

WFC Single Disclosure Report 2017

Date submitted

05/12/2017 02:37:52

General information

1 G01Q001

Please indicate the full name of the responding institution:

PFMI: Annex A - CSD disclosure template [CSD name]
AGC: 0a

Centrálny depozitár cenných papierov SR, a.s.

2 G01Q002

Registered address:

PFMI: n/a
AGC: 0c

Ul. 29.augusta 1/A
814 80 Bratislava 1
Slovak Republic

3 G01Q003

Country of registered address:

PFMI: n/a
AGC: 0d

Slovak Republic

4 G01Q004

Official website of the respondent institution:

PFMI: Annex A - CSD disclosure template [website]
AGC: n/a

www.cdcp.sk

5 G01Q005

The date of this disclosure is:

PFMI: Annex A - CSD disclosure template [date]
AGC: n/a

09/04/2018

6 G01Q006

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

PFMI: n/a
AGC: 99

Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of. [A1]

7 G01Q007

How will you be making your answers publicly available?

PFMI: n/a
AGC: 99a

Website
 Upon request
 OTHER:

8 G01Q008

This disclosure can also be found at the following web address(es):

PFMI: Annex A - CSD disclosure template [website URL]
AGC: 99b

<https://www.cdcp.sk/en/about-cdcp/documents/questionnaires/>

9 G01Q009

First and Last Name of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]
AGC: 99c

Dagmar Kopuncová (Ms)

10 G01Q009A

Disclosure submission authorisation

I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

PFMI: Annex A - CSD disclosure template [contact details]
AGC: 99h

dagmar.kopunco va@cdcp.sk

12 G01Q011

Telephone number (please include the international country code):

PFMI: n/a
AGC: 99e

+421 2 593 95 125

13 G01Q012

How do you prefer to be contacted?

PFMI: n/a
AGC: 99d

Telephone
 Fax
 mail/air courier
 e-mail

14 G01Q013

Fax number

PFMI: n/a
AGC: 99f

+421 2 529 68 755

15 G01Q014

What is the preferred street address for mailing requests?

PFMI: n/a
AGC: 99g

Centrálny depozitár cenných papierov SR, a.s.

29. augusta 1/A

814 80 Bratislava

16 G01Q015

Please list the jurisdiction(s) in which the CSD operates:

PFMI: Annex A - CSD disclosure template [list jurisdictions]
AGC: n/a

Slovak Republic

17 G01Q016

Please list the authority(ies) regulating, supervising or overseeing the CSD:

PFMI: Annex A - CSD disclosure template [list authorities]
AGC: n/a

Národná banka Slovenska (the National Bank of Slovakia)

18 G01Q017

Executive summary (This section should summarise the key points from the disclosure framework, including a brief overview of the CSD, its participants, its legal and regulatory framework, its primary risks, and its key risk management and other relevant practices.)

PFMI: I.
AGC: n/a

CDCP, established in 1992, is a for-profit, joint stock company fully owned by the Bratislava Stock Exchange. The main activities of CDCP are registration of issues of book-entry securities, operation of securities settlement system, provision and maintenance of securities accounts open to participants of CDCP or legal and natural persons, allocation of codes in compliance with ISO standards (ISIN, CFI, FISN, LEI), administration of the lists of owners of paper registered shares and fulfilment of information duties at the request of authorised entities. Security of client's assets, whether these are specific financial instruments or protected information, is high on the list of priorities of CDCP with implemented measures compliant with ISO/IEC 27001. CDCP has implemented and maintains stable and functional risk management system and appointed the Risk manager. Next to that CDCP maintains the system for provision of business continuity of its services with several specific business continuity and disaster recovery plans in place. CDCP has implemented the internal audit by which it is meant the assessment and consultancy activity that helps to increase the added value and to improve the business activities of CDCP; it also helps CDCP to maintain the efficient control mechanisms by assessment of their effectivity and efficiency. Independent Compliance Function assures that all CDCP activities are compliant with applicable regulation. The procedures for prevention and early detection of potential fraud or unauthorised acquiring of protected client's data, and for prevention of legalisation of proceeds of criminal activity and terrorist financing are implemented. Adequate documents and processes are implemented to manage potential conflict of interests. Governance arrangements are stipulated by Articles of Association of CDCP and a comprehensive scheme of the governance and management system is maintained. The scheme is published on CDCP's website, link: https://www.cdcp.sk/content/uploads/sites/3/2017/07/Scheme_Governance_and_Management_System.pdf. There are two committees established as the advisory bodies of the Board of Directors – the Risk Committee and the User Committee; there is the Audit Committee as an independent expert advisory committee of the Supervisory Board and the Remuneration Committee is an independent expert advisory body of both the Board of Directors and Supervisory Board. As regards requirements on persons nominated to the company's Board of Directors, a set of requirements applicable to members of the Board are specified by the Articles of Association and the legal regulations. Requirements on members of the top management are detailed by internal directives of CDCP. As of 31 March 2018 CDCP had 25 participants in the securities settlement system. All participants and other market infrastructures to which CDCP granted access must comply with a set of participation criteria that mitigate the legal, operational and financial risks CDCP might be exposed to from participants or other market infrastructures. Out of 25 participants there are 12 banks, 7 stock brokers, 3 foreign CSDs, National bank of Slovakia, State Debt and Liquidity Management Agency and the other local CSD (NCDCP). CDCP has granted access to its settlement system to other market infrastructures – The Bratislava Stock Exchange (SK) and EuroMTS Limited (UK) - in order to support the settlement of trades executed on the respective trading venues. CDCP makes available securities registered by CDCP through the link with three investor CSDs that have established a link with CDCP as an issuer CSD. Operations and organisation of CDCP are ruled by the REGULATION (EU) No 909/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("CSDR") and by local Act No. 566/2001 Coll. on Securities and Investment Services as amended. Details of execution of services are stipulated in the Rules of Operation of CDCP and its Executory Decrees.

19 G01Q018

Summary of major changes since the last update of the disclosure (This section should summarise the major changes to the CSD's organisation, services, design, rules, markets served and regulatory environment since its last disclosure. The CSD should note the sections in its disclosure where such changes are reflected.)

PFMI: II.
AGC: n/a

CDCP migrated to T2S platform on 6 February 2017 and in that connection it harmonized its settlement cycle with the T2S settlement cycle, introduced several new services, harmonised processes and also implemented ISO 20022 standard as the message protocol. In September 2017 CDCP submitted to its regulator - the National Bank of Slovakia the application for authorisation pursuant to the EU Regulation No. 909/2014 CSDR. Since 19 February 2018 the bonds issued by the Slovak Government are traded on the pan-European MTS platform, operated by the British company EuroMTS Limited. The second central depository in Slovakia, Národný centrálny depozitár cenných papierov, a.s. (National securities central depository), performed the operation also in the year 2017 and migrated to T2S platform in October 2017.

20 G01Q019

General description of the CSD and the markets it serves (This section should provide basic, concise descriptions of the services offered and functions performed by the CSD? It should also provide an overview of the markets the CSD serves and the role it fulfils within those markets. Further, the section should include basic data and performance statistics on its services and operations. A CSD should provide, for

example, basic volume and value statistics by product type, average aggregate intraday exposures of the CSD to its participants, and statistics on the CSD's operational reliability.)

PFMI: III.1.
AGC: n/a

CDCP acts as the depository for equities, corporate and government bonds, government treasury bills and other types of book/entry securities. Main services provided by the depository are operation of the settlement system; registration of book-entry securities; opening and administration of owner's accounts and client's accounts of members, and holder's accounts for domestic or foreign legal entity; clearing and settlement of stock exchange and OTC trades; allocation of ISIN and LEI codes; administration of lists of shareholders for registered paper-form securities; provision of redemption of the nominal value of securities; other services according to the Act on Securities. CDCP does not provide credit facilities. According to the Act on Securities all issues of dematerialised securities are held at securities depository. Regarding the account structure it is optional for the CDCP client to choose between omnibus and segregated accounts. The Rules of Operation and the Scale of Fees of CDCP are available to the public on CDCP web page.

CDCP is providing its settlement services via Target -2Securities. Thereby is ensured that settlement of DVP/DWP transactions is executed as concurrent final transfer of securities between the securities accounts and transfer of cash funds between the cash accounts (dedicated cash accounts) during the day in real time.

