



## **Cancellation of a securities owner account**

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**Up to this day Centrálny depozitár cenných papierov SR, a.s. (CDCP) registers thousands of accounts opened for the security owners. Many of them do not know how to act in case they want to cancel their account. We have prepared instructions how to proceed in the three most frequent cases.**

As long securities are registered on the owner account, it is not possible to cancel the account, and an invoice shall be issued to the owner annually for payment of account administration fee depending on value of the securities. “If the account owner wants to cancel its account, debiting of all securities from the account has to be ensured by selling the securities, transferring them to another owner account opened with other service provider, or by gifting the securities”, explained Mr Michal Ninis, the Head of Business Services Department of CDCP. The owner whose account has been opened in the central depository by 30 September 2015 does not have to place separate request for cancellation of an account, provided that the account is empty. According to the valid legislation the owner account opened in the central depository by the 30 September 2015 (including) shall be terminated on the moment, when no a book-entry security is registered on the account. However, the account owner oneself has to ensure that all the securities are debited from the account before.

The account can't be cancelled neither when owner of the account is a deceased person as long as securities are registered on the account. Securities registered on an account of deceased person can be subject to the inheritance procedure. In case the owner is deceased person and the central depository was not informed about this fact, the central depository shall issue an invoice for account administration fee for previous year. „If the inheritors receive an invoice sent to a deceased person, it is necessary to send a copy of the death certificate to address of CDCP, the copy does not have to be officially verified, and when CDCP receives the death certificate it will stop charging for administration of such account”, clarifies Michal Ninis. If no securities are registered on an account administered for a deceased person the central depository shall cancel such account. Before the owner of an account on which securities are held shall make a decision on method used to ensure that securities shall be debited from its account, „we recommend checking their market value. If the owner should have a question as regards the market value of the securities, it is possible to contact a financial adviser or a stock broker”, added Michal Ninis. Securities with market value can be sold through a stock broker. The list of stock brokers with authorisation to provide the services is published on website of the National Bank of Slovakia. The owner can transfer its securities without the market value to entities that provide transfer of securities without the market value under commercial conditions. „This service is charged as the possibility to transfer securities without consideration to the government terminated on 30 June 2016.” concluded Michal Ninis. It is necessary to contact companies realising these transfers for further information on this possibility – JELLYFISH o.c.p., a.s., or DLHOPIS, o.c.p., a.s.