCP if the data on the book-entry security and its owner is registered in an owner's account in CDCP's registry,
    - i. the creditor or debtor in person in the CDCP office, in written form or on a form, whereby the instruction can be sent by post in case of change in the identification data of registered persons (pledgor, pledgee)
    - ii. the NBS in electronic form,
  - b) To a member if the data on the owner is registered in an owner's account in the member's registry. After receiving the instruction to register a change/termination of transfer as collateral over book-entry securities, the member must, without undue delay, personally deliver this instruction along with the relevant documents to CDCP in written form, so that it can be registered in the special registry of collateral transfers.
  - c) To a holder if the data on the owner is registered in an account in the holder's registry. After receiving the instruction to register a change/termination of transfer as collateral over book-entry securities, the holder must, without undue delay, personally deliver this instruction along with the relevant documents to CDCP in written form, so that it can be registered in the special registry of collateral transfers.
- 33.4 Client shall submit one non certified copy of one paper-form security from given issue of paper-form securities together with instruction for registration of change/cancellation of collateral transfer of securities of paper-form securities according to article 53 of ZOCP. For execution of service the client shall submit to CDCP the originals of all paper-form securities on which change or cancellation of collateral transfer of securities is to be marked. If the paper-form security has appendix, it has create inseparable part of the paper-form security (has to be firmly connected). CDCP shall mark change/cancellation of collateral transfer of securities on the appendix attached to the paper-form security whereas the transferor is responsible for eventual inefficient attachment of the appendix to securities (i.e. is responsible for eventual damage that could occur by removal of the appendix from the paper-form security).
- 33.5 A precondition for registration of a change can be primarily the change of data on:
- a) the transferee,
  - b) the transferor,

- c) the value of secured claim and the currency in which it is denominated,
  - d) the maturity period of the secured claim,
  - e) the volume or value of securities.
- 33.6 A precondition for registration of termination of a transfer as collateral can be primarily:
- a) cessation of secured claim (i.e. due to proper and timely fulfilment),
  - b) termination of the securities that were subject to the transfer as collateral,
  - c) the waiver of the transfer as collateral over securities by the transferee (creditor),
  - d) expiry of a period for which the transfer as collateral has been registered,
  - e) execution of the transfer as collateral regardless to extent to which the creditor has been satisfied.
- 33.7 The provisions on change and termination of transfer as collateral pursuant to this Article shall not apply to the change and termination of a transfer as collateral the registration of which has been handed over in compliance with §12 of the Collective Investment Act.

#### **Article 34**

##### **Establishment/change/termination of transfer of securities as collateral pursuant to §53c) of ZOCP**

- 34.1 If the contractual parties are persons stipulated in §53a) Section 1 of ZOCP, neither the written form of the agreement nor the registration in the special registry of transfers as collateral of securities are required.
- 34.2 The establishment/change/termination of a transfer as collateral over book-entry securities shall be registered by CDCP/a member in the owner's account.
- 34.3 If book-entry securities are subject to transfer as collateral, an agreement or written notice on the content of the agreement on transfer as collateral of securities, bearing the creditor's and debtor's signatures (which need not be officially verified) must be enclosed to an instruction to register the transfer as collateral.
- 34.4 The written notice on the content of the agreement on transfer of securities as collateral must contain information pursuant the article 32, section 32.7, letter (a) of this part of the Rules of Operation.
- 34.5 Other provisions of Article 32 and Article 33 of this Part of the Rules of Operation shall apply appropriately to creation/change/termination of a transfer as collateral pursuant § 53c of ZOCP.

#### **Article 35**

##### **Provision of data from the special registry of transfers of securities as collateral pursuant to §53 of ZOCP**

- 35.1 CDCP shall issue an excerpt from the special registry of transfers as collateral based on a request of a legal entity or natural person; such request must be submitted in writing or on a form, in person at CDCP's registered office, or by post to the address of CDCP's registered office.
- 35.2 The form for request for an excerpt from the special registry is available at CDCP's registered office and on its website.
- 35.3 The excerpt from the special registry contains the following information:



- a) commercial name or title and registered office of the debtor if it is a legal entity, or the debtor's name, surname and permanent residence if it is a natural person,
  - b) identification of the security, including ISIN form book-entry securities, or the type and form of paper-form security, the issuer's identification number, commercial name or title and registered office if it is a legal entity, or the issuer's name, surname and permanent residence if it is a natural person,
  - c) the volume or value of securities,
  - d) the date of registration of the transfer as collateral in the special registry of transfers as collateral.
- 35.4 The request must include the required extent of the excerpt from the special registry, specifying type of information pursuant to the Section 34.3 of this Article or their combination. The excerpt from the special registry shall contain information in the extent specified by the request.
- 35.5 CDCP shall issue a full excerpt from the special registry of transfers as collateral (comprising all excerpts from the special registry of transfers as collateral) based on a written request and in compliance with an agreement concluded with CDCP.
- 35.6 The provisions of this Article shall not apply to the transfers as collateral pursuant to §53c) of ZOCP.

## **Article 36**

### **Handing over data from the special registry of transfers of securities as collateral**

- 36.1 CDCP shall hand over, to a unit trust depository or to asset-management company, the register of transfers as collateral from the special registry of transfers as collateral in the part related to changed units of the unit trust in paper form pursuant to §12 of the Collective Investment Act and subsequently concluded agreement. CDCP will conclude an agreement with the entity pursuant to previous sentence, to which it will hand out the special registry of transfers as collateral, one day before handing out the registry at latest.
- 36.2 The day of handing over the data from CDCP's special registry shall be determined in the agreement specified in the section 36.1 of this Article, and it shall not be possible to change it.
- 36.3 In case a transfer as collateral, the register of which is being handed over, contains securities other than units of the unit trust that are being changed, CDCP:
- a) shall hand over, in the manner pursuant to Section 36.1 of this Article, only the data on changed units of the unit trust and shall proceed pursuant to §12 of the Collective Investment Act,
  - b) in relation to the transfer as collateral concerning securities other than changed units of the unit trust, CDCP shall proceed pursuant to ZOCP and these Rules of Operation when it registers the change/termination of the transfer as collateral concerning such securities.
- 36.4 In case securities other than changed units of the unit trust, register of which has been handed over in the manner pursuant to Section 36.1 of this Article, are added to the transfer as collateral, CDCP shall proceed pursuant to ZOCP and these Rules of Operation when it registers a change/termination of the transfer as collateral referring to such securities.
- 36.5 The register being handed over is the output of the service, which contains a selection of up-to-date information from the special registry of transfers as collateral as of the



date of handover, i.e. the handover will comprise all data on transfers as collateral that were not cancelled as of the date of handover and met the selection criteria, including any data on possible changes from the registration date of a given transfer as collateral. If in special registry of securities transfers as collateral do not occur any data concerning changed paper form units, CDCP does not have any knowledge of this fact in advance, unless the particular service is performed, i.e. CDCP hands over the output of the particular service to the depository of unit trust or asset-management company.

- 36.6 From the moment of performing the service, output of which is the registry pursuant to Section 36.5 of this Article, CDCP shall proceed, in relation to these transfers as collateral, in compliance with the wording of §12 of the Collective Investment Act.
- 36.7 Until the moment of performing the service output of which is the registry pursuant to Section 36.5 of this Article, CDCP shall perform services related to the register being handed over in compliance with ZOCP and these Rules of Operation.
- 36.8 CDCP is entitled to create an archive copy of the data file being handed over, which it is authorised to use in the event that a unit trust depository requests for repeated performance of the service output of which is the registry pursuant to Section 36.5 of this Article; the provision of this copy shall be deemed as a service of the Central Depository pursuant to the Rules of Operation. CDCP shall archive such copy for one calendar year, and is obliged to discard it once this period expires.

## **SPECIAL PROVISIONS TO AUTO-COLLATERALIZATION**

### **Article 37**

#### **Reservation of the securities**

- 37.1 The reservation of the securities for auto-collateralization refers to a restriction flag registered on the securities that can be used in the auto-collateralization process under conditions defined in part VI. of the Rules of Operation.
- 37.2 The participant may reserve the securities for the auto-collateralization only in case no SDR, pledge, or transfer as collateral is registered on these securities (with the exception of SDR for entire issue).
- 37.3 Provisions of article 14 and 15 of this part of the Rules of Operation shall apply accordingly to the reservation of the securities for the auto-collateralization and cancellation of the reservation of the securities.
- 37.4 Should a person other than account owner submits an instruction to CDCP for registration of SDR to the securities being already reserved for the auto-collateralization, CDCP shall have right to cancel the reservation of the securities to settle the required SDR registration.
- 37.5 CDCP shall immediately inform the account owner about cancellation of the reservation of the securities according to subsection 37.4 of this article.

## **PART VI. RULES OF THE SETTLEMENT SYSTEM**

### **Article 1**

#### **Introductory provisions**

- 1.1 This part of the Rules of Operation deals in particular with the settlement of the stock exchange and over-the-counter (OTC) trades and transactions in the financial instruments, liability performance deadlines resulting from the stock exchange and OTC trades and transactions with financial instruments, determination of time schedule of the settlement of trades and transactions with financial instruments including determination of the moment of entering of the settlement instruction to the settlement system, and the moment of irrevocability of the settlement instruction, and rights and obligations of the participants in the settlement system.
- 1.2 Operation of the settlement system is governed by the laws of the Slovak Republic. The laws of the Slovak Republic govern also all rights and obligations of CDCP as operator of the settlement system, all rights and obligations of the participants and other market infrastructures in connection with their access to the settlement system, unless defined in these Rules of Operation or ZOCP otherwise, or unless an agreement by which CDCP is bound in connection with provision of the settlement services via the T2S platform specifies otherwise.
- 1.3 Referring to §107a of ZOCP, the laws of the Slovak Republic govern all rights and obligations of CDCP or a participant of the settlement system in connection with his participation in the settlement system including rights of other persons for the guarantees granted in their favour by a participant in the settlement system in connection with his participation in the settlement system; this also applies when bankruptcy over the assets of CDCP or participant of the settlement system or permitted restructuring thereof were declared, or if payments to CDCP or the participant of the settlement system were suspended, or if the bankruptcy was suspended or cancelled for insufficiency of assets of CDCP or of participant in the settlement system.
- 1.4 In rendering of the settlement services through the T2S platform, CDCP is governed by applicable provisions of the Collective Agreement concluded by and among the European Central Bank, national central banks, and central depositories in connection with the use of the T2S platform as a single settlement infrastructure (hereinafter referred to as “collective agreement”). The central depository is bound by the collective agreement according to these provisions and T2S documentation that form a part of said collective agreement. The legal relations arranged in the collective agreement shall be governed by the laws that apply on these legal relations. The participants and other market infrastructures with access to the settlement system granted shall comply with the procedures defined in the T2S documentation in their involved area in connection with the use of the settlement services.

### **Article 2**

#### **General characteristics of the settlement services**

- 2.1 The subject of the settlement of trades and transactions are the financial instruments CDCP registers in the issuer registries or special registry of the book-entry securities.
- 2.2 The settlement services provided in the settlement system include:
  - a) placing of the settlement instructions,
  - b) matching of the settlement instructions,
  - c) settlement of the settlement instructions.