Statistics on CDCP web page: <https://www.cdcp.sk/en/information-to-the-public/statistics/>
Selected statistical data as of 31 December 2017 (in the nominal value)

Value of securities held on securities accounts in CDCP: 80,992,133,802.00 euro

Number of securities issues registered in CDCP registry: 2,638

DvP transfers:

Value 9,313,745,025.00 euro; Volume: 8,354 transfers

FoP transfers:

Value 51,879,169,298.00 euro; Volume: 7,005 transfers

21 G01Q020

General organisation of the CSD (This section should provide an overview of the organisational and governance structure of the CSD? including a description of the CSD's governance policies, governance structure and management structure.)

PFMI: III.2
AGC: n/a

CDCP is a joint-stock, private company fully owned (100%) by the Bratislava Stock Exchange from 16 March 2006, and is regulated by the National Bank of Slovakia. Activities of CDCP are governed by the Act No. 566/2001 Coll. on Securities and Investment services and by the EU Regulation No. 909/2014 CSDR. CDCP governance bodies are the Supervisory Board and the Board of Directors and both convene regularly. Members of the Board are elected by the General Meeting – the supreme governing body. Advisory bodies of the Boards are the Risk Committee, Audit Committee, Remuneration Committee and also the User Committee which consists of representatives of CDCP Participants, the issuers, employees of CDCP nominated by CDCP BoD, representatives from professionals and of the Bratislava Stock Exchange. CDCP has implemented required internal documents covering all important areas as Conflict of interests, Capital Adequacy, Risk Management Policy, Risk Management Strategy and Procedures, Internal Audit Methodology, Business Continuity Plan, Business Recovery Plans and Compliance. The Annual Report including information on corporate status, statistical data, financial results and further development is published on the CDCP webpage.

22 G01Q021

Legal and regulatory framework (This section should provide an overview of the CSD's legal and regulatory framework, including the legal and ownership structure of the CSD, the legal basis for each material aspect of the CSD's activities, and the regulatory, supervisory and oversight framework for the CSD.)

PFMI: III.3
AGC: n/a

CDCP SR was established and performs its activities in the jurisdiction of the Slovak Republic and it is fully a subject to the Slovak legal bindings, EU regulation (mainly CSDR Regulation) and international agreements legally binding on the Slovak Republic.

23 G01Q022

System design and operations (This section should explain the CSD's design and operations. It should include a clear description of the typical lifecycle of the transaction process. The information should highlight how the CSD processes a transaction, including the timeline of events, the validation and checks to which a transaction is subjected, and the responsibilities of the parties involved.)

PFMI: III.4
AGC: n/a

Processing of transactions is fully automated and includes technical and business validation (incl. Account access rights of the person submitting the instruction), matching, allocation, verification and blocking of transferred securities, optimisation and settlement. Fully automatic is also possible maintenance of the instruction. Due to settlement system design, processing of the instruction is fully automated during whole life cycle of the instruction and no intervention of any party (transferor, transferee, person submitting the instruction, CDCP) is required.

24 G01Q023

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Legal Basis (PFMI Principle 1)

25 G02Q001

Summary narrative for PFMI Principle 1. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P1
AGC: n/a

CDCP performs its activities in the jurisdiction of the Slovak Republic where it is located and it is fully the subject of the Slovak legal bindings, the EU regulation (mainly CSDR Regulation and delegated legislation) and the international agreements legally binding in Slovakia. CDCP does not perform a business in multiple jurisdictions.

CDCP has determined the law of the Slovak Republic as the applicable law in the frame of the rules governing all its operations, including the securities settlement system. According to collision rules, the rights and obligations of the participants in the settlement system (who carry out securities transactions) are governed by the law of the securities settlement system which in this case is law of the Slovak Republic.

All the rules, contracts are been prepared by legal department of CDCP in order to ensure clear and understandable documents in compliance with the relevant law. The court of the Slovak Republic as the competent court for settling disputes which might occur between contractual parties, including foreign entities, is guaranteed by the legal department of CDCP. For ensuring that all rules, contracts and documents are consistent with the relevant law, control mechanism such as internal audit and internal control applies. In addition, all rules and procedures of CDCP are the subject to supervision of the National Bank of Slovakia as the competent national authority.

26 G02Q002

Under what regulation or statute is the CSD established and governed?

PFMI: n/a
AGC: 7

Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012; Act on Securities and Investment Services No. 566/2001 Coll. as amended

27 G02Q003

Is the regulation or statute electronically available?

PFMI: n/a
AGC: 7a

Yes [Y]

28 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

PFMI: n/a
AGC: 7b

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014R0909&qid=1508227099324&from=SK>

https://www.nbs.sk/_img/Documents/_Legislativa_FullWordingsOther/A566-2001.pdf

29 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a
AGC: 7c

0

30 G02Q006

What are the material aspects of the CSD's activities that require a high degree of legal certainty (for example, rights and interests in financial instruments, settlement finality, netting, interoperability, immobilisation and dematerialisation of securities, arrangements for DvP, PVP or DvD, collateral arrangements (including margin arrangements), and default procedures)?

PFMI: Q.1.1.1
AGC: n/a

Regulatory framework (rights and obligations): CDCP is located in the Slovak Republic therefore all activities of CDCP are being performed in jurisdiction of the Slovak Republic and in compliance with the legally binding European Union regulations. In particular, the activities are regulated mostly by Act no. 566/2001 Coll. on Securities and Investment services - "Act on Securities" (SR) and by CSDR Regulation (EU).

Asset protection: Is regulated by CSDR Regulation and has been implemented to CDCP 's rules and procedures. The relevant jurisdiction is the jurisdiction of the Slovak Republic. CDCP observes the requirements regarding the account segregation and protection of the clients in accordance with CSDR.

Settlement Finality: The Finality Directive 98/26/ES and CSDR Regulation have been implemented to the national law (Act on Securities). The relevant jurisdiction is the jurisdiction of the Slovak Republic.

Contractual framework: Individual contracts with the clients contain the provision under which the rights and obligations of the parties are governed by the law of the Slovak Republic and therefore their enforceability is guaranteed within the Slovak jurisdiction. Moreover, the contracts concluded between CDCP and its clients are fully covered by the Rules of Operation, which refer to the law of the Slovak Republic in its provisions with regard to the clients.

Default of participants: The Finality Directive 98/26/ES and CSDR Regulation have been implemented to the national law (Act on Securities). The specific rules which take into account the guidelines regarding T2S from the relevant authorities are set in The Rules of Operation, which are binding on CDCP participants.

Immobilisation of securities CDCP does not perform immobilisation of securities.

Collateral arrangements Regulated by the law of the Slovak Republic (mostly by Act on Securities).

31 G02Q007

What are the relevant jurisdictions for each material aspect of the CSD's activities?

PFMI: Q.1.1.2

AGC: n/a

CDCP Slovakia performs its activities in the jurisdiction of the Slovak Republic.

32 G02Q008

How does the CSD ensure that its legal basis (that is, the legal framework and the CSD's rules, procedures and contracts) provides a high degree of legal certainty for each material aspect of the CSD's activities in all relevant jurisdictions? In particular, how does the CSD ensure that its legal basis supports the immobilisation or dematerialisation of securities and the transfer of securities by book entry? In addition, if the CSD has a netting arrangement, how does the CSD ensure that its legal basis supports the enforceability of that arrangement? Where settlement finality occurs in the CSD, how does the CSD ensure that its legal basis supports the finality of transactions, including those of an insolvent participant? Does the legal basis for the external settlement mechanisms the CSD uses, such as funds transfer or securities transfer systems, also support this finality?

PFMI: Q.1.1.3

AGC: n/a

CDCP SR was established and performs its activities in the jurisdiction of the Slovak Republic and it is fully a subject to the Slovak legal bindings, EU regulation (mainly CSDR Regulation and delegated legislation) and international agreements legally binding on the Slovak Republic. According to collision rules contained in the Slovak regulation, the rights and obligations of the participants in the settlement system (who carry out securities transactions) are governed by the law of the settlement system of securities transactions.

33 G02Q009

How has the CSD demonstrated that its rules, procedures and contracts are clear and understandable?