- 2.3 The settlement services according to section 2.2 paragraph b) of this article are performed:
- a) in T2S for instructions for cross-CSD and external settlement and for instruction submitted by the Directly Connected Party and respective counterparty,
  - b) in CDCP system for instructions for internal settlement.
- 2.4 The settlement services according to section 2.2 paragraph c) of this article are performed:
- a) in T2S for all settlement instructions except instructions according to letter b) of this section,
  - b) in CDCP system for the settlement instruction without payment for transfer, transition or movement of securities in shared ownership.
- 2.5 The instruction settlement takes place:
- a) in T2S via the participant's accounts, aggregated technical account of CDCP, and with the use of other technical accounts opened by CDCP in T2S,
  - b) in the CDCP's system via the accounts created in the member's records and/or CDCP's records provided that the instruction should be settled in T2S in the sense of this part of the Rules of Operation.
- 2.6 The settlement of the instruction according to section 2.4 letter a) of this article is finished and irrevocable upon its settlement in T2S. Processing of the corresponding transfer of the financial instruments between the accounts opened in the member's registry and/or CDCP's registry shall be regarded only as finishing of the settlement of the instruction settled in T2S. The finishing of the settlement is provided through a fully automatic process of the CDCP system, and follows immediately after receipt of the confirmation of the settlement of the instruction from T2S.
- 2.7 The settlement of the instruction according to section 2.4 letter b) of this article is finished and irrevocable upon its settlement in the CDCP system.
- 2.8 Referring to the settlement of the instruction for cross-CSD settlement, CDCP shall automatically submit the re-grouping instructions to transfer the financial instruments from the underlying instruction to the cross-CSD settlement:
- a) from the participant's account or CDCP aggregated technical account to the participant's account - investor depository, or
  - b) to account of the participant or CDCP aggregated technical account from the CDCP aggregated technical account created in T2S,
  - c) between accounts of the participants – involved investor central depositories opened in CDCP if the instructions for the cross-CSD settlement were submitted by the participants of these involved investor central depositories.
- 2.9 The external settlement in the sense of this part of the Rules of Operation refers only to the settlement processed via an aggregated account opened by CDCP as the investor depository in a non-participating issuer central depository.
- 2.10 Unless specified in this part of the Rules of Operation otherwise, the procedures related to the internal settlement shall apply for the settlement processed on an account of the non-participating investor central depository opened in CDCP.
- 2.11 The provisions of section 2.4 letter a) of this article apply also on the settlement of the instructions in the primary subscription, registration, or deletion of the securities.
- 2.12 Backward recalculation of mutual cash liabilities and receivables of the settlement system's participants is prohibited in the sense of § 107a of ZOCP. Temporary transfers are not realised in the settlement system and all instructions are settled with settlement finality according to section 2.6 and 2.7 of this article.
- 2.13 To a certain extent, the participant may be exposed to system, operation, and credit risks and the liquidity risks.

- 2.14 The elementary instrument for the credit risk management of the counterpart transactions settled in the settlement system is the principle of delivery against payment, which CDCP guarantees in case of settlement of the instructions against payment and irrevocability of the settlement.
- 2.15 CDCP provides the participants of the settlement system with the tools for monitoring of their liabilities and receivables resulting from settlement of their instructions via:
- a) automatic processing of the instructions and automatic notification of any change to the processing status, and settlement of the instruction,
  - b) notification of their financial liabilities and receivables resulting from the settlement, wherein this information is available for payment banks as well in conformity with this part of the Rules of Operation.

### **Article 3**

#### **Conditions for commencement of participation in the settlement system**

- 3.1 A participant of the settlement system may only be an entity with the access granted in conformity with the Rules of Operation.
- 3.2 Upon instruction of an authorized person, CDCP may submit the instructions for settlement without payment, of which security leg of the settlement should be processed by transfer of the financial instruments from an account or to an account opened in the CDCP registry.

### **Article 4**

#### **Rights and obligations of the participants of the settlement system**

- 4.1 The participant of the settlement system shall have right to use the settlement system services to the extent and under the conditions in the Rules of Operation and in the sense of the T2S documentation.
- 4.2 The participant of the settlement system shall:
- a) perform all actions of the participant for successful settlement of the instructions in the intended settlement date,
  - b) perform all actions of the participant in conformity with the schedule of operation day and schedule of the settlement,
  - c) should the participant provide and/or realize the settlement of the instructions with cash settlement, CDCP shall be informed through relevant forms according to article 8 of this part of the Rules of Operation about the dedicated cash account for the settlement of these instructions and any change thereto at least five operation days prior to the change with indication of effective date of the change,
  - d) referring to use of the auto-collateralization, inform CDCP through relevant forms according to article 8 of this part of the Rules of Operation about the securities account for the auto-collateralization, and any change thereto at least five operation days prior to the change with indication of effective date of the change,
  - e) inform CDCP, by using of relevant form, on numbers of the owner's accounts or the holder's accounts via which it realizes or provides settlement of trades made on trading venue other than BSSE, if method of settlement only through dedicated accounts ensue from rules of given trading venue.

## **Article 5**

### **Rights and obligations of other market infrastructure**

- 5.1 The other market infrastructure shall have right to use the settlement system services to the extent and under conditions in the Rules of Operation and in the sense of the T2S documentation.
- 5.2 The other market infrastructure shall perform all actions in conformity with the schedule of operation day and schedule of the settlement.

## **Article 6**

### **Rights and obligations of CDCP**

- 6.1 CDCP shall have right to:
  - a) either reject, suspend or cancel a settlement instruction in the sense of the conditions specified in this part of the Rules of Operation or in the T2S documentation,
  - b) suspend settlement of a instruction on its behalf in case of a non-standard situation, wherein the involved participants shall be informed without undue delay about the suspension,
  - c) change the calendar of operation days, schedule of the operation day and/or the settlement schedule, wherein all participants and the other market infrastructures authorized to submit the instructions to the settlement system shall be informed thereof without undue delay,
  - d) change the type of the settlement instruction and/or contents thereof to the extent absolutely necessary in conformity with this part of the Rules of Operation and/or T2S documentation in order to settle the instruction submitted by the participant or other market infrastructure to the CDCP system in T2S,
  - e) reject the settlement instruction placed by the trading venue in which is stated number of transferor's account and/or number of a transferee's account on which CDCP was not informed pursuant to article 4, section 4.2 letter e) of this part of the Rules of Operation.
- 6.2 CDCP shall:
  - a) provide all actions needed for successful settlement in conformity with the schedule of the operation day and/or the settlement schedule,
  - b) make available information to the participants and the other market infrastructure about status of processing of their instructions.

## **Article 7**

### **Special provisions in case of the participant default**

- 7.1 Should participant default be confirmed according to article 17 of part II. of the Rules of Operation, CDCP shall on that operation day proceed in conformity with article 10 of this part of the Rules of Operation with reference to the settlement instructions in which this participant is at least one party thereof as follows:
  - a) shall settle the instruction which entered the settlement system before participant default started,
  - b) in the end of the operation day, suspend on its name the unsettled instruction, which has intended settlement date identical to current operation day, entered the settlement system after participant default started and which became irrevocable before the moment of the participant default confirmation,
  - c) suspend on its name the instruction with intended settlement date higher than current operation day, which entered the settlement system after participant default started

- and which became irrevocable before the moment of the participant default confirmation,
- d) cancel the instruction, which entered the settlement system after participant default started, and which did not become irrevocable at moment of the participant default confirmation,
  - e) after confirmation of participant default shall reject settlement instructions which is not entitled to place in connection with suspension of access to services pursuant to article 13 of Part II of the Rules of Operation.
- 7.2 CDCP shall apply procedure pursuant to section 7.1 of this article with respect to section 7.3 of this article to:
- a) delivery-versus-payment instructions which are to be settled by debiting dedicated cash account of given participant,
  - b) delivery-versus-payment instructions and free-of-payment instructions which are to be settled by debiting owner's account of given participant.
- 7.3 Procedures and rules relating to restrictions on the dedicated cash account of the participant according to section 7.1 of this article are governed by relevant central bank which opened the dedicated cash account in its decisions and guidelines.
- 7.4 CDCP is entitled to cancel the instructions which were put to hold status on its behalf according to section 7.1 of this article.
- 7.5 The payment bank executing cash leg of the settlement for the defaulted participant is entitled to change or cancel the consent pursuant to section 8.2 of article 8 of this part of the Rules of Operation, with effectivity from the operation day following the day when participant default has been confirmed.
- 7.6 Should participant default be confirmed, CDCP shall apply the actions according to article 17 of part II. of the Rules of Operation.
- 7.7 Procedures of CDCP pursuant to this article shall not apply to instructions placed by person acting in compliance with legal regulation which applies to procedures representing collective measure stipulated by legal regulations of the member state or third country with aim to liquidate or reorganise the participant (in sense of participant default definition), e.g. administrator of the bankruptcy.

## **Article 8**

### **Payment bank**

- 8.1 The participant in the settlement system acting as a payment bank shall prior to pursuing the realization of the cash leg of the settlement of own instructions shall, based on a form, request configuration of the link between its dedicated cash account and:
- a) its owner's account and/or client's account and/or holder's account,
  - b) owner's account and/or holder's account of other participant of the settlement system against which the participant is authorized to submit instructions for settlement based on special contractual arrangements with CDCP as the authorized participant,
  - c) CDCP aggregated technical account and/or other CDCP technical account for pursuing the CDCP services.
- 8.2 The participant in the settlement system acting as a payment bank shall prior to pursuing the realization of the cash leg of the settlement for other participant of the settlement system based on a form request configuration of the link between its dedicated cash account and:
- a) owner's account and/or client's account and/or holder's account of that other participant in the settlement system,

- b) owner's account and/or holder's account of other participant in the settlement system against which the other participant is authorized to submit instructions for settlement based on special contractual arrangements with CDCP as the authorized participant,
  - c) CDCP aggregated technical account and/or other CDCP technical account for pursuing the CDCP services.
- 8.3 Setting up the links according to section 8.1 paragraph a) and b) and section 8.2 paragraph a) and b) of this article shall be done by CDCP in T2S to corresponding accounts of the participants in T2S.
- 8.4 By settings as described in section 8.2 of this article, CDCP shall make accessible via the CDCP service system to the participant of the settlement system acting as the payment bank information related to cash positions and forecasts of the required liquidity resulting from the instructions for settlement of other participant of the settlement system.
- 8.5 Using the forms according to section 8.1 and 8.2 of this article, the participant in the settlement system may request that the bank account number kept in the payment bank is stated in the cash position generated by the CDCP system.
- 8.6 Should the payment bank, which executes the cash leg of the settlement for the participant in the settlement system, not be the participant in the settlement system, the participant in the settlement system and his payment bank shall proceed according to section 8.2 of this article, wherein the provisions of section 8.4 of this article shall not be used, and notification of cash positions and forecasts of the required liquidity shall be governed by mutually agreed procedure between the participant in the settlement system and his payment bank. The participant is obliged to ensure that procedure according to this article is observed also in relation to the procedure of his payment bank.
- 8.7 The payment bank agrees to pursue crediting of the cash funds to the cash account of the participant in the settlement system without undue delay following the instruction is settled but not later than the end of the operation day in the sense of the operation day schedule when the instruction was settled.
- 8.8 The services in collecting of information related to the dedicated cash account directly from T2S and liquidity management on the dedicated cash account in T2S are not provided under the CDCP system services. The payment bank renders these services directly in T2S or via a payment system in the sense of the T2S documentation and the payment system and decision or resolution of the central bank that opened the dedicated cash account.
- 8.9 The payment bank shall have right to change or cancel the setup according to section 8.1 of this article and/or change or cancel consent according to section 8.1 of this article only if it, as the participant in the settlement system or participant for which it executes the cash leg of the settlement, has fulfilled its obligations resulting from the instructions with cash settlement.
- 8.10 Obligation to have valid LEI code does not apply to the payment bank ensuring activities pursuant to this article.



## Article 9

### The settlement instruction and its essentials

- 9.1 Considering the place of opening of the accounts specified in the settlement instructions, the latter are classified into:
- a) internal settlement instructions,
  - b) cross-CSD settlement instructions,
  - c) external settlement instructions.
- 9.2 Considering the type of the settlement, the instructions for settlement are classified into:
- a) instruction for settlement against payment, i.e. instruction for transfer of financial instruments against transfer of cash funds,
  - b) instruction for settlement without payment, i.e. instruction for transfer of financial instruments without transfer of cash funds,
  - c) instruction for settlement with payment, i.e. instruction for transfer of financial instruments with transfer of cash funds,
  - d) instruction for settlement of payment without transfer of financial instruments, i.e. instruction for transfer of cash funds without transfer of financial instruments.
- 9.3 Considering the matching status, the settlement instructions are classified into:
- a) unmatched settlement instruction, i.e. the settlement instruction to be matched in the settlement system,
  - b) matched settlement instruction, i.e. the settlement instruction submitted to the settlement system as matched.
- 9.4 The matched settlement instructions may be submitted to the settlement system only by:
- a) other market infrastructure;
  - b) a participant in the settlement system in case the instruction according to section 9.2 paragraph a) to d) of this article should be settled between accounts being opened in the registry of that member, or the instruction according to section 9.2 paragraph b) of this article should be settled between the account being opened in the registry of this member and an account opened for the participant in the CDCP registry, or account for which is he authorized based on the special contractual arrangements with CDCP to submit the settlement instructions as the authorized participant or authorized member.
- 9.5 An instruction for settlement being submitted as matched is automatically divided to corresponding instructions for each transaction side after it enters the settlement system, and these are subsequently sent to the participants specified in the settlement instruction.
- 9.6 All instructions for cross-CSD and external settlements should be submitted to the settlement system as unmatched unless this part of the Rules of Operation specifies otherwise.
- 9.7 The instruction for settlement should contain:
- a) direction of transfer of the financial instruments,
  - b) payment code,
  - c) place of trade and type of trade in case a settlement instruction is submitted by a trading venue,
  - d) trade date,
  - e) intended settlement date,
  - f) matching status,
  - g) ISIN of the financial instrument,
  - h) volume of financial instruments,
  - i) BIC of the central depository on the side of the transferee and transferor,
  - j) BIC of the participant on the side of the transferee and transferor,



- k) account number of the transferee and account number of the transferor according to the rules in section 9.12 of this article,
  - l) type of transaction,
  - m) cash value for settlement in case of the instruction with cash settlement,
  - n) cash value settlement currency in case of the instruction with cash settlement,
  - o) code of debit or credit transaction on cash account in case of the instruction with cash settlement.
- 9.8 The instruction for settlement may contain:
- a) number of dedicated cash account of the transferee and/or transferor,
  - b) joint trade identification,
  - c) „Hold“ flag for the settlement instruction,
  - d) information about linking of the settlement instructions,
  - e) trade transaction code,
  - f) settlement transaction code,
  - g) permit for change and/or cancellation of the settlement instructions in case of an instruction submitted by other market infrastructure,
  - h) information about other entities involved in the settlement,
  - i) a code defining the reservation of the financial instruments for the auto-collateralization under conditions according to section 9.18 of this article,
  - j) other details according to technical specification for the IS CDCP or T2S documentation.
- 9.9 The payment code specifies the type of the settlement of the instruction depending on entered information on direction of transfer of the financial instruments, volume of the financial instruments, and code of the debit and credit transaction on the dedicated cash account.
- 9.10 Intended settlement date is the day on which the instruction to be settled. If the intended settlement date specified in the settlement instruction already passed, the instruction – provided that the conditions stipulated herein have been met – shall be settled on the day of its entry to the settlement system.
- 9.11 The information about the central depository on the transferor or transferee side defines classification of the instruction according to section 9.1 of this article, depending on other configuration of the settlement system.
- 9.12 Specification of the account numbers of the transferor and transferee is required only for submission of matched settlement instruction. Should unmatched instruction be submitted, counterpart account number is optional.
- 9.13 The number of the dedicated cash account defines, provided that the conditions according to article 8 of this part of the Rules of Operation have been met, what cash account shall be debited or credited in the cash leg of the settlement. Provided that this information is not specified in the instruction, pre-set dedicated cash account shall be used for performing the cash leg of the settlement.
- 9.14 By indication of value in the trade transaction code the participant or other market infrastructure defines whether the subject of the settlement is a trade with or without a claim for proceeds.
- 9.15 By indication of value in the trade transaction code the participant or other market infrastructure instructs CDCP not to apply potential automated processing and settlement of the market claims or transformation processing in the settlement of the instruction.
- 9.16 By indication of value in the trade transaction code the participant or other market infrastructure defines that termination of acceptance of the cash settlement instructions does not apply to the settlement of the instruction, but termination of acceptance of the

cash settlement instructions under mutually agreed operations of the Treasury administration in the sense of the settlement schedule.

- 9.17 Should the other market infrastructure not to mention the flag for authorization of change to and/or cancellation of the settlement instructions, the CDCP shall automatically set this flag to “no” value.
- 9.18 By indication of the code, which defines the reservation of the financial instruments for the auto-collateralization, the participant or other market infrastructure instructs that the financial instruments should be automatically reserved for the auto-collateralization on the transferee’s account after execution of the security leg of the settlement. The code may not be specified in the settlement instruction on the transferor’s side.
- 9.19 The participant or other market infrastructure define identification data of other entities involved in the settlement of the instruction on the side of said participant in the information about other entities involved in the settlement.

## **Article 10**

### **Moment of entry and irrevocability of the settlement instruction**

- 10.1 The moment of entry of the settlement instruction to the settlement system is in case of:
- a) the instruction according to article 2 section 2.4 letter a) of this part of the Rules of Operation, the moment of successful validation and acceptance in T2S,
  - b) the instruction according to article 2 section 2.4 letter b) of this part of the Rules of Operation, the moment of successful validation and acceptance in the CDCP system.
- 10.2 The moment of irrevocability of the settlement instruction is in case of:
- a) the instruction according to article 2 section 2.4 letter a) of this part of the Rules of Operation the moment when status “matched” was assigned to the instruction in T2S,
  - b) the instruction according to article 2 section 2.4 letter b) of this part of the Rules of Operation the moment when status “matched” was assigned to the instruction in the CDCP system.

## **Article 11**

### **Deadlines for settlement**

- 11.1 The deadline for settlement:
- a) of exchange anonymous stock exchange trades with the financial instruments the other day following the making of the trade on the stock exchange,
  - b) of other and special trades with the financial instruments, with the exception of the trades according to paragraph a) of this section, defined in the sense of the stock exchange rules.
- 11.2 The deadline for settlement of the OTC trades made in the system of a trading venue other than the stock exchange is defined in the sense of rules of said trading venue.
- 11.3 The deadline for settlement of the OTC trades made outside the system of a trading venue is stipulated by mutual agreement of the parties in trade.

## **Article 12**

### **Matching**

- 12.1 The matching services are rendered in the settlement system by fully automated process occurring in real time during which are compared mandatory, additional, and optional matching fields in unmatched settlement instructions under single transaction to obtain the consent of the counterparts with data in the instruction.
- 12.2 The mandatory matching fields are those to be filled in identically in both instructions with the exception of:

- a) codes for direction of the securities and codes for debit or credit transaction on the financial account with inverse values;
  - b) fields for financial value for the settlement where tolerance and rules according to article 13 of this part of the Rules of Operation is applied for the deviations in the entered value.
- 12.3 In case of multiple instructions to be matched, CDCP shall match those instructions that result in smaller difference in the cash volume for the settlement.
- 12.4 Should there be multiple potentially matched instructions of identical cash volume for the settlement, CDCP shall match those with closer date and time of entry to the settlement system.
- 12.5 If CDCP matched the instructions with different cash volume for the settlement, the cash value mentioned in the transferor's instruction is used for matching and subsequent settlement of the instruction.
- 12.6 Required matching fields include:
  - a) payment code,
  - b) direction of transfer of the financial instruments,
  - c) ISIN,
  - d) trade date,
  - e) intended settlement date,
  - f) volume of financial instruments,
  - g) BIC of the participant on the side of the transferor,
  - h) BIC of the participant on the side of the transferee,
  - i) BIC of the central depository on the side of the transferor,
  - j) BIC of the central depository on the side of the transferee,
  - k) cash value settlement currency,
  - l) value for cash settlement,
  - m) code of debit or credit entry on a cash account.
- 12.7 The matching fields according to section 12.6 paragraph a) to j) of this article are mandatory for all types of the instructions. The matching fields according to section 12.6 paragraph k) to m) of this article are mandatory only for the cash settlement instructions.
- 12.8 Additional matching fields refer to the fields to be filled in optionally, but when one side fills in these fields they become mandatory for the counterparty, and must be entered in identically.
- 12.9 Additional matching fields include:
  - a) a code for exclusion of the instruction from settlement of the market claims and transformations,
  - b) a code for a trade with or without claim for proceeds,
  - c) type of transaction,
  - d) currency for settlement of cash value,
  - e) value for cash settlement,
  - f) code of debit or credit entry on the cash account.
- 12.10 The matching field according to
  - a) section 12.9 paragraph c) of this article shall apply to matching in the CDCP system only. For matching in T2S this field is not regarded as additional matching field,
  - b) section 12.9 paragraph d) to f) of this article is additional matching field only for free-of-payment instructions.
- 12.11 The optional matching fields refer to the fields that become mandatory matching field after filling in by both parties in the transaction, and must be filled in identically. If only

one party fills in the field, they are successfully matched also with the field not filled in the counterparty's instruction.

12.12 Optional matching fields include:

- a) joint trade identification,
- b) client of the participant on the side of the transferor,
- c) client of the participant on the side of the transferee,
- d) account of the transferor,
- e) account of the transferee.

12.13 Should the settlement instruction not be matched, CDCP shall inform the counterparty identified in this instruction in the sense of the rules according to article 14 of this part of the Rules of Operation about fact that unmatched settlement instruction was submitted against it.

### **Article 13**

#### **Matching tolerance**

13.1 The matching tolerance for deviations in the mandatory matching field for identification of value of cash for settlement in EUR currency is defined at two levels:

- a) for the value of the financial settlement to and including EUR 100,000.00, the tolerance is EUR 2.00,
- b) for the value of the financial settlement over EUR 100,000, the tolerance is EUR 25.00.

13.2 For purpose of matching spread of level and tolerance for deviations in additional matching field for stating of cash value for settlement in foreign currency is set by conversion according to exchange rates of ECB for relevant foreign currencies. CDCP applies T2S rules for frequency and validity of conversion.

13.3 In case it is not possible to make conversion of the foreign currency according to the exchange rate of ECB, or conversion of relevant foreign currency is not set in T2S, for given currency CDCP shall not apply matching tolerance.

### **Article 14**

#### **Notification on missing settlement instruction**

14.1 The notification on missing settlement instruction contains information from the submitted settlement instruction and CDCP sends it to the counterparty in order to support the matching of the instructions in time.

14.2 The notification about missing instruction is sent to the counterparty in two periods, wherein it is sent at the moment which occurs first:

- a) standard period,
- b) period before termination time of accepting of the settlement instructions without payment.

14.3 Referring to the standard period, CDCP shall send the notification about missing settlement instruction to the counterparty one hour after first unsuccessful matching attempt regardless the intended settlement date in the settlement instruction.

14.4 Referring to the period before termination time of accepting of the settlement instructions without payment, which has been defined as period of five hours before that time, CDCP shall send information to the counterparty immediately after the first matching failure of the settlement instruction of which intended settlement date is identical to current operation day.