PFMI: Q.1.2.1

AGC: n/a

CDCP has determined the Slovak law as the applicable law in the frame of the rules governing its operations, including the settlement system of securities transactions, in particular in the Rules of Operation and in the relevant contracts with clients. The Slovak law as the applicable law is also determined for selected issues according to the Slovak act on securities. All these rules, contracts are prepared by the Legal department of CDCP in order to ensure clear and understandable documents in compliance with the relevant law. CDCP Rules of Operation are publicly available and its changes are always discussed in advance with the CDCP participants.

34 G02Q010

How does the CSD ensure that its rules, procedures and contracts are consistent with relevant laws and regulations (for example, through legal opinions or analyses)? Have any inconsistencies been identified and remedied?

PFMI: Q.1.2.2

AGC: n/a

This is ensured by preparation the documents by the legal department in compliance with the relevant law. There have been no inconsistencies yet. There are also internal control mechanism (compliance and internal control, internal audit) applied. All rules and procedures are subject to supervision by the National Bank of Slovakia.

35 G02Q011

Are the CSD's rules, procedures and contracts reviewed or assessed by external authorities or entities?

PFMI: Q.1.2.2

AGC: n/a

All rules and procedures are subject to supervision by the National Bank of Slovakia.

36 G02Q012

Do the CSD's rules, procedures and contracts have to be approved before coming into effect? If so, by whom and how?

PFMI: Q.1.2.3

AGC: n/a

CDCP's rules and procedures are always approved before coming into effect by the Board of Directors or General Meeting, depending on character of the rules being approved. Contracts are always signed by two members of the Board of Directors. The CDCP Rules of Operation and the Scale of Fees are always discussed in advance with the user committee (whose members are the CDCP participants and issuers).

37 G02Q013

How does the CSD articulate the legal basis for its activities to relevant authorities, participants and, where relevant, participants' customers?

PFMI: Q.1.3.1

AGC: n/a

The CDCP publishes the basic information on its website, in particular: a) information that CDCP performs its activities on the basis of the granted authorization and in accordance with the relevant legislation and the scope of CDCP activities; b) CDCP Rules of Operation, which contains the determination of the applicable law which manages the settlement system and other CDCP activities; c) segregation of accounts under the conditions of the CDCP. The CDCP also provides information based on the requirements of the authorized person.

38 G02Q014

How does the CSD achieve a high level of confidence that the rules, procedures and contracts related to its operations are enforceable in all relevant jurisdictions identified in PFMI Principle 1 key consideration 1 (for example, through legal opinions and analyses)?

PFMI: Q.1.4.1

AGC: n/a

The rules, procedures and contracts are governed by the Slovak regulation. In the sense of the contractual relationships (including contracts with foreign entities) the court of the Slovak Republic is the competent court for settling disputes. This is also guaranteed by preparation of the documents by the legal department in compliance with the relevant law.

39 G02Q015

How does the CSD achieve a high degree of certainty that its rules, procedures and contracts will not be voided, reversed or subject to stays? Are there any circumstances in which a CSD's actions under its rules, procedures or contracts could be voided, reversed or subject to stays? If so, what are those circumstances?

PFMI: Q.1.4.2

AGC: n/a

CDCP is not aware of any circumstances under which the rules, procedures or contracts could be terminated with the exception of the standard commercial law that allows termination of a contractual relationship and situation where the CDCP may potentially be subject to certain control action by its national authority (the National bank of Slovakia) in relation to its rules and procedures.

40 G02Q016

Has a court in any relevant jurisdiction ever held any of the CSD's relevant activities or arrangements under its rules and procedures to be unenforceable?

PFMI: Q.1.4.3

AGC: n/a

No

41 G02Q017

If the CSD is conducting business in multiple jurisdictions, how does the CSD identify and analyse any potential conflict-of-laws issues? When uncertainty exists regarding the enforceability of a CSD's choice of law in relevant jurisdictions, has the CSD obtained an independent legal analysis of potential conflict-of-laws issues? What potential conflict-of-laws issues has the CSD identified and analysed? How has the CSD addressed any potential conflict-of-laws issues?

PFMI: Q.1.5.1

AGC: n/a

CDCP is not conducting business in multiple jurisdiction, it performs its activities only under the Slovak regulations including legally binding EU regulation.

42 G02Q018
filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Governance and ownership (PFMI Principle 2)

43 G03Q001
Summary narrative for PFMI Principle 2. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P2
AGC: n/a

CDCP is a private joint-stock company based in territory of the Slovak Republic. Effective from 16 March 2006, Bratislava Stock Exchange has become a 100-percent shareholder of CDCP, as a result of deposit of a state property interest in CDCP business into the Stock Exchange's registered capital. The governance arrangements of CDCP are specified in the Articles of Association. The Board of Directors includes one non-executive and independent member, and two non-executive and independent members in the Supervisory Board with appropriate skills for their roles. The composition of the Board of Directors, the Supervisory Board and also the Sole Shareholder of CDCP are published on the official Commercial Register website and it is publicly available. The current governance and management system is presented on CDCP website and provides clear and direct lines of responsibility and accountability.

In compliance with CSDR Regulation, CDCP has established the following committees:

Risk Committee – the advisory body of the Board of Directors that provides recommendations and opinions on all issues related to risk management;

- Audit Committee – the independent expert advisory body of the Supervisory Board of the company which purpose is to help the Supervisory Board to perform its control duties;
- Remuneration Committee – the independent expert advisory body of the Supervisory Board and the Board of Directors which purpose is to control and assess remuneration of the employees of CDCP and members of its governing bodies.

The roles, responsibilities and composition of these committees are described in relevant internal statutes. There is also the User Committee through which CDCP regularly consults relevant substantial questions and changes with the participants. The statute on the User Committee is disclosed to the public on the CDCP website.

Another object of the CDCP regulation is conflict of interest. It is based primarily on CSDR requirements and it is managed by compliance officers. The processes of identifying and addressing the conflicts are included in the internal directive on managing of conflicts of interest.

44 G03Q002
What type of legal entity is the institution?

PFMI: n/a
AGC: 3

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

45 G03Q003
Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a
AGC: 4

For profit [A01]

46 G03Q004
Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a
AGC: 5

100% the Stock Exchange

47 G03Q005
What is the date of establishment of the CSD?

PFMI: n/a
AGC: 6a

22/12/1992

48 G03Q006
What is the date that the CSD's operations began?

PFMI: n/a
AGC: 6b

01/04/993

49 G03Q007
Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

PFMI: n/a
AGC: 18

No [A02]

50 G03Q008
If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

PFMI: n/a
AGC: 18a.

51 G03Q009
What are the CSD's objectives, and are they clearly identified?

PFMI: Q.2.1.1
AGC: n/a

Yes, the objectives are identified in the document CDCP Strategy for the period 2016-2019. This document is subject to approval of the Board of Directors.

52 G03Q010
How does the CSD assess its performance in meeting its objectives?

PFMI: Q.2.1.1
AGC: n/a

All objectives, specially financial aspects and economic activities of CDCP are at least annually assessed by the Board.

53 G03Q011
How do the CSD's objectives place a high priority on safety and efficiency? How do the CSD's objectives explicitly support financial stability and other relevant public interest considerations?

PFMI: Q.2.1.2
AGC: n/a

Security of client's assets, whether these are specific financial instruments or protected information, is of high priority and is inseparably connected to protection of CDCP as such. Important preventive instrument is Information Security Management System, implemented, operated and further developed in compliance with ISO/IEC 27001. CDCP has in place effective measures to protect processed data, information systems and all relating information assets critical for performance of CDCP activities, particularly in sense of securing confidentiality, integrity and availability of data processed electronically, or in other form. Special attention is dedicated to integrity of book-entry securities issues registered in CDCP. Procedures are implemented for prevention and early detection of illegal activity, primarily potential fraud or unauthorised acquiring of protected client's data, and for prevention of legalisation of proceeds of criminal activity and terrorist financing. Independent Compliance Function assures that all CDCP activities are compliant with the regulations. Adequate documents and processes are implemented to manage potential conflict of interests.

54 G03Q012
What are the governance arrangements under which the CSD's board of directors (or equivalent) and management operate? What are the lines of responsibility and accountability within the CSD? How and where are these arrangements documented?

PFMI: Q.2.2.1
AGC: n/a

The governance arrangements are governed by the Articles of Association.

55 G03Q013

For central bank-operated systems, how do governance arrangements address any possible or perceived conflicts of interest? To what extent do governance arrangements allow for a separation of the operator and oversight functions?

PFMI: Q.2.2.2

AGC: n/a

N/A

56 G03Q014

How does the CSD provide accountability to owners, participants and other relevant stakeholders?

PFMI: Q.2.2.3

AGC: n/a

The accountability to the CDCP owners is governed mostly by the national legislation (Commercial Code) and by the Articles of Association. The CDCP regularly consults the relevant substantial questions and changes with the its participants, especially in the User Committee. The current CDCP processing implemented CSDR requirements in relation to information provided to participants/user committee.

57 G03Q015

How are the governance arrangements disclosed to owners, relevant authorities, participants and, at a more general level, the public?

PFMI: Q.2.2.4

AGC: n/a

The scheme of governance and management system of CDCP is publicly available on the CDCP website. The composition of the Board of Directors, Supervisory board and also the Sole Shareholder of the CDCP is published in the Commercial Register website and it is publicly available.

58 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

PFMI: Q.2.3.1

AGC: 7d

The composition of the Board of Directors, Supervisory Board and also the Sole Shareholder of the CDCP is published in the Commercial Register website and it is publicly available. The members of the Board of Directors and Supervisory Board have good reputation, professional experience. Also the rules regulating conflict of interest and noncompetition are applied in accordance with the relevant regulation. The elementary scope of tasks and obligations of the boards are defined by the legal regulations (Commercial Code, CSDR Regulation) and internal statutes of CDCP.

59 G03Q017

What are the board's procedures for its functioning, including procedures to identify, address and manage member conflicts of interest? How are these procedures documented, and to whom are they disclosed? How frequently are they reviewed?

PFMI: Q.2.3.2

AGC: n/a

Management of conflict of interest is based primarily on CSDR requirements. Conflicts of interest are managed by the compliance officers and the processes for identification and addressing of the conflicts are included in the internal directive on managing of conflicts of interest. All potential or real conflicts are identified in a registry and it can be disclosed to the national authority if requested. The conflicts are reviewed at least annually. But the internal directive does not apply to members of the boards and conflict of interest with respect to the board members is regulated by the specific regulation. Such regulation is included in the Articles of Association and potential conflicts are resolved by the competent board or the General Meeting.

60 G03Q018

What are the election procedures?

PFMI: Q.2.3.2

AGC: 7e

Members of the Board of Directors are elected and revoked by the shareholder of central depository

61 G03Q019

What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2
AGC: 7f

The maximum length of time is 5 years. Re-election is possible.

62 G03Q020

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

PFMI: Q.2.3.2
AGC: 7g

The Board is authorised to act on behalf of the company in all matters, it represents the company against third persons, it manages the operations of central depository, exercise the rights of the employer, it makes decisions on all matters of the central depository; other powers of board are set by Commercial Code, Articles of Association and Statute of the Board. Each board member has one vote. In the case of equal votes, the vote of the Chairman of the Board of Director is decisive

63 G03Q021

Describe the board committees that have been established to facilitate the functioning of the board. What are the roles, responsibilities and composition of such committees?

PFMI: Q.2.3.3
AGC: n/a

There are risk committee, user committee, audit committee and remuneration committee. The roles, responsibilities and composition of these committees are described in relevant internal statutes. The statute of the User Committee is disclosed to public on the CDCP website.

64 G03Q022

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

PFMI: Q.2.3.4
AGC: 7h

The Supervisory Board of Central depository is responsible for regulating the board as a whole and also for regulating the individual board members. The responsibility is towards the shareholder.

65 G03Q023

To what extent does the CSD's board have the appropriate skills and incentives to fulfil its multiple roles? How does the CSD ensure that this is the case?

PFMI: Q.2.4.1
AGC: n/a

Each member of the CDCP board must have an appropriate skill to fulfill his/her role. It is a necessary requirement for their appointment.

66 G03Q024

What incentives does the CSD provide to board members so that it can attract and retain members of the board with appropriate skills? How do these incentives reflect the long-term achievement of the CSD's objectives?

PFMI: Q.2.4.2
AGC: n/a

The members of CDCP top management must have a good reputation and experience to ensure the reliable and prudent management of the company. According to article 27 of CSDR Regulation, a person who is not compliant with the requirements should not be a member of boards.

67 G03Q025

Does the board include non-executive or independent board members?

PFMI: Q.2.4.3
AGC: n/a

Yes [Y]

68 G03Q026

If yes, how many?

PFMI: Q.2.4.3
AGC: n/a

There is one non-executive and independent member of the Board of Directors, and two non-executive and independent members of the Supervisory Board.

69 G03Q027

If the board includes independent board members, how does the CSD define an independent board member? Does the CSD disclose which board member(s) it regards as independent?

PFMI: Q.2.4.4

AGC: n/a

An Independent board member is defined as a natural person, who does not have any business, family or other relationship with the company, the controlling shareholder, management body or its participants, what would create conflict of interest that could harm the interests of the company.

70 G03Q028

What are the roles and responsibilities of management, and are they clearly specified?

PFMI: Q.2.5.1

AGC: n/a

71 G03Q029

How are the roles and objectives of management set and evaluated?

PFMI: Q.2.5.2

AGC: n/a

The elementary objectives are set annually for an individual member of the top management and they are regularly evaluated.

72 G03Q030

To what extent does the CSD's management have the appropriate experience, mix of skills and the integrity necessary for the operation and risk management of the CSD? How does the CSD ensure that this is the case?

PFMI: Q.2.5.3

AGC: n/a

Every manager must have the appropriate experience in the financial market area and other professional experience. This a mandatory requirement for their appointment. The minimum requirements are set by the internal directives.

73 G03Q031

What is the process to remove management if necessary?

PFMI: Q.2.5.4

AGC: n/a

Removal process is governed by the Slovak labor law. So for the members of top management who are not members of the boards at the same time the labor law applies.

74 G03Q032

What is the risk management framework that has been established by the board?

PFMI: Q.2.6.1

AGC: n/a

The risk management framework is set out in the Risk Management Policy. The Board of Directors, Supervisory Board, Risk Committee, risk manager, management, compliance officer as well as internal audit are involved.

75 G03Q033

How is it documented?

PFMI: Q.2.6.1

AGC: n/a

It is documented in the Risk Management Policy and in internal directives.

76 G03Q034

How does this framework address the CSD's risk tolerance policy, assign responsibilities and accountability for risk decisions (such as limits on risk exposures), and address decision-making in crises and emergencies?

PFMI: Q.2.6.2

AGC: n/a

Risk tolerance policy as well as limits on risk exposures are approved by the Board of Directors on proposals of the risk manager. Decision-making in crises and emergencies is determined in BC plans and recovery plans.

77 G03Q035

What is the process for determining, endorsing and reviewing the risk management framework?

PFMI: Q.2.6.3

AGC: n/a

The risk management framework is determined by the risk officer, endorsed by the Board of Directors and reviewed by the internal audit.

78 G03Q036

What are the roles, responsibilities, authority, reporting lines and resources of the risk management and audit functions?

PFMI: Q.2.6.4

AGC: n/a

The Board of Directors of the Company is responsible for establishing effective and efficient risk management system in the Company. Under its sphere of action in the field of risk management it is in particular to:

- a) approve Risk Management Policy and its amendments,
- b) set and regularly review the risk management strategy and procedures,
- c) decide on granting and withdrawal of consent to appoint an employee of CDCP to the Risk Manager function,
- d) adopt effective measures to eliminate identified deficiencies in the Risk Management System,
- e) ensure sufficient level of own resources to cover existing risk,
- f) create adequate material and financial conditions for risk management in CDCP,
- g) fulfil other tasks stipulated by the CDCP Articles and the Statute of the Board of Directors.

The Supervisory Board is responsible for monitoring of effectivity and efficiency of the CDCP Risk Management System as such.

The Risk Manager coordinates risk management process in the company, ensures that approved strategy and risk management procedures are implemented and observed, and provides methodical support to other employees with respect to identification, measuring, monitoring and

mitigation of risks. Furthermore, under competence of the Risk Manager is to monitor compliance with defined limits for risk exposure of the Company, to prepare opinions on risk aspects of new products or services, to collect information on risk management in CDCP and submit relevant reports and information to the Board of Directors. The Risk Manager performs the function independently from other organisational units and he has direct access to the Board of Directors and the Supervisory Board of the Company.