14.5 CDCP shall immediately inform the counterparty also about:

- a) removal of information about missing settlement instruction, provided that the informed counterparty submitted a corresponding settlement instruction, and matching was effected,
  - b) cancellation of the information about missing settlement instruction if the submitting party cancels the unmatched settlement instruction or the unmatched settlement instruction was cancelled by CDCP acting as operator of the settlement system.
- 14.6 Notification of the counterparty in case of failed matching of the instruction according to article 2 section 2.3 paragraph a) of this part of the Rules of Operation shall be made in compliance with the T2S documentation.

## **Article 15**

### **Change to the settlement instruction**

- 15.1 The participant or other market infrastructure may change the settlement instruction in the following details:
- a) hold or release flag for the settlement instruction,
  - b) information on linking of the settlement instructions.
- 15.2 The change to the settlement instruction according to section 15.1 paragraph b) of this article is impossible in case of linking of the settlement instructions according to article 19 section 19.4 and 19.6 of this part of the Rules of Operation.
- 15.3 Either rejected, cancelled or settled instruction may not be changed.
- 15.4 The instruction submitted by other market infrastructure may be changed by the participant according to section 15.1 of this article only if the other market infrastructure permitted the change in the instruction.
- 15.5 Should the other market infrastructure permit change to the settlement instruction, both a participant and the other market infrastructure may effect such change.

## **Article 16**

### **Hold or release of the settlement instruction**

- 16.1 Referring to the settlement instruction, the participant or other market infrastructure may:
- a) submit it as „hold“,
  - b) put it on hold in case the instruction is not rejected or cancelled or settled.
- 16.2 By putting the settlement instruction on hold according to section 16.1 of this article the participant or the other market infrastructure instructs that CDCP must not settle the instruction in the settlement system unless it is released from hold status set by that entity.
- 16.3 Hold status of the settlement instruction according to section 16.1 of this article does not restrict or does not have impact on its matching, change, or cancellation.
- 16.4 Putting on hold and release of the settlement instruction on behalf of CDCP as operator of the settlement system is specified in article 18 of this part of the Rules of Operation.
- 16.5 The settlement instruction may also be put on hold by different entities authorized to set the hold status. Multiple hold status of the settlement instruction by the same entity is impossible.
- 16.6 The participant or other market infrastructure may release the settlement instruction in hold status if the same is not rejected or cancelled.
- 16.7 By releasing of the settlement instruction according to section 16.6 of this article the participant or the other market infrastructure instructs that CDCP have to settle the instruction in the settlement system, provided that the conditions stipulated in this part of the Rules of Operation have been complied with.

- 16.8 Suspension or release of the instruction according to article 15 section 15.4 of this part of the Rules of Operation is effected by the participant or the other market infrastructure as the same entity.

## **Article 17**

### **Cancellation of the settlement instruction**

- 17.1 The participant or other market infrastructure may cancel the settlement instruction only if the same is not rejected, cancelled or settled.
- 17.2 The instruction submitted by other market infrastructure may be cancelled by the participant according to section 17.1 of this article only if the other market infrastructure permitted the change in the instruction.
- 17.3 Unilateral cancellation of the settlement instruction is possible only if the instruction is unmatched at the moment of execution of the instruction for cancellation.
- 17.4 From the moment of irrevocability according to article 10 of this part of the Rules of Operation, the settlement instruction may be cancelled only if approved by both transaction parties.
- 17.5 If after the moment of irrevocability according to article 10 of this part of the Rules of Operation, only one party of the transaction submits an instruction for cancellation of the settlement instruction, CDCP shall settle the settlement instruction, provided that the conditions defined in this part of the Rules of Operation have been met.
- 17.6 Bilateral cancellation of the settlement instruction is required also in case of an instruction being matched in the CDCP system and that became irrevocable according to article 10 section 10.2 paragraph a) of this part of the Rules of Operation.

## **Article 18**

### **Hold or release of the settlement instruction in the name of the depository and additional validation of instructions**

- 18.1 This article relates to hold and release of the settlement instruction in the name of the depository being effected by CDCP as operator of the settlement system and hold on behalf of CDCP due to additional validation of instructions.
- 18.2 CDCP shall put on hold each:
- a) matched but not rejected, not cancelled or pending instruction for internal settlement which intended settlement date is earlier than or equal to date of the business day, on which the reservation flag was not allocated to transferred financial instruments;
  - b) matched but not rejected, not cancelled or pending instruction for internal settlement which intended settlement date is after given business day;
  - c) unmatched, but not rejected, not cancelled or pending instruction for cross-CSD or external settlement, which intended settlement date is earlier than or equal to date of the business day on which the reservation flag was not allocated to transferred financial instruments;
  - d) unmatched but not rejected, not cancelled or pending instruction for cross-CSD or external settlement which intended settlement date is after given business day.
- 18.3 The hold status in the name of CDCP is applied only upon transferor's instruction.
- 18.4 Setting of instructions on hold status according to section 18.2 does not apply to instructions according to article 2, section 2.4, letter b) of this part of the Rules of Operation.
- 18.5 CDCP shall release the instruction set to hold status according to section 18.2 of this article immediately after the reservation flag is successfully allocated to transferred financial instruments.

- 18.6 The instruction in hold status not released from the hold in the name of CDCP according to section 18.5 of this article shall be released by CDCP immediately after removal or cease of a reason preventing from its automatic release.
- 18.7 CDCP shall apply the hold status in the name of the depository also for the period of solving non-compliance or a problem which prevented to an instruction settled in T2S from automatic finishing of settlement in the CDCP's settlement system.
- 18.8 Settlement instructions which include:
- a) identification of security in co-ownership,
  - b) identification number of pledge,
  - c) identification number of collateral transfer
- submitted as unmatched, are subject to additional validation by CDCP and for that purpose are automatically put on hold in name of CDCP.
- 18.9 During additional validation of instruction, after matching of the instruction CDCP automatically and without delay checks if data according previous section are entered equally in matched instructions.
- 18.10 CDCP shall automatically release the matched instructions put on hold pursuant to section 18.8 of this article immediately after successful additional validation or shall cancel them automatically, without delay if the additional validation was not successful.

## **Article 19**

### **Linking of the settlement instructions**

- 19.1 The participant or the other market infrastructure may link the settlement instructions to define either the order and/or condition the settlement of the instruction by settling other instruction(s).
- 19.2 Linking of the settlement instructions according to section 19.1 of this article is possible only when the instructions have been submitted to the settlement system by identical participant or other market infrastructure.
- 19.3 The participant or other market infrastructure define linking of the settlement instructions using the codes:
- a) "Before" when the instruction with this code should be settled before or together with one or more instructions, or a group of instructions which the instruction refers to,
  - b) "After" when the instruction with this code should be settled after or together with one or more instructions, or a group of instructions which the instruction refers to,
  - c) "With" when the instruction with this code should be settled together and based on "all or nothing" principle with one or more instructions, or a group of instructions which the instruction refers to.
- 19.4 In addition to the codes according to section 19.3 of this article, the participant or the other market infrastructure may indicate linking of the settlement instructions also through naming a group of the settlement instructions and at the same time the number of the settlement instructions belonging to the named group in each of these instructions.
- 19.5 In the settlement system, the participant or the other market infrastructure may link only the settlement instructions, except instructions according to article 2, section 2.4, letter b).
- 19.6 Automated linking of the settlement instructions using "With" code is used in the settlement system in case of:
- a) instructions for re-grouping which are linked with underlying instructions for cross-CSD or external settlement,
  - b) groups of automatically submitted instructions in the auto-collateralization in conformity with article 26 of this part of the Rules of Operation and T2S documentation.



## Article 20

### General procedure for settlement of the instructions

- 20.1 Settlement of the instructions include:
- a) security leg being represented by transfer of financial instruments from the transferor's account to the transferee's account, and/or
  - b) cash leg being represented by transfer of cash funds between the dedicated cash accounts of the participants, provided that an instruction with cash settlement is the subject of the settlement.
- 20.2 The security and cash legs of the settlement are settled using a gross method.
- 20.3 The cash leg of the settlement is settled in the central bank money in T2S settlement currencies via the dedicated cash accounts of the payment banks in T2S. For procedure in transfer of cash funds, refer to article 22 of this part of the Rules of Operation.
- 20.4 In settlement of the settlement instructions against a payment, CDCP shall be responsible for concurrent transfer of the financial instruments against transfer of the corresponding value of the cash funds, or on the contrary, that neither financial instruments nor corresponding value of cash funds are transferred.
- 20.5 Partial settlement of the instruction under the security or cash leg of the settlement is impossible in the CDCP settlement system.
- 20.6 The settlement instructions are processed in the CDCP system in the order as received in the settlement system, wherein at arranging the settlement order the method of settlement according to section 20.7 of this article and/or linking of the settlement instructions according to article 19 of this part of the Rules of Operation is reflected.
- 20.7 The settlement instructions are settled:
- a) in a batch form in the "Night settlement" phase of the operation day where the participants or other market infrastructure are informed about result of the settlement in intervals defined in advance according to the T2S documentation,
  - b) in real time in the "Real time settlement" phase of the operation day where participants or other market infrastructure are informed about result of the settlement immediately after settlement of each instrument.
- 20.8 In the "Beginning of day" or "Night settlement" phases of day, should the instructions be settled in the "Night settlement" phase, or during the "Real time settlement" phase of day CDCP automatically checks eligibility of the settlement instruction which intended settlement date is before or equal to given business day, and checks whether the financial instruments being transferred are in the transferor's account.
- 20.9 Under the check of eligibility for settlement according to section 20.8 of this article CDCP checks whether the following conditions are complied with:
- a) linking of the instructions according to article 19 of this part of the Rules of Operation is not inconsistent,
  - b) no SDR related to the full issue is registered on the financial instruments that are to be transferred,
  - c) settlement instruction is not put on hold pursuant to article 16 of this part of the Rules of Operation,
  - d) no other restriction registered or recorded by CDCP exists in conformity with ZOCP or other generally applicable regulations that make the settlement impossible.
- 20.10 If the financial instruments indicated for transfer are on the transferor's account and the conditions according to section 20.9 of this article have been met, CDCP shall assign the reservation flag to these financial instruments.
- 20.11 The allocated reservation flag according to section 20.10 of this article is the condition for settlement of instruction in case further requirements according to this part of the Rules of Operation are fulfilled.



- 20.12 CDCP shall automatically move the instructions not settled in one of the phases of day according to section 20.7 of this article to the next phase of day or the next operation day according to article 30 of this part of the Rules of Operation.

## **Article 21**

### **External settlement**

- 21.1 For the external settlement, CDCP uses the conditional settlement and:
- a) puts the instruction for external settlement automatically to hold on intended settlement date,
  - b) blocks the financial instruments on the account of the transferor on the intended date of the settlement instruction,
  - c) referring to the instruction with cash settlement, blocks cash value for settlement on intended date on the dedicated cash account of the participant on the transferee side, or transfers the value to own dedicated cash account.
- 21.2 Under the settlement of the instruction for the external settlement CDCP submits the instructions needed for the settlement that include transfers of the financial instruments between CDCP technical accounts in T2S, crediting or debiting of securities from special registry of the securities, and potential instructions for payment without delivery between the dedicated cash accounts of the participants and the CDCP dedicated cash account.
- 21.3 CDCP shall settle the instruction for the external settlement:
- a) in conformity with the settlement schedule of the non-participating issuer central depository,
  - b) only on operation day of the settlement system being identical to the operation day of the non-participating issuer central depository.
- 21.4 CDCP shall specify details of the procedures for CDCP and participants in case of external settlement instructions in relevant Executory Decree.