The Risk Committee is the advisory body to the Board of Directors of the Company which provides it with opinions and recommendations related to risk management strategy and risk exposure of CDCP, assesses if all risk which CDCP is exposed to are appropriately managed in the Company and provides support to the Company's Board of Directors in connection with improving the quality of the CDCP Risk Management System.

Internal audit inspects and assesses adequacy and effectivity of risk management processes, gives recommendations for elimination of identified insufficiencies, monitors adoption of corrective measures and checks their implementation and effectivity.

79 G03Q037

How does the board ensure that there is adequate governance surrounding the adoption and use of risk management models? How are these models and the related methodologies validated?

PFMI: Q.2.6.5

AGC: n/a

Refer to Q.2.6.4.

80 G03Q038

How does the CSD identify and take account of the interests of the CSD's participants and other relevant stakeholders in its decision-making in relation to its design, rules, overall strategy and major decisions?

PFMI: Q.2.7.1

AGC: n/a

CDCP has established the User Committee which is formed by representatives of CDCP Participants, the issuers compliant with relevant Committee criteria, CDCP employees nominated by CDCP BoD, professionals in the field, and of the Bratislava Stock Exchange. The Committee is discussing mainly: proposals for new CDCP services, change and improvement of level of provided CDCP services, change of the Scale of Fees of CDCP and change of the Rules of Operation of CDCP, criteria for accepting of the issuers and participant to securities settlement system operated by CDCP, other key measures of CDCP having impact on the Committee members and the audit results.

81 G03Q039

How does the board consider the views of direct and indirect participants and other relevant stakeholders on these decisions, for example, are participants included on the risk management committee, on user committees such as a default management group or through a public consultation?

PFMI: Q.2.7.2

AGC: n/a

CDCP complies with the requirements of CSDR Regulation regarding the User Committee. This committee discusses selected substantial issues such as changes to policies, rules, procedures, pricing changes, etc ..).

82 G03Q040

How are conflicts of interest between stakeholders and the CSD identified, and how are they addressed?

PFMI: Q.2.7.2

AGC: n/a

Conflicts of interest are managed by compliance officers and the processes of identifying and addressing is included in the internal directive on managing of conflicts of interest. All potential or real conflicts are identified in the registry. Conflict of interest management is in compliance with the requirements of the CSD Regulation.

83 G03Q041

To what extent does the CSD disclose major decisions made by the board to relevant stakeholders and, where appropriate, the public?

PFMI: Q.2.7.3

AGC: n/a

CDCP does not disclose any concrete decisions made by the Board.

84 G03042

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Comprehensive risk management (PFMI Principle 3)

85 G04Q001

Summary narrative for PFMI Principle 3. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P3

AGC: n/a

CDCP recognizes operational, legal, financial, investment, custody and general business risks. CDCP adopted the Risk Management Policy, internal regulations for management of borne risks and internal regulations for management of risks which bear participants and other CDCP's customers. CDCP's risk management systems fully respect requirements of the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU, and the Regulation No 236/2012 referred to in article 26 and further provisions. Risk manager reviews and updates risk management policies and procedures annually. Comprehensive risk management cycle is performed on an annual basis too. Fluctuation in risk exposures is taken into account within risk mitigation actions (adjusting of internal controls mechanism). Risks that CDCP bears from and poses to other entities are fully included in CDCP's risk management system. If necessary, CDCP can exercise its right to impose restricted access to services or cancel participation. CDCP takes into consideration also risks to which it is exposed to by external entities (primarily key participants in the settlement systems, external suppliers, other CSDs or other market infrastructures). CDCP maintains catalogue of provided services, including information on maximum tolerable time in case of disruption of the services. Basic objectives, obligations and procedures related possible emergency situation are included in the Business Continuity Policy.

86 G04Q002

What types of risk arise in or are borne by the CSD?

PFMI: Q.3.1.1

AGC: n/a

CDCP recognizes operational, legal, investment, custody and general business risks. Financial risks in the settlement system are recognized too.

87 G04Q003
Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

PFMI: Q.3.1.1
AGC: 66x.

No [A02]

88 G04Q004
If yes, please check all of the following that apply:

PFMI: Q.3.1.1
AGC: 66y.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

89 G04Q005
In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

PFMI: Q.3.1.1
AGC: 66+

No [A02]

90 G04Q006
Please define the standard of care applied:

PFMI: Q.3.1.1
*AGC: 66**

91 G04Q007
What are the CSD's policies, procedures and controls to help identify, measure, monitor and manage the risks that arise in or are borne by the CSD?

PFMI: Q.3.1.2
AGC: n/a

CDCP adopted the Risk Management Policy, internal regulations for management of borne risks and internal regulations for management of risks which bear participants and other CDCP's customers.

92 G04Q008
What risk management systems are used by the CSD to help identify, measure, monitor and manage its range of risks?

PFMI: Q.3.1.3
AGC: n/a

CDCP's risk management systems fully respect requirements of the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU, and the Regulation No 236/2012 referred to in article 26 and further provisions.

93 G04Q009
How do these systems provide the capacity to aggregate exposures across the CSD and, where appropriate, other relevant parties, such as the CSD's participants and their customers?

PFMI: Q.3.1.4
AGC: n/a

Control and risk maps for all processes and business areas were made out. They are revised annually. All arose risk incidents are taken into account when a risk exposure is evaluated.

94 G04Q010
What is the process for developing, approving and maintaining risk management policies, procedures and systems?

PFMI: Q.3.1.5
AGC: n/a

Risk manager is responsible for developing risk management policies, procedures and systems. Policies and other internal regulations in the area of risk management are approved by the board of directors.

95 G04Q011
How does the CSD assess the effectiveness of risk management policies, procedures and systems?

PFMI: Q.3.1.6
AGC: n/a

The assessment of effectiveness of risk management policies, procedures and systems is performed by the board of directors and the supervisory board on the basis of semiannual risk reports.

96 G04Q012
How frequently are the risk management policies, procedures and systems reviewed and updated by the CSD? How do these reviews take into account fluctuation in risk intensity, changing environments and market practices?

PFMI: Q.3.1.7
AGC: n/a

Risk manager reviews and updates risk management policies and procedures annually. Comprehensive risk management cycle is performed on an annual basis too. Fluctuation in risk exposures is taken into account within risk mitigation actions (adjusting of internal controls mechanism).

97 G04Q013
What information does the CSD provide to its participants and, where relevant, their customers to enable them to manage and contain the risks they pose to the CSD?

PFMI: Q.3.2.1
AGC: n/a

Participants and clients are required to meet the criteria and requirements contained in the Rules of Operation. If irregularities are found out or incidents occurred, CDCP is empowered to call for appropriate measures or impose sanctions.

98 G04Q014
What incentives does the CSD provide for participants and, where relevant, their customers to monitor and manage the risks they pose to the CSD?

PFMI: Q.3.2.2
AGC: n/a

At present no incentives are provided.

99 G04Q015
How does the CSD design its policies and systems so that they are effective in allowing their participants and, where relevant, their customers to manage and contain their risks?

PFMI: Q.3.2.3
AGC: n/a

CDCP systematically identifies, measures, manages and monitors all risks faced by participants and clients regarding the use of CDCP services. On request, CDCP provides necessary information to participants and clients.

100 G04Q016
How does the CSD identify the material risks that it bears from and poses to other entities as a result of interdependencies? What material risks has the CSD identified?

PFMI: Q.3.3.1
AGC: n/a

Risks that CDCP bears from and poses to other entities are fully included in CDCP's risk management system. If necessary, CDCP can exercise its right to impose restricted access to services or cancel participation.

101 G04Q017
How are these risks measured and monitored? How frequently does the CSD review these risks?

PFMI: Q.3.3.2
AGC: n/a

Risks are assessed by management as well as by the risk manager. All risk incidents are recorded, the significance is evaluated and the corrective actions are monitored. The risk manager is responsible. Complete risk management cycle is performed annually.

102 G04Q018
What risk management tools are used by the CSD to address the risks arising from interdependencies with other entities?