## **Article 22**

### **Procedure for transfer of cash funds**

- 22.1 The instruction with cash settlement sent by CDCP to T2S is the ground for transfer of cash funds under cash leg of the settlement.
- 22.2 The cash leg of the settlement is final upon settlement of the instruction with cash settlement.
- 22.3 The payment bank is responsible for transfer of the cash funds from the payment system to the dedicated cash account or from the dedicated cash account to the payment system.
- 22.4 In CDCP system, cash positions informing about amount of the cash liability or cash receivable resulting from settlement of the instruction are automatically generated for each settlement instructions covering the cash fund transfer.

## **Article 23**

### **Settlement of stock-exchange, other and special trades**

- 23.1 This article defines method and the conditions for settlement of the stock exchange trades concluded at the BSSE and settlement of other and special trades based on instruction submitted by the BSSE.
- 23.2 An instruction for settlement of a trade according to section 23.1 of this article is submitted by BSSE to the settlement system according to operation day schedule.
- 23.3 The instruction for settlement of a stock exchange, other and special trade contains identification of BSSE members who concluded the trade in information about other entities involved in the settlement according to article 12 section 12.2 paragraph b) and c).
- 23.4 CDCP divides the instruction for settlement of a stock exchange, other and special trade being submitted as matched automatically upon entry to the settlement system into corresponding instructions for each transaction side, and the instructions shall be sent via CDCP system to the participants listed in the settlement instruction according to article 9 section 9.7 paragraph j) of this part of the Rules of Operation.
- 23.5 The instructions sent by the participant according to section 23.4 of this article contain data from counterparty only in extent according to article 9 section 9.7 paragraph i) and j) of this part of the Rules of Operation.
- 23.6 An instruction for settlement of a stock exchange, other and special trade of which security leg settlement should be effected by transfer of the financial instruments between an account opened in the member's registry or CDCP registry and an account opened in the registry of NCDGP member or NCDGP registry shall be submitted by BSSE concurrently to the settlement systems of CDCP and NCDGP as unmatched instructions for cross-CSD settlement.
- 23.7 In case the financial means from the BSSE Guarantee Fund should be used to settle the stock-exchange trades, CDCP shall submit, based on instruction from BSSE, the matched instruction for settlement of payment without transaction of financial instruments (PFOD), to transfer these financial means through its Dedicated Cash Account to Dedicated Cash Account of a participant who shall realise cash leg of the settlement of respective trades. Provision of the article 9, section 9.5 of this part of the Rules of Operation does not apply to instruction submitted according to this section.
- 23.8 CDCP shall not submit instruction according to section 23.7 of this article in case the financial means are to be transferred to a Dedicated Cash Account of participant realising cash and securities leg of the settlement, if a default according to article 7 of this part of the Rules of Operation has been confirmed with respect to this participant.
- 23.9 CDCP shall link an instruction for settlement of payment without transfer of financial instruments according to section 23.7 of this article to the settlement instructions for given stock-exchange trades by the code "With".
- 23.10 CDCP shall cancel the instruction submitted according to section 23.7 of this article, not settled in a period for settlement of instructions with cash leg as defined in the Settlement schedule; the financial means from the BSSE Guarantee Fund shall be returned to a cash account specified by the BSSE.
- 23.11 CDCP shall process and settle the instruction for settlement of the stock exchange, other and special trades and transactions with the financial instruments in conformity with this part of the Rules of Operation.

## **Article 24**

### **Settlement of OTC trades**

- 24.1 The participant and a market infrastructure other than BSSE submit an instruction for settlement of OTC trades and transactions with the financial instruments according to the operation day schedule.
- 24.2 The deadline for termination of acceptance of the instructions with cash settlement under mutually agreed operations of the Treasury administration shall apply in the settlement system only if both parties of the transaction specified in the settlement instruction the value in the transaction code of the settlement according to article 9 section 9.8 paragraph f) of this part of the Rules of Operation.
- 24.3 The type of instruction for external settlement according to article 9 section 9.2 of this part of the Rules of Operation, which the participant may submit, depend on CDCP type of the link with the issuer depository.
- 24.4 CDCP shall process and settle the instruction for settlement of an OTC trade and transactions with the financial instruments in conformity with this part of the Rules of Operation.

## **Article 25**

### **Primary subscription**

- 25.1 The participant may submit the settlement instruction under the primary subscription as:
  - a) unmatched settlement instruction against a payment,
  - b) unmatched settlement instruction without a payment,
  - c) matched settlement instruction without a payment.
- 25.2 The settlement of instructions according to section 25.1 paragraph a) and b) of this article is possible through the participants of the settlement system only.
- 25.3 CDCP shall process and settle the instruction under the primary subscription in conformity with this part of the Rules of Operation.

## **Article 26**

### **Auto-collateralisation**

- 26.1 An intra-day credit under the auto-collateralization can be granted by:
  - a) the central bank to a payment bank,
  - b) a payment bank to a client – participant if it executes the cash leg of the settlement for the client.
- 26.2 The following shall be regarded as compliance with the conditions applicable to the auto-collateralization in the sense of this part of the Rules of Operation:
  - a) compliance with obligations according to article 4, section 4.2, paragraph d) of this part of the Rules of Operation,
  - b) reservation of the financial instruments for auto-collateralization according to article 35, part V. of the Rules of Operation, and/or
  - c) indication of a code to define the reservation of the financial instruments for the auto-collateralization according to article 9, section 9.8 paragraph i) of this part of the Rules of Operation.
- 26.3 Effectuation of the required setup directly in T2S shall be regarded as compliance with the conditions for the auto-collateralization according to T2S documentation separately by:
  - a) the central bank in case of granting of the intra-day credit according to section 26.1 paragraph a) of this article,

- b) a payment bank in case of granting of the intra-day credit according to section 26.1 paragraph b) of this article, wherein the payment bank proceeds in the sense of article 8, section 8.8 of this part of the Rules of Operation.
- 26.4 The central bank and/or payment bank effects the setup according to section 26.3 of this article based on contractual arrangements between the central bank and the payment bank and/or between the payment bank and its client, whereas CDCP is not the contractual party (in these agreements).
- 26.5 While complying with the conditions according to section 26.2 and 26.3 paragraph a) of this article, granting of the intra-day credit secured by an acceptable guarantee is effected in the settlement system according to section 26.3 paragraph a) by automatic placement of the instruction followed by the settlement:
  - a) of matched settlement instruction against payment by which the guarantee is transferred from the payment bank's account to the central bank's account against corresponding value of the funds needed for settlement of the underlying instruction with the cash settlement from the dedicated cash account of the central bank to the dedicated cash account of the payment bank, or
  - b) of matched instruction for settlement of a payment without transfer of the financial instruments by which the value of the funds needed for settlement of the underlying instruction with the cash settlement is transferred from the dedicated cash account of the central bank to the dedicated cash account of the payment bank and of instruction for the marking the restriction on the guarantee on the account of the payment bank, or
  - c) of matched instruction for settlement without a payment under which the guarantee is transferred from the account of the payment bank to the account of the payment bank that is reserved in favour of the central bank, and of matched instruction for settlement of payment without transaction of the financial instruments by which is transferred value of cash funds needed for settlement of the underlying instruction with the cash settlement from the dedicated cash account of the central bank to the dedicated cash account of the payment bank.
- 26.6 The guarantee restriction remains marked at the financial instruments transferred to the account of the payment bank reserved in favour of the central bank according to section 26.5, paragraph c) of this article until repayment of the intra-day credit according to section 26.8 and 26.9 of this article or relocation of the guarantee according to section 26.10 of this article.
- 26.7 Along with the instruction or instructions according to section 26.5 of this article, corresponding reverse instructions for repayment of the intra-day credit with are put on hold in the name of the payment bank are submitted automatically.
- 26.8 Repayment of the intra-day credit may be effected by the payment bank upon release of the instructions according to section 26.7 of this article at any time during the operation day, however, not later than in the moment determined according to the settlement schedule.
- 26.9 Should the payment bank fail to release the instruction according to section 26.7 of this article, CDCP shall automatically release the same in defined time according to the settlement schedule, and settle the instruction provided that sufficient cash funds are available on the dedicated cash account or accounts of the payment bank.
- 26.10 Included in the reverse instructions for repayment of the intra-day credit may also be another matched settlement instruction that shall be settled by CDCP only in case that the intra-day credit according to section 26.8 and 26.9 of this article is not repaid. By this another instruction the guarantee provided shall be transferred to a specific account

of the central bank against provision of cash funds needed for settlement of the reverse instructions according to section 26.7 of this article.

- 26.11 While meeting the conditions according to section 26.2 and 26.3 paragraph b) of this article, the intra-day credit is granted on the assumption of use of the auto-collateralization limit for the client of the payment bank set by the payment bank, that is secured by an acceptable guarantee in the settlement system executed by automatic placement and consequent settlement of the matched settlement instruction against payment, by which the guarantee is transferred from the account of the client of the payment bank to the account of the payment bank against corresponding value of cash funds needed to settle the underlying instruction with the cash settlement from the dedicated cash account of the payment bank, which shall make accessible the limit for its client allowing withdrawal from the dedicated cash account (of the payment bank).
- 26.12 Along with the instruction according to section 26.11 of this article, corresponding reverse instructions for repayment of the intra-day credit put on hold in the name of the payment bank are submitted automatically.
- 26.13 Repayment of the intra-day credit may be effected by the payment bank upon release of the instructions according to section 26.12 of this article at any time during the operation day, however, not later than on the moment of termination of acceptance of the instructions with the cash settlement determined according to the settlement schedule.
- 26.14 Provisions of section 26.9 and 26.10 of this article shall not apply to the auto-collateralization according to section 26.11 of this article.
- 26.15 The settlement instructions according to sections 26.5, 26.7, 26.10 to 26.12 of this article shall be submitted automatically by CDCP as the operator of the settlement system in the name of the payment bank and central bank or in the name of the payment bank and client of the payment bank. The instructions for release of the instruction with Hold status according to section 26.9 of this article shall be submitted automatically by CD as operator of the settlement system in the name of the payment bank.
- 26.16 The matched instructions according to section 26.7, 26.10 and 26.12 of this article entered the settlement system and became irrevocable at the same moment as the matched instructions according to section 26.5 and 26.11 of this article.

## **Article 27**

### **Market claims**

- 27.1 The period for review of the market claims is twenty operation days of the record date of relevant corporate action.
- 27.2 For the review of the market claims, CDCP shall include all settlement instructions being matched and not cancelled and not excluded from the market claims according to article 9 section 9.15 of this part of the Rules of Operation.
- 27.3 In the course of the period according to section 27.1 of this article, CDCP shall after end of the operation day and before start of the next operation day identify the settlement instructions to which the market claims apply, and in its own name shall automatically submit unmatched and with Hold status:
- a) instructions for settlement of a payment without transfer of the financial instruments in case of distribution of the cash funds, or
  - b) instructions for settlement without payment in case of distribution of the securities.
- 27.4 CDCP shall submit the instructions according to section 27.3 paragraph a) and b) of this article with:
- a) trade date identical to the trade date from identified instruction,

- b) intended settlement date identical to the payment date of relevant corporate action, or date of following operation day if the payment date has already expired,
  - c) identical Hold status as the identified instruction.
- 27.5 Should CDCP identify an instruction in the sense of section 27.3 of this article by which the financial instruments are transferred in units and no trade transaction code has been specified in the instruction, CDCP shall automatically submit the unmatched instructions for settlement of the market claim:
- a) from transferor's account to transferee's account if the trade date in the identified instruction is older than Ex-date, and the instruction is not settled at the end of the operation day equal to the record date, or
  - b) from transferee's account to transferor's account if the trade date in the identified instruction is identical or newer than Ex-date, and the instruction was settled on the operation day with date being older than or equal to the record date.
- 27.6 Should, in the sense of section 27.3 of this article, CDCP identify the instruction by which the financial instruments are transferred in the nominal value and no trade transaction code is specified in the instruction, CDCP shall automatically submit the unmatched instructions for settlement of the market claim from transferor's account to transferee's account if the intended date in the identified instruction is equal to or newer than record date, and the instruction is not settled at the end of the operation day equal to the record date.
- 27.7 Should, in the sense of section 27.3 of this article, CDCP identify the instruction for settlement of a trade without claim for proceeds, CDCP shall automatically submit the unmatched instructions for settlement of the market claim from transferee's account to the transferor's account only if the trade date in the identified instruction is older than Ex-date, and the instruction was settled on the operation day with date older than or equal to the record date.
- 27.8 Should, in the sense of section 27.3 of this article, CDCP identify the instruction for settlement of a trade with claim for proceeds, CDCP shall automatically submit the unmatched instructions for settlement of the market claim from the transferor's account to the transferee's account if the trade date in the identified instruction is newer than Ex-date, and the instruction:
- a) was settled on the operation day with date being higher than the record date, or
  - b) is unsettled.
- 27.9 Settlement of automatically submitted instructions relating to the market claims is independent from settlement of the settlement instruction identified according to section 27.3 of this article.
- 27.10 CDCP shall release automatically submitted instruction relating to the market claims from Hold status set in its name only after settlement of the identified instruction.
- 27.11 Should a market claim is a fragment, CDCP shall round off the number of units of the financial instruments to the lowest integer according to section 27.3 paragraph b) of this article.
- 27.12 Provisions according to article 20 section 20.5 of this part of the Rules of Operation shall apply to the settlement of the instructions according to section 27.3 paragraphs a) and b) of this article.