PFMI: Q.3.3.3
AGC: n/a

Risks arising from interdependencies are a ordinary part of risks treated within the regular risk management cycle.

103 G04Q019
How does the CSD assess the effectiveness of these risk management tools? How does the CSD review the risk management tools it uses to address these risks? How frequently is this review conducted?

PFMI: Q.3.3.4
AGC: n/a

The effectiveness of these risk management tools should be assessed by the internal audit. No yet.

104 G04Q020
How does the CSD identify scenarios that may potentially prevent the CSD from providing its critical operations and services? What scenarios have been identified as a result of these processes?

PFMI: Q.3.4.1
AGC: n/a

The following scenarios were identified: damage to the building, various kind of IT failures, failure of a critical provider, absence of key employees, shortage of the capital and withdrawal of CSD license. For all the scenarios a BC or recovery plan is in place.

105 G04Q021
How do these scenarios take into account both independent and related risks to which the CSD is exposed?

PFMI: Q.3.4.2
AGC: n/a

All identified risk have been taken into account.

106 G04Q022
What plans does the CSD have for its recovery or orderly wind-down?

PFMI: Q.3.4.3
AGC: n/a

Refer to Q.3.4.1

107 G04Q023
How do the CSD's key recovery or orderly wind-down strategies enable the CSD to continue to provide critical operations and services?

PFMI: Q.3.4.4
AGC: n/a

The information is confidential.

108 G04Q024
How are the plans for the CSD's recovery and orderly wind-down reviewed and updated? How frequently are the plans reviewed and updated?

PFMI: Q.3.4.5
AGC: n/a

The plans are reviewed annually by the BC manager.

109 G04Q025
filecount - Add relevant appendices for this group.
PFMI: n/a
AGC: n/a
0

Credit risk (PFMI Principle 4)

110 G05Q001
Summary narrative for PFMI Principle 4. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)
PFMI: Annex A - CSD disclosure template - IV.P4
AGC: n/a

CDCP does not have a banking licence, thus it does not offer (intraday) credits to cover payment obligations in the settlement process. Therefore CDCP is not exposed to the credit risk in the securities settlement system. CDCP does not offer intraday or other type of credit for settling of trade, neither it guarantees settlement of the trade as CDCP does not act as the central counterparty.

111 G05Q002
Does the CSD have a banking license?
PFMI: n/a
AGC: n/a
No [N]

112 G05Q003
Irrespective of whether or not the CSD has a banking license, can it offer cash accounts and/or credit to its participants?
PFMI: n/a
AGC: n/a
No [N]

113 G05Q004
Please explain:
PFMI: n/a
AGC: n/a

114 G05Q005
What is the CSD's framework for managing credit exposures, including current and potential future exposures, to its participants and arising from its payment, clearing and settlement processes?
PFMI: Q.4.1.1
AGC: n/a

CDCP does not have special framework for management of the credit risk as CDCP is not exposed to such risk during securities settlement.

115 G05Q006
How frequently is the framework reviewed to reflect the changing environment, market practices and new products?
PFMI: Q.4.1.2
AGC: n/a

n/a

116 G05Q007
How does the CSD identify sources of credit risk? What are the sources of credit risk that the CSD has identified?
PFMI: Q.4.2.1
AGC: n/a

Credit risks come from issuers, participants and individual account holders as they could not be able pay for provided services. CDCP is not exposed to any other credit risk.

117 G05Q008

How does the CSD measure and monitor credit exposures? How frequently does and how frequently can the CSd recalculate these exposures? How timely is the information?

PFMI: Q.4.2.2
AGC: n/a

N/A

118 G05Q009

What tools does the CSD use to control identified sources of credit risk (for example, offering an RTGS or DvP settlement mechanism, limiting net debits or intraday credit, establishing concentration limits, or marking positions to market on a daily or intraday basis)? How does the CSd measure the effectiveness of these tools?

PFMI: Q.4.2.3
AGC: n/a

CDCP provides settlement on DVP principle (Model 1) and via RTGS mechanism. CDCP does not offer any credits to its participants and efectivity of these tools is regularly measured by default reports on settlement or settlement fails.

119 G05Q010

How does the SSS cover its current and, where they exist, potential future exposures to each participant? What is the composition of the CSD's financial resources used to cover these exposures? How accessible are these financial resources?

PFMI: Q.4.3.1
AGC: n/a

CDCP does not provide the participants in the settlement system with any credit, neither it guarantees the settlement. Therefor CDCP does not have financial reserve to be used to fulfil payment obligations of defaulted member.

120 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

PFMI: Q.4.3.1
AGC: 78

No [A02]

121 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

PFMI: Q.4.3.1
AGC: 78a.

122 G05Q013

How is the size of the fund determined?

PFMI: Q.4.3.1
AGC: 78b.

123 G05Q014

How is the fund financed?

PFMI: Q.4.3.1
AGC: 78d.

124 G05Q015

If so, what is the amount or percentage per owner?

PFMI: Q.4.3.1
AGC: 78e.

125 G05Q016
If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1
AGC: 78f.

126 G05Q017
Who is covered by the fund?

PFMI: Q.4.3.1
AGC: 78h.

Direct CSD participants only
 The beneficial owner also
 OTHER:

127 G05Q018
When is the guaranty fund used?

PFMI: Q.4.3.1
AGC: 78j.

When a broker defaults
 When a direct participant defaults
 OTHER:

128 G05Q019
To what extent do these financial resources cover the payment system's or SSS's current and potential future exposures fully with a high degree of confidence? How frequently does the payment system or SSS evaluate the sufficiency of these financial resources?

PFMI: Q.4.3.2
AGC: n/a

CDCP does not provide the participants in the settlement system with any credit, neither it guarantees the settlement. Therefore CDCP does not have financial reserve to be used to fulfil payment obligations of defaulted member.

129 G05Q020
If the payment system or SSS is a DNS system in which there is no settlement guarantee, do its participants face credit exposures arising from the payment, clearing and settlement processes? If there are credit exposures in the system, how does the system monitor and measure these exposures?

PFMI: Q.4.3.3
AGC: n/a

n/a - CDCP does not operate DNS SSS

130 G05Q021
Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

PFMI: Q.4.3.3
AGC: 91

No [A02]

131 G05Q022
What is the amount of the coverage?

PFMI: Q.4.3.3
AGC: 91a

132 G05Q023
What is the amount of the deductible?

PFMI: Q.4.3.3
AGC: 91b

133 G05Q024

Please explain other loss or default protections:

PFMI: Q.4.3.3

AGC: 79a

134 G05Q025

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

PFMI: Q.4.3.3

AGC: 66q.

Not applicable [A03]

135 G05Q026

If yes, please check all of the following that apply:

PFMI: Q.4.3.3

AGC: 66r.

Financial limits are imposed on the amount of liability assumed by the CSD

The CSD assumes liability for direct losses

The CSD assumes liability for indirect or consequential losses

OTHER:

136 G05Q027

If the payment system or SSS is a DNS system in which there is no settlement guarantee and has credit exposures among its participants, to what extent does the payment system's or SSS's financial resources cover, at a minimum, the default of the two participants and their affiliates that would create the largest aggregate credit exposure in the system?

PFMI: Q.4.3.4

AGC: n/a

n/a - CDCP does not operate DNS SSS

137 G05Q028

How do the CSD's rules and procedures explicitly address any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the CSD? How do the CSD's rules and procedures address the allocation of uncovered credit losses and in what order, including the repayment of any funds a CSD may borrow from liquidity providers?

PFMI: Q.4.7.1

AGC: n/a

CDCP does not provide the participants with credits so it is not exposed to the credit risk in case of participant's default. CDCP does not borrow cash funds to settle trades in case of participant's default, neither it guarantees the settlement.

138 G05Q029

What are the CSD's rules and procedures on the replenishment of the financial resources that are exhausted during a stress event?

PFMI: Q.4.7.2

AGC: n/a

n/a - CDCP does not use own or borrowed financial resources to fulfil the obligation for defaulted participant.

139 G05Q030

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Collateral (PFMI Principle 5)

140 G06Q001

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P5
AGC: 35c

CDCP does not require collateral as it did not identified the credit risk.

141 G06Q002

How does the CSD determine whether a specific asset can be accepted as collateral, including collateral that will be accepted on an exceptional basis? How does the CSD determine what qualifies as an exceptional basis? How frequently does the CSD adjust these determinations? How frequently does the CSD accept collateral on an exceptional basis, and does it place limits on its acceptance of such collateral?

PFMI: Q.5.1.1
AGC: n/a

n/a

142 G06Q003

How does the CSD monitor the collateral that is posted so that the collateral meets the applicable acceptance criteria?

PFMI: Q.5.1.2
AGC: n/a

n/a

143 G06Q004

How does the CSD identify and mitigate possible specific wrong-way risk, for example, by limiting the collateral it accepts (including collateral concentration limits)?

PFMI: Q.5.1.3
AGC: n/a

n/a

144 G06Q005

How frequently does the CSD mark its collateral to market, and does it do so at least daily?

PFMI: Q.5.2.1
AGC: n/a

n/a

145 G06Q006

To what extent is the CSD authorised to exercise discretion in valuing assets when market prices do not represent their true value?

PFMI: Q.5.2.2
AGC: n/a

n/a

146 G06Q007

How does the CSD determine haircuts?

PFMI: Q.5.2.3
AGC: n/a

n/a

147 G06Q008

How does the CSD test the sufficiency of haircuts and validate its haircut procedures, including with respect to the potential decline in the assets' value in stressed market conditions involving the liquidation of collateral? How frequently does the CSD complete this test?

PFMI: Q.5.2.4
AGC: n/a

n/a

148 G06Q009

How does the CSD identify and evaluate the potential procyclicality of its haircut calibrations? How does the CSD consider reducing the need for procyclical adjustments – for example, by incorporating periods of stressed market conditions during the calibration of haircuts?

PFMI: Q.5.3.1

AGC: n/a

n/a

149 G06Q010

What are the CSD's policies for identifying and avoiding concentrated holdings of certain assets in order to limit potential adverse price effects at liquidation? What factors (for example, adverse price effects or market conditions) are considered when determining these policies?

PFMI: Q.5.4.1

AGC: n/a

n/a

150 G06Q011

How does the CSD review and evaluate concentration policies and practices to determine their adequacy? How frequently does the CSD review and evaluate these policies and practices?

PFMI: Q.5.4.2

AGC: n/a

n/a

151 G06Q012

What are the legal, operational, market and other risks that the CSD faces by accepting cross-border collateral? How does the CSD mitigate these risks?

PFMI: Q.5.5.1

AGC: n/a

n/a

152 G06Q013

How does the CSD ensure that cross-border collateral can be used in a timely manner?

PFMI: Q.5.5.2

AGC: n/a

n/a

153 G06Q014

What are the primary features of the CSD's collateral management system?

PFMI: Q.5.6.1

AGC: n/a

n/a

154 G06Q015

How and to what extent does the CSD track the reuse of collateral and its rights to the collateral provided?

PFMI: Q.5.6.2

AGC: n/a

n/a

155 G06Q016

How and to what extent does the CSD's collateral management system accommodate changes in the ongoing monitoring and management of collateral?

PFMI: Q.5.6.3
AGC: n/a

n/a

156 G06Q017

To what extent is the collateral management system staffed to ensure smooth operations even during times of market stress?

PFMI: Q.5.6.4
AGC: n/a

n/a

157 G06Q018

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Liquidity risk (PFMI Principle 7)

158 G07Q001

Summary narrative for PFMI Principle 7. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P7
AGC: n/a

CDCP is not directly exposed to the liquidity risk. The participants can be exposed to the liquidity risk. The liquidity risk is limited by providing the settlement services via T2S, settlement in central bank money and application of RTGS principle, use of DVP method and different incentives for early settlement (night settlement and surcharge for day-time settlement). CDCP provides its participants with tool for tracking their obligations and claims resulting from settlement of their instructions via automatic processing of the instruction and automatic delivery of information (a) on each change of processing and settlement status of instruction and (b) on their cash obligations and claims resulting from settlement, whereas this information is available also for the payment banks.

159 G07Q002

What is the CSD's framework for managing its liquidity risks, in all relevant currencies, from its participants, settlement banks, nostro agents, custodian banks, liquidity providers and other entities?

PFMI: Q.7.1.1
AGC: n/a

CDCP did not identify liquidity risk of the settlement system it operates in relation to any of specified parties as CDCP does not guarantee settlement. In case any participant shall not deliver required cash, instructions of that participant shall not settle.

160 G07Q003

What are the nature and size of the CSD's liquidity needs, and the associated sources of liquidity risks, that arise in the CSD in all relevant currencies?

PFMI: Q.7.1.2
AGC: n/a

n/a

161 G07Q004

How does the CSD take into account the potential aggregate liquidity risk presented by an individual entity and its affiliates that may play multiples roles with respect to the CSD?

PFMI: Q.7.1.3
AGC: n/a

n/a

162 G07Q005

What operational and analytical tools does the CSD have to identify, measure and monitor settlement and funding flows?

PFMI: Q.7.2.1

AGC: n/a

n/a

163 G07Q006

How does the CSD use those tools to identify, measure and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity?

PFMI: Q.7.2.2

AGC: n/a

n/a

164 G07Q007

How does the payment system or SSS determine the amount of liquid resources in all relevant currencies to effect same day settlement and, where appropriate, intraday or multiday settlement of payment obligations? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the payment system or SSS use to make this determination?

PFMI: Q.7.3.1

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

165 G07Q008

What is the estimated size of the liquidity shortfall in each currency that the payment system or SSS would need to cover?

PFMI: Q.7.3.2

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP is not monitoring potential lack of liquidity in euro - the settlement currency.

166 G07Q009

How does the CCP determine the amount of liquid resources in all relevant currencies to settle securities-related payments, make required variation margin payments and meet other payment obligations on time? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the CCP use to make this determination?

PFMI: Q.7.4.1

AGC: n/a

n/a

167 G07Q010

What is the estimated size of the liquidity shortfall in each currency that would need to be covered, following the default of the participant and its affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions? How frequently does the CCP estimate this?

PFMI: Q.7.4.2

AGC: n/a

n/a

168 G07Q011

Do any of the CCP's activities have a more complex risk profile (such as clearing financial instruments that are characterised by discrete jump-to-default price changes or that are highly correlated with potential participant defaults)? Is the CCP systemically important in multiple jurisdictions?

PFMI: Q.7.4.3

AGC: n/a

n/a

169 G07Q012

If the CCP is involved in activities with a more complex risk profile or is systemically important in multiple jurisdictions, has the CCP considered maintaining additional resources sufficient to cover a wider range of stress scenarios that would include the default of the two participants and their affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions?

PFMI: Q.7.4.4

AGC: n/a

n/a

170 G07Q013

What is the size and composition of the CSD's qualifying liquid resources in each currency that is held by the CSD? In what manner and within what time frame can these liquid resources be made available to the CSD?

PFMI: Q.7.5.1

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

171 G07Q014

What prearranged funding arrangements has the CSD established to convert its readily available collateral and investments into cash? How has the CSD established that these arrangements would be highly reliable in extreme but plausible market conditions? Has the CSD identified any potential barriers to accessing its liquid resources?

PFMI: Q.7.5.2

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

172 G07Q015

If the CSD has access to routine credit at the central bank of issue, what is the CSD's relevant borrowing capacity for meeting its minimum liquid resource requirement in that currency?

PFMI: Q.7.5.3

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

173 G07Q016

To what extent does the size and the availability of the CSD's qualifying liquid resources cover its identified minimum liquidity resource requirement in each currency to effect settlement of payment obligations on time?

PFMI: Q.7.5.4

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

174 G07Q017

What is the size and composition of any supplemental liquid resources available to the CSD?

PFMI: Q.7.6.1

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

175 G07Q018

How and on what basis has the CSD determined that these assets are likely to be saleable or acceptable as collateral to obtain the relevant

currency, even if this cannot be reliably prearranged or guaranteed in extreme market conditions?

PFMI: Q.7.6.2
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

176 G07Q019

What proportion of these supplemental assets qualifies as potential collateral at the relevant central bank?

PFMI: Q.7.6.3
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement. CDCP does not have access to central bank liquidity.

177 G07Q020

In what circumstances would the CSD use its supplemental liquid resources in advance of, or in addition to, using its qualifying liquid resources?