## **Article 28**

### **Transformations**

- 28.1 The period for identification of the transformations is twenty operation days from the record date of relevant corporate action.

- 28.2 In order to identify the transformations, CDCP shall include all settlement instructions being matched and not cancelled and not excluded from the transformation process according to article 9 section 9.15 of this part of the Rules of Operation.
- 28.3 In the course of the period according to section 28.1 of this article, CDCP shall after end of the operation day and before start of the next operation day identify the settlement instructions to which the transformations apply and automatically:
- a) cancels the identified settlement instructions,
  - b) depending on type of the identified instruction according to article 9, section 9.1 of this part of the Rules of Operation, submits automatically the matched or unmatched instructions for settlement of the payment without transfer of the financial instruments in case the subject of the reorganization means replacement of the financial instruments with cash funds, or
  - c) depending on type of the identified instruction according to article 9, section 9.1 of this part of the Rules of Operation, submits automatically the matched or unmatched instructions for settlement against payment or the settlement instructions without payment in case the subject of the reorganization is replacement of the financial instruments with other financial instruments.
- 28.4 CDCP shall cancel the settlement instructions excluded from the transformation process according to article 9, section 9.15 of this part of the Rules of Operation.
- 28.5 CDCP shall submit the instructions according to section 28.3 paragraph b) and c) of this article with:
- a) trade date identical to the trade date from identified instruction,
  - b) intended settlement date equal either with payment date of relevant corporate action or date of next operation day in case the payment date has already expired,
  - c) identical hold status as has the identified instruction.
- 28.6 Should the settlement type of the identified instruction be the settlement instruction against a payment, CDCP shall automatically submit the instructions according to section 28.3 paragraph b) of this article for settlement:
- a) from transferor's account to transferee's account with cash value corresponding to the identified instruction, and
  - b) from transferor's account to transferee's account with cash value corresponding to the claim according to the rules of reorganization.
- 28.7 Should the settlement type of the identified instruction be the settlement instruction without a payment, CDCP shall automatically submit the instructions according to section 28.3 paragraph b) of this article for settlement from transferor's account to transferee's account with cash value corresponding to the identified instruction.
- 28.8 The type of settlement of the instruction submitted according to section 28.3 paragraph c) of this article corresponds to the type of settlement of the identified instruction.
- 28.9 CDCP shall round off the number of units of the financial instruments to the lowest integer according to section 28.3 paragraph c) of this article.
- 28.10 Provisions according to article 20 section 20.5 of this part of the Rules of Operation shall apply to the settlement of the instructions according to section 28.3 paragraph b) and c) of this article.
- 28.11 The settlement instructions resulting from the transformation may neither be settled prior to the payment date nor prior to the intended settlement date specified in the cancelled identified instruction.



## **Article 29**

### **Buyer rights protection**

- 29.1 CDCP does not provide buyer rights protection as an automatic service in the settlement system.
- 29.2 Manual process of the buyer rights protection is dealt with the participant on the side of the transferor and transferee.
- 29.3 The instruction in connection with buyer rights protection is prepared by the participant at the buyer side, unless preference of the buyer is set as default choice in the corporate action.
- 29.4 Deadline for buyer right protection comes one settlement cycle after guaranteed participation date. It is possible to prepare and send the instruction for buyer right protection until the end of settlement on operation day which is set as deadline for buyer right protection.
- 29.5 The deadline for buyer right protection is at least one operation date before market deadline.
- 29.6 The participants must accept the instructions in connection with buyer right protection sent before buyer rights protection deadline, relating to the instruction with trade date lower or the same as guaranteed participation date and intended settlement date, which is lower or the same as buyer rights protection deadline.
- 29.7 Instructions connected to buyer rights protection created on basis of unsettled instruction and has been settled before or during operation day, which is identical to buyer rights protection deadline is not valid.
- 29.8 The participants shall cancel an instruction on basis of which an instruction connected to buyer rights protection was created and which is not settled by the end of operation day identical to buyer rights protection deadline and shall place in compliance with the buyer preference.

## **Article 30**

### **Settlement instruction recycling**

- 30.1 During a specified time period, CDCP shall automatically move at the end of each operation day all unmatched and/or unsettled instructions to the next operation day.
- 30.2 The time period according to section 30.1 of this article is defined as:
  - a) twenty business days for unmatched settlement instructions and counts from the intended date of the settlement instructions or the last change to status of the instructions,
  - b) twenty business days for unmatched instruction for cancellation of a settlement instruction and counts from the date of entry of these instructions to the settlement system;
  - c) sixty business days for matched settlement instructions; the period is counted from the intended settlement day of the instruction, or from the last status change of these instructions.
- 30.3 At the end of the last operation day of the time period according to section 30.2 of this article, CDCP shall automatically cancel instructions that have not matched or settled during the time period.
- 30.4 Procedure for automatic cancellation of matched instructions according to this article is understood as bilateral cancellation of transaction agreed in advance, i.e. by both parties in transaction according to article 17 of this part of the Rules of Operation.



## **Article 31**

### **Revalidation of the settlement instruction**

- 31.1 Revalidation of the settlement instructions is a fully automated process of the settlement system under which each unsettled instruction is checked against changes to static data related to the participant, participant's account, and financial instrument made after entering of the instruction to the settlement system.
- 31.2 In case of unsuccessful revalidation, CDCP shall cancel the settlement instructions and informs the involved participants and the other market infrastructure thereof.

## **Article 32**

### **Damage reliability**

- 32.1 The participants or other market infrastructures with access granted to the settlement system shall be liable for damage incurred by submission, late submission, incorrect submission or incomplete submission of the relevant settlement instructions or requests for the settlement system services, or they were submitted in a form other than required and defined in these Rules of Operation.
- 32.2 CDCP shall be liable for damage due to incorrect, incomplete, or late performance of actions needed for settlement of the instructions.
- 32.3 The participants or other market infrastructures with access granted to the settlement system shall be liable for that they have for each settlement instructions or each request for the CDCP services all documents needed for this activity according to generally applicable regulations and the Rules of Operation.

## **Article 33**

### **T2S operation recovery**

- 33.1 In case of an extraordinary external event or T2S failure having impact on operation of the settlement system, CDCP shall adopt the following measures:
  - a) relocation of the T2S operation to other place,
  - b) change to operation day schedule.
- 33.2 CDCP shall inform the participants and other market infrastructures with access granted to the settlement system about the measures taken according to section 33.1 of this article, including description of the event or failure and forecasted delay caused by the event in the operation's day schedule.

## **Article 34**

### **Operation day schedule**

- 34.1 The operation days of the settlement system are:
  - a) for the instructions with cash settlement in the central bank money in EURO currency all days with the exception of Saturdays, Sundays and New Year's Day, Good Friday, Easter Monday, 1 May, 25 December, and 26 December.
  - b) for the instructions for settlement without payment all days with the exception of Saturdays, Sundays and New Year's Day, Good Friday, Easter Monday, 25 December, and 26 December.
- 34.2 The reference time for the settlement system is the Central European time.
- 34.3 Change to the date to new operation day occurs in previous calendar and also operation day in the sense of times in the operation day schedules, and the following applies:

- a) during weekend, the “Maintenance window” phase of the day takes from Saturday 2:30 a.m. to Monday 2:30 a.m.(mandatory Maintenance window),
- b) during day which is not a settlement system business day, the “Maintenance window” phase of the day takes from 2:30 a.m. of that day to 2:30 a.m. of next operation day (mandatory Maintenance window),
- c) when required, T2S and CDCP system may run the “Maintenance window” during business day from 3 a.m. to 5 a.m. (optional Daily Maintenance window).

34.4 Availability of T2S during the operation day is specified in the T2S documentation.

34.5 The CDCP system is available for the participants and the other market infrastructure throughout the business day except for the Maintenance window phase.

34.6 The settlement instructions or requests for services submitted during unavailability of the CDCP system according to section 34.5 of this article shall be put on queue and processed after start of the phase of the day in which the CDCP system is available.

34.7 The following table shows the operation day schedule and the settlement schedule:

| Time            |  | Phase of a day<br>Event   |                                    | Place of<br>event |      |
|-----------------|--|---|------------------------------------|-------------------|------|
| 18:45           |  | Start of Day period   |                                    |                   |      |
|                 | 18:45  | Change of date of operation day   |                                    | T2S/<br>CDCP      |      |
|                 |  | Preparation for night settlement  |                                    |                   |      |
|                 |  | Revalidation of the settlement instructions   |                                    |                   |      |
|                 |  | Assignment of the reservation flags and release of the instructions put on hold in the name of CDCP |                                    | CDCP              |      |
|                 | 19:00  | End time for acceptance of data from the collateral management systems                              |                                    | T2S               |      |
| 20:00           |  | Night settlement  |                                    |                   |      |
|                 | 20:00  | First cycle of the night settlement   |                                    | T2S/<br>CDCP      |      |
|                 |  | Last cycle of the night settlement  |                                    |                   |      |
| 02:30/<br>03:00 |  | mandatory Maintenance window/<br>optional Daily Maintenance window                                  |                                    |                   |      |
| 02:30/<br>05:00 |  | Real-time settlement <sup>1</sup>   |                                    |                   |      |
|                 | 05:00  | Preparation for settlement in real time   |                                    |                   |      |
|                 |  | Real-time settlement  |                                    |                   |      |
|                 | 06:55, 08:55, 09:55, 10:55, 11:55, 13:55, 14:55, 15:55 |   | Mass recycling in T2S <sup>2</sup> |                   | T2S  |
|                 | from 13:00   | Utilisation of financial means from the BSSE Guarantee Fund based on instruction from BSSE          |                                    |                   | CDCP |
|                 | until 14:00  | Submitting of instruction for utilisation of financial means from the BSSE Guarantee Fund           |                                    | CDCP              |      |

|  |              |  |   |              |
|--|--------------|--|---|--------------|
|  | 15:45        | Recommended time for submission of the instructions with cash settlement to the CDCP system within DVP cut-off   |   | CDCP         |
|  | <b>16:00</b> | <b>End of real-time settlement <sup>3</sup></b>  |   |              |
|  | 16:00        | DVP cut-off  | End of acceptance of the instructions with cash settlement  |              |
|  | 16:30        | Automated repayment under the auto-collateralization by the central bank: <ul style="list-style-type: none"> <li>• Automated release of „on hold“ settlement instruction for repayment of intra-day credit</li> <li>• If any, transfer of liquidity between dedicated cash accounts of the payment bank/participant</li> <li>• If any, relocation of the guarantee to a specified account of the central bank</li> </ul> |   | T2S/<br>CDCP |
|  | 16:30        | Optional automated transfer of cash funds from the dedicated cash account to a RTGS account  |   | T2S          |
|  | 17:25        | Recommended time to submit the instruction with cash settlement under mutually agreed operations of the Treasury management, and instructions with cash settlement under operations of the central bank to the CDCP system   |   | CDCP         |
|  | 17:40        | BATM cut-off   | End of acceptance of the instruction with cash settlement under mutually agreed operations of the Treasury management | T2S/<br>CDCP |
|  |              | CBO cut-off  | End of acceptance of the instructions with cash settlement under central bank's operations                            |              |
|  | 17:45        | Recommended time for submission of the instructions without payment to CDCP  |   | CDCP         |
|  | 17:45        | Automated transfer of cash funds from the dedicated cash account to a RTGS account   |   | T2S          |
|  | 18:00        | End of acceptance of the restriction instructions  |   | T2S/<br>CDCP |
|  |              | FOP cut-off  | End of acceptance of instructions without payment   |              |
|  | <b>18:00</b> | <b>End of day</b>  |   |              |
|  |              | Automatic hold of the instructions in the name of CDCP and cancellation of assigned reservation flags  |   | CDCP         |
|  |              | Recycling of instructions and their cancellation   |   | T2S/<br>CDCP |
|  |              | End of day reports   |   | CDCP         |

<sup>1</sup> The “Real time settlement” phase of day and settlement during the day shall start before the “Maintenance window” phase if the “Night settlement” phase ends at 2:30 a.m. in case of mandatory maintenance window, or before 3 a.m. in case of optional daily maintenance window.

<sup>2</sup> The mass recycling in T2S refers to automated repeating of an attempt to settle the instruction not settled due to insufficiency of funds (financial instructions and/or cash funds) in specified time, in contrary to the automated attempt launched in real time upon delivery of new resources to the account of relevant participant (transfer of financial instruments and/or cash funds on account, reservation of financial instruments for the auto-collateralization).

<sup>3</sup> The “End of real time settlement” phase is a part of the “Real time settlement” phase.

# **PART VII. RULES FOR WORK WITH THE SPECIAL REGISTRY**

## **Article 1**

### **Introductory provisions**

- 1.1 This part of the Rules of Operation is governing mainly form and procedure for registration of securities that CDCP does not register in the issuer's registry and disposal with these securities.
- 1.2 CDCP link to other issuer central depository is governed by provisions of the CSDR Regulation and relevant domestic legislation. If required, CDCP and the issuer central depository shall agree on harmonised operation procedures for each link, with aim to administer the special registry.
- 1.3 CDCP, as an investor central depository, is responsible for damage due to insolvency, negligence, failure or other breach of its obligations resulting from the legal regulation. CDCP has no right to transfer any liability to its Participants as consequence of breach of obligations related to the link with the issuer central depository. CDCP Participants are liable only for damage due to their acts/ omissions.
- 1.4 CDCP commits oneself to provide to its Participants necessary co-operation in case of damage due to breach of obligations by the issuer central depository (due to acts/omission) in connection with administration of the special registry.

## **Article 2**

### **Keeping of the special registry of securities**

- 2.1 To keep the special registry of securities CDCP has opened omnibus accounts in other issuer depositories. CDCP shall publish the list of these issuer depositories on its website.
- 2.2 Prerequisite for acquisition of securities to the omnibus account of CDCP opened in other issuer depository is registration of data on these securities in the special registry of securities.
- 2.3 To the scope of data in the special registry of securities pursuant to the section 2.1 of this Article, provisions of § 107 of ZOCP apply adequately.
- 2.4 The condition for administration of data on the securities in the special registry of securities is that disposal with the securities regulated by these Rules of Operation does not contradict the legislation of the state, pursuant which the securities were issued or the operation procedures agreed with the issuer central depository.
- 2.5 CDCP can terminate registration of data on the securities in the special registry of securities only if there are not data on that security in the CDCP's omnibus account.
- 2.6 If a security not compliant with the conditions stipulated in the Rules of Operation or not registered in the special registry of securities is transferred to the CDCP omnibus account, CDCP is entitled to transfer the security to an account of the transferor, whereas CDCP is not liable for damage that should arise as a result of such transfer.

### **Article 3**

#### **Receiving of securities to the special registry**

- 3.1 CDCP shall receive the securities to the special registry of securities by request submitted by
- a) the participant
  - b) other market infrastructure,
  - c) an owner of an account opened in CDCP registry, on which securities are to be credited in the special registry of securities.
- 3.2 CDCP will accept the securities to the special registry of securities in two operation days from receiving the request pursuant to section 3.1 of this article at latest.
- 3.3 If CDCP, after receiving the request, finds out that the request or the securities are not in compliance with any of the conditions stipulated in the Rules of Operation, CDCP has right to decline the request and not register the securities to the special registry.
- 3.4 CDCP shall inform the requesting person on registration of the security to the special registry without delay.

### **Article 4**

#### **Special provisions in relation to NCDP as issuer central depository**

- 4.1 Provisions of part IV to VI of the Rules of Operation apply adequately to handling of securities registered in the special registry, including instructions for entry of data on securities crediting or debiting, unless stated differently in this part.
- 4.2 Only the securities compliant with following conditions can be transferred to the CDCP omnibus account in NCDP:
- a) no information on joint ownership or co-ownership over security is registered in the registry of NCDP,
  - b) securities are not subject to pledge or transfer as collateral.
- 4.3 After receiving an instruction for creation/change/cancellation of pledge over security accepted to the special registry sent by the client entitled to place respective instruction, CDCP shall forward such instruction to NCDP without delay, along with relevant documentation in compliance with relevant provisions of ZOC. Registration of pledge in NCDP is regulated by the special rules of NCDP. CDCP is entitled to decline the instruction if the instruction and related documents are not compliant with the requirements stipulated by the legal regulation. Provisions of part I of the Rules of Operation apply to a client.
- 4.4 CDCP shall register the pledge on respective account immediately after NCDP informs CDCP on registration of establishment/change/cancellation of the pledge over the security, or will inform on this the Participant or a holder, who are obliged to register the pledge on respective account or in the holder's registry immediately after being informed.
- 4.5 Securities from the issue which is after maturity can't be subject to cross-CSD settlement instruction. In case of the issue after maturity CDCP shall register data on security debiting the account based on information from NCDP and registration of data on security debiting the CDCP omnibus account.

- 4.6 CDCP shall change without delay data on the issuer and/or data on the securities issue on basis of information from NCDGP and registration of relevant change in NCDGP registry. In case data (e.g. trade name, registered seat) on the issuer whose issuer's registry is kept in CDCP registry were changed, CDCP shall change such data only on basis of request for change of data pursuant to part IV of the Rules of Operation placed by the issuer.
- 4.7 CDCP shall execute change/cancellation of data on security registered in the special registry and on accounts in the registry of Participants or CDCP based on information from NCDGP and execution of respective change in NCDGP registry.
- 4.8 CDCP shall register SDR over entire securities issue in the special registry of securities if SDR was registered over entire securities issue in NCDGP registry.

## **Article 5**

### **Reconciliation of records**

- 5.1 In compliance with article 89 of Delegated Regulation 2017/392 CDCP shall regularly (on daily basis) to check, based on information from the issuer depository, whether sum of units of securities registered on accounts in CDCP through CDCP omnibus account opened in other issuer depository is consistent with number of securities on this omnibus account.
- 5.2 In case discrepancies were identified during above mentioned check, CDCP shall adopt necessary measures in order to eliminate identified discrepancy.
- 5.3 If the issuer depository shall register SDR relating to entire securities issue with purpose to eliminate discrepancy and maintaining securities issuer integrity, CDCP shall consequently and without delay register SDR to entire securities issue for time period required to eliminate discrepancy in the issuer depository.
- 5.4 Provision of article 2 of Part II of the Rules of Operation, which governs measures for ensuring of issue integrity, shall apply also in case of securities issue and detail on securities registered in the special registry of CDCP, except section 2.2, letter c).

## **PART VIII. SPECIAL PROVISIONS CONCERNING ASSETS TRANSFER OF NCDGP CLIENTS**

### **Article 1**

#### **Introductory provisions**

- 1.1 This part of the Rules of Operation lays down special regulations with regards to transfer of assets of NCDGP clients to the register of CDCP (specified in section 1.10 of this article) under article 20(5) of CSDR and under §101 of ZOCP (hereinafter only "assets transfer"). Aforesaid comprises mainly regulation of legal relationships between CDCP and clients of NCDGP which assets are involved in the transfer and regulation of entries to CDCP register and related provision of services.
- 1.2 Assets transfer is executed on basis of an Agreement on transfer of assets of NCDGP clients concluded between CDCP and NCDGP on 23 July 2021, in connection with intent of NCDGP to relinquish the authorisation to operate as a central depository under article 20(5) of CSDR. According to the first to third sentence of §101(3) of ZOCP, NCDGP shall

transfer the assets to CDCP as authorised transferee under special regulation, i.e. CSDR regulation. Along with the assets NCDP shall transfers also related records and registers.

- 1.3 CDCP shall publish on its web site [www.cdcp.sk](http://www.cdcp.sk) the date when assets of NCDP clients shall be transferred to CDCP registry without delay.
- 1.4 In connection with the assets transfer CDCP as a transferee central depository shall fulfil obligations of the central depository in relation to NCDP clients, whose assets were transferred to CDCP from the date of assets transfer, whereas CDCP shall provide the clients of NCDP with services in scope and under conditions set in CDCP regulation (namely the Rules of Operation of CDCP and the Scale of Fees of CDCP) and in compliance with valid authorisation of CDCP to provide services after the date of assets transfer.
- 1.5 The assets transfer includes all assets of NCDP clients according to relevant definition in this article of the Rules of Operation. Based on assets transfer CDCP shall execute entries in CDCP register, whereas special rules according to this part of the Rules of Operation are applied. CDCP shall execute relevant entries in CDCP register based on data provided by NCDP.
- 1.6 Based on assets transfer the clients of NCDP shall become clients of CDCP on the day of assets transfer and provisions of these Rules of Operation and binding force of the Rules of Operation under §103 of ZOCF apply to them to the full extent. The clients of NCDP shall also pay fees for provided services according to the Scale of Fees (in compliance with article 1.1 of Part I of the Rules of Operation). Special rules under this part of the Rules of Operation apply to access of participants and other market infrastructures at the same time.
- 1.7 Provisions of the Rules of Operation have precedence over provisions of special contractual arrangements concluded between NCDP and the clients of NCDP.
- 1.8 No liability for services provided by NCDP before assets transfer is transferred to CDCP by the assets transfer, namely liability for potential faulty provision of service, neither liability for service not provided before assets transfer date in conflict with obligations of NCDP. CDCP is not obliged to meet claims of NCDP clients arising from obligations of NCDP pursuant to the previous sentence.
- 1.9 CDCP is not liable for fulfilment of NCDP obligations, including information duties under ZOCF, CSDR or other legal regulation that NCDP was obliged to perform in relation to the clients of NCDP or third parties before/on the date of assets transfer in connection with transferred assets.
- 1.10 For purpose of this part of the Rules of Operation following special definitions apply:
  - a) CDCP register – for purpose of assets transfer the CDCP register is register of CDCP and register of members (i.e. register including accounts of owners that are object of assets transfer from the original register of NCDP members/participants);
  - b) NCDP participant – NCDP participant is entity that was a participant of NCDP (was granted participant access) on the date of assets transfer;
  - c) client of NCDP – client of NCDP is any entity to which NCDP provided services related to its execution of a central depository activities before the assets transfer date. The client is either a member, participant, other market infrastructure or an issuer, to which NCDP granted access to its services before the assets transfer date. The client is also a requesting person who, before the assets transfer date, requested NCDP for provision of service, or a third party who acts on behalf of or on the account of persons specified in this definition based on granted power of attorney or other authorisation.

- d) assets of NCDGP clients – are all and any assets in the broadest possible extent permissible under ZOCP and CSDR, that (i) are not own assets of NCDGP and (ii) are administered, registered, kept by NCDGP for its clients, including archive of provided services, assets on accounts, and including records and registers maintained according to ZOCP. Assets of NCDGP include also related documentation represented by all books, files, databases and other records of NCDGP (kept in digital or other form) related to assets according the previous sentence, including contracts/agreements based on which NCDGP provides services to its clients, namely agreements on participant access to services, agreements on opening and administration of account, agreements on administration of register of book-entry securities, agreements on administration of list of shareholders of registered paper-form shares to this agreement.

## **Article 2**

### **Special provisions with regard to participants of NCDGP who are also participants of CDGP on the date of assets transfer**

- 2.1 Based on the assets transfer, also without a request or special agreement, CDGP shall open for the participant in its register an owner account of participant, holder account and/or client account, including member register, i.e. owner accounts of clients of the participant in the same extent as were registered in NCDGP.
- 2.2 CDGP shall make accessible individual types of services that are accessible to participant according to article 8 of Part II of the Rules of Operation, or types of services accessible to a member according to article 21 of Part II of the Rules of Operation only in the scope of valid contractual relations and pursuant to the Catalogue of Services for Persons with Granted Access. Accessibility of services to a participant/member is governed by the general regulations of the Rules of Operation. Provisions of special agreement concluded between CDGP and a participant with regards to access to the services apply fully to execution of accessible services via the IS CDGP related to a holder account, a client account and/or an owner account originally opened for the participant in the register of NCDGP.
- 2.3 If necessary, the participant of NCDGP whose assets were transferred to the register of CDGP, and who is at the same time participant of CDGP under §99(13) of ZOCP and CSDR, shall provide CDGP with necessary co-operation in order to update contractual relationships and meet other requirements according to the Rules of Operation subsequently to the assets transfer and related changes in the scope of services provided to the participant; deadline for the update is 2 (two) months from the assets transfer pursuant to this part of the Rules of Operation. Aforesaid shall apply to granting of membership in case the assets transfer concerns a participant of CDGP, who is not a member of CDGP at the same time. CDGP is entitled, in justified cases and after agreement with a participant, to prolong the deadline pursuant to this provision. CDGP is not liable in case the participant of NCDGP is not able to ensure provision of services to its clients within a member register via the IS CDGP (mainly in connection with owner accounts) as a consequence of not meeting obligations according to this section.
- 2.4 If a participant of CDGP shall not provide necessary co-operation pursuant to section 2.3 of this article in given deadline:
- a) in case of opened holder account and/or client account – the participant shall transfer, or shall ensure a transfer of all securities registered on these accounts to other account kept in compliance with ZOCP and CSDR, shall submit a request for cancelation of a



holder account and/or client account and ensure termination of administration of owner accounts in its registry (depending on scope of services in question);

- b) in case other requirements are not met – CDCP is entitled to adopt measures or sanctions against the participant pursuant to the Part II of the Rules of Operation.

### **Article 3**

#### **Special provisions with regard to participants of NCDGP who are not participants of CDCP on the date of assets transfer**

- 3.1 Based on assets transfer, also without a request or special agreement, CDCP shall open in its register for a participant of NCDGP, whose assets were transferred to the registry of CDCP and who is not a participant of CDCP or to whom CDCP did not grant access of a participant as of the date of assets transfer, an owner account of participant, holder account and/or client account, including a member's register, i.e. owner accounts of clients of the participant in the same extent as were registered in NCDGP.
- 3.2 A participant of NCDGP shall not become a participant of CDCP based on assets transfer and is obliged to submit a request for granting access of a participant and granting a membership, if relevant, or to proceed according to this article. Obligations pursuant to the Rules of Operation applicable to a participant, including compliance with information duties under ZOCP are applicable accordingly to a participant of NCDGP from the moment of granting access of a participant.
- 3.3 CDCP shall not make accessible to a participant of NCDGP separate types of services accessible to a participant pursuant to article 8, Part II of the Rules of Operation or types of services accessible to a member pursuant to article 21 of Part II of the Rules of Operation based on transfer of assets, before granting the access of a participant and fulfilment of requirements under the Rules of Operations related to granting access to services. CDCP is not liable if a participant of NCDGP is not able to ensure provision of services to its clients within a member registry via IS CDCP (mainly in relation to owner accounts). The participant of NCDGP is allowed to submit requests for CDCP services in paper form and in necessary extent in order to ensure provision of CDCP services, but only services which CDCP is entitled to perform in its registry according to relevant regulations of the Rules of Operation and legal regulations (i.e. in relation to accounts administered for a participant of NCDGP).
- 3.4 In 2 (two) months from transfer of assets according to this part of the Rules of Operation a participant of NCDGP shall:
  - a) request for granting access of a participant in compliance with article 7 of Part II of the Rules of Operation and comply with all requirements for granting access to separate types of services accessible to a participants according to article 8, Part II of the Rules of Operation or types of services accessible to a member according to article 21, Part II of the Rules of Operation in order to ensure proper execution of activities in relation to transferred assets, or
  - b) ensure transfer of all securities registered on holder account and/or client account to other account administered in compliance with ZOCP and CSDR, shall ensure termination of administration of owner accounts in its registry related to administration of a client account and subsequently request cancellation of a holder account and/or client account.

This provision is not in prejudice with possibility of the participant of NCDGP to request for granting of the access/membership before realisation of assets transfer according to this part of the Rules of Operation.

- 3.5 In case CDGP shall not grant access to a participant of NCDGP based on its request submitted pursuant to section 3.4 (a) of this article, the participant of NCDGP shall proceed pursuant to section 3.4 (b) of this article without delay.
- 3.6 In case the participant of NCDGP shall not comply with requirements pursuant to section 3.4 of this article, CDGP is entitled to reject all instructions submitted in connection with a holder account and/or client account (including owner accounts administered in related registry of NCDGP participant) by a participant of NCDGP or by other entities (e.g. other participants). CDGP is entitled to set extent and conditions for submitting instructions and requests for services in relation to respective holder account and/or client account (including owner accounts administered in related register of NCDGP participant). CDGP, when applying this provision, takes in account that operations leading to settlement of liabilities of NCDGP participant in connection with administration of accounts in question and related registry are ensured. CDGP is entitled to proceed accordingly with the rules for withdrawal of access pursuant to Part II of the Rules of Operation.
- 3.7 Participant of NCDGP not compliant with the requirements pursuant to this article is fully liable for damage incurred by not meeting such requirements, including damage caused to owners of securities registered in its register or to other aggrieved entities.
- 3.8 CDGP shall inform NBS on breach of obligations pursuant to this article, or CSDR, in case NCDGP participant shall not meet obligations according to this article or shall not provide necessary co-operation for purpose of proper settlement of contractual and other legal relationships related to transfer of assets

#### **Article 4**

##### **Special provisions with regard to entry of data to registry and provision of services for clients of NCDGP**

- 4.1 CDGP shall ensure, even without request or special agreement, based on assets transfer:
  - a) for issuers of book-entry securities – administration of issuer register, administration of registration of book-entry security issue and administration of list of owners of book-entry securities, including register of SJC shareholders in the register of CDGP;
  - b) for issuers of registered paper-form shares – administration of list of shareholders of registered paper-form shares;
  - c) administration of data in special registries of SJC (register of rights to join transfer of shares and register of rights to demand transfer of shares);
  - d) administration of owner accounts opened and administered in NCDGP register and relevant entries on securities held on accounts;
  - e) administration of data on registration of Suspension of Disposal Right (SDR);
  - f) administration of data on registration of pledge rights over book-entry securities in the register of pledge rights and on relevant accounts in CDGP register and in member registries;
  - g) administration of data on registration of pledge rights over paper-form securities in the register of pledge rights;

- h) administration of data on registration of transfers as collateral of book-entry securities in special register of transfers as collateral and on relevant accounts in the registry of CDCP and member registries;
  - i) administration of data on registration of transfers as collateral of paper-form securities in special registry of transfers as collateral.
- 4.2 In case of NCDCCP clients who are/were also clients of CDCP or in case of other entities registered in the registry of CDCP and NCDCCP (e.g. shareholders in lists of registered paper-form shares), CDCP is entitled to perform required change of selected data in necessary extent in order to ensure proper administration of CDCP register and provision of services.
- 4.3 For purpose of provision of services to NCDCCP clients, the account numeric identifiers allocated by NCDCCP remain unchanged (according to article 3.10 (a) to (d), Part I of the Rules of Operation. In case of inevitable change in other identifiers according to article 3.10 (f) to (i), Part I of the Rules of Operation, CDCP shall inform respective entity on this fact.
- 4.4 The clients of NCDCCP whose assets were transferred to the register of CDCP are obliged to provide CDCP with necessary co-operation in order to update contractual relations and/or to become compliant with other requirements according to the Rules of Operation or applicable legal regulation (e.g. ZOCF, Act on AML, Act on AEI). CDCP is entitled to reject a request for provision of service submitted by clients of NCDCCP or to terminate provision of respective service in case necessary co-operation was not provided.

## **PART IX. TRANSITIONAL PROVISIONS**

### **Article 1**

#### **Transitional provisions related to transfers of securities without consideration to MH Manažment, a.s.**

- 1.1 In order to execute transfers without consideration based on the instructions submitted by the owners of the accounts before 30 June 2016 not successfully processed and executed before the effective date of these Rules of Operation, a member authorized to execute the transfers without consideration shall have right to perform the services as the authorized member with respect to relevant owner's account. The member according to previous sentence shall have right to perform the services as the authorized member only for time absolutely necessary and to execute the transfer without consideration and to provide related services defined based on agreement with CDCP.
- 1.2 Provisions of the section 1.1 of this article shall apply exclusively in case of compliance with all conditions below:
- a) if the member authorized to perform transfers without consideration has a general agreement concluded with respect to provision of the Services of authorized member to non-allocated accounts,
  - b) no other authorized member is registered with respect to relevant owner's account.
- 1.3 Provisions of this article shall apply exclusively in connection with the execution of the transfers without consideration according to § 6 of Act 375/2015 Coll. on abolishing of the National Property Fund of Slovak Republic, and on change to, and amendment of

some acts, and act 92/1991 Coll. on conditions for transfer of the state property to other entities applicable at the moment of submission of the instructions by the account owners.

## **Article 2**

### **Transitional provisions related to transfer of assets of NCDCP clients**

- 2.1 Regulation according to the Part VIII of the Rules of Operation (Special provisions concerning assets transfer of NCDCP clients is applicable from the date of assets transfer stated in defined part of the Rules of Operation).

## **PART X. FINAL PROVISIONS**

### **Article 1**

#### **General provisions**

- 1.1 By these Rules of Operation was cancelled wording of the Rules of Operation which became valid on 24 March 2021 and effective on 01 May 2021, including relevant Executory Decrees.
- 1.2 These Rules of Operation are valid upon approval of the Board of Directors of CDCP on 28 July 2021 and becomes effective on 16 August 2021.