PFMI: Q.7.6.4
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

178 G07Q021

To what extent does the size and availability of the CSD's supplemental liquid resources, in conjunction with its qualifying liquid resources, cover the relevant liquidity needs identified through the CSD's stress test programme for determining the adequacy of its liquidity resources (see key consideration 9)?

PFMI: Q.7.6.5
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

179 G07Q022

Does the CSD use a liquidity provider to meet its minimum required qualifying liquidity resources? Who are the CSD's liquidity providers? How and on what basis has the CSD determined that each of these liquidity providers has sufficient information to understand and to manage their associated liquidity risk in each relevant currency on an ongoing basis, including in stressed conditions?

PFMI: Q.7.7.1
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP does not have any liquidity provider, from who it could receive sources required to finalize securities settlement.

180 G07Q023

How has the CSD determined that each of its liquidity providers has the capacity to perform on its commitment in each relevant currency on an ongoing basis?

PFMI: Q.7.7.2
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP does not have any liquidity provider, from who it could receive sources required to finalize securities settlement.

181 G07Q024

How does the CSD take into account a liquidity providers potential access to credit at the central bank of issue?

PFMI: Q.7.7.3
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP does not have any liquidity provider, from who it could receive sources required to finalize securities settlement.

182 G07Q025

How does the CSD regularly test the timeliness and reliability of its procedures for accessing its liquid resources at a liquidity provider?

PFMI: Q.7.7.4

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP does not have any liquidity provider, from who it could receive sources required to finalize securities settlement.

183 G07Q026

To what extent does the CSD currently have, or is the CSD eligible to obtain, access to accounts, payment services and securities services at each relevant central bank that could be used to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

PFMI: Q.7.8.1

AGC: n/a

CDCP has access to the cash accounts (DCA) administered by the central bank for the participant and is ancillary participant in the payment system operated by the central bank.

184 G07Q027

To what extent does the CSD use each of these services at each relevant central bank to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

PFMI: Q.7.8.2

AGC: n/a

CDCP is using accounts opened by the central bank (DCA) for the participants in the cash leg of the settlement process.

185 G07Q028

If the CSD employs services other than those provided by the relevant central banks, to what extent has the CSD analysed the potential to enhance the management of liquidity risk by expanding its use of central bank services?

PFMI: Q.7.8.3

AGC: n/a

n/a

186 G07Q029

What, if any, practical or other considerations to expanding its use of relevant central bank services have been identified by the CSD?

PFMI: Q.7.8.4

AGC: n/a

n/a

187 G07Q030

How does the CSD use stress testing to determine the amount and test the sufficiency of its liquid resources in each currency? How frequently does the CSD stress-test its liquid resources?

PFMI: Q.7.9.1

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

188 G07Q031

What is the process for reporting on an ongoing basis the results of the CSD's liquidity stress tests to appropriate decision-makers at the CSD? for the purpose of supporting their timely evaluation and adjustment of the size and composition of the CSD's liquidity resources and liquidity risk management framework?

PFMI: Q.7.9.2

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

189 G07Q032

What scenarios are used in the stress tests, and to what extent do they take into account a combination of peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions?

PFMI: Q.7.9.3

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

190 G07Q033

To what extent do the scenarios and stress tests take into account the CSD's particular payment and settlement structure (for example, real-time gross or deferred net, with or without a settlement guarantee, DVP model 1, 2 or 3 for SSSs), and the liquidity risk that is borne directly by the CSD? by its participants, or both?

PFMI: Q.7.9.4

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

191 G07Q034

To what extent do the scenarios and stress tests take into account the nature and size of the liquidity needs, and the associated sources of liquidity risks, that arise in the CSD to settle its payment obligations on time, including the potential that individual entities and their affiliates may play multiples roles with respect to the CSD?

PFMI: Q.7.9.5

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

192 G07Q035

How frequently does the CSD assess the effectiveness and appropriateness of stress test assumptions and parameters? How does the CSD's stress test programme take into account various conditions, such as a sudden and significant increase in position and price volatility, position concentration, change in market liquidity, and model risk including shift of parameters?

PFMI: Q.7.9.6

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

193 G07Q036

How does the CSD validate its risk management model? How frequently does it perform this validation?

PFMI: Q.7.9.7

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement and is not making stress test.

194 G07Q037

Where and to what extent does the CSD document its supporting rationale for, and its governance arrangements relating to, the amount and form of its total liquid resources?

PFMI: Q.7.9.8

AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. Therefore CDCP is not holding any liquid sources that could be used to finalize securities settlement.

195 G07Q038

How do the CSD's rules and procedures enable it to settle payment obligations on time following any individual or combined default among

its participants?

PFMI: Q.7.10.1
AGC: n/a

CDCP shall settle the instruction, or payment obligations, after individual / combined default of the participants in case that sufficient cash is in relevant account and settlement is possible according to the day schedule.

196 G07Q039

How do the CSD's rules and procedures address unforeseen and potentially uncovered liquidity shortfalls and avoid unwinding, revoking or delaying the same day settlement of payment obligations?

PFMI: Q.7.10.2
AGC: n/a

According to the settlement system rules the instructions that could not be settled due to lack of cash resources on ISD are recycled on next operation day. Settlement of instructions is final, i.e. payment obligations can't be returned or their settlement revoked.

197 G07Q040

How do the CSD's rules and procedures allow for the replenishment of any liquidity resources employed during a stress event?

PFMI: Q.7.10.3
AGC: n/a

N/A CDCP did not identify liquidity risk of securities settlement system it operates. CDCP does not have any liquidity provider, from who it could receive sources required to finalize securities settlement.

198 G06Q041

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Settlement finality (PFMI Principle 8)

199 G08Q015

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

200 G08Q001

Summary narrative for PFMI Principle 8. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P8
AGC: n/a

CDCP is providing its settlement services via T2S. That ensures that DVP/DWP transactions settlement is concurrent final transfer of securities between the securities accounts and transfer of cash funds between the cash accounts (dedicated cash accounts) during the day in real time.

201 G08Q002

At what point is the settlement of a payment, transfer instruction or other obligation final, meaning irrevocable and unconditional? Is the point of settlement finality defined and documented? How and to whom is this information disclosed?

PFMI: Q.8.1.1
AGC: n/a

The settlement is final and irrevocable when relevant transaction is made in the settlement system (transfer of securities between the accounts of the transferor and transferee and in case of DVP also transfer of cash funds between cash accounts of the participants, or their settlement banks). This issue is clearly described in the Rules of Operation that are available to the public.

202 G08Q003

How does the CSD's legal framework and rules, including the applicable insolvency law(s), acknowledge the discharge of a payment, transfer instruction or other obligation between the CSD and its participants, or between participants?

PFMI: Q.8.1.2
AGC: n/a

CDCP is providing its settlement services via T2S and the settlement of the instruction is finished and irrevocable upon its settlement in T2S. The finishing of the settlement is provided through a fully automatic process in the CDCP system, and follows immediately after receipt of the confirmation of the settlement of the instruction from T2S. T2S is sending messages on different phases of the settlement process to CDCP/CDCP participant.

203 G08Q004

How does the CSD demonstrate that there is a high degree of legal certainty that finality will be achieved in all relevant jurisdictions (for example, by obtaining a well reasoned legal opinion)?

PFMI: Q.8.1.3
AGC: n/a

CDCP is providing its settlement services via T2S whereby it is ensured that settlement finality is in compliance with T2S documentation, also in case of cross-CSD settlement. The settlement is final and irrevocable when relevant transaction is made in the settlement system (transfer of securities between the accounts of the transferor and transferee, and in case of DVP also transfer of cash funds between cash accounts of the participants, or their settlement banks). This issue is clearly described in the Rules of Operation that are available to the public. Each link to another CDS is assessed by the European Central Bank. CDCP has no link to foreign CSD nowadays.

204 G08Q005

How does the CSD ensure settlement finality in the case of linkages with other CSD?? a) For an SSS, how is consistency of finality achieved between the SSS and, if relevant, the LVPS where the cash leg is settled? b) For a CCP for cash products, what is the relation between the finality of obligations in the CCP and the finality of the settlement of the CCP claims and obligations in other systems, depending on the rules of the relevant CSD/SSS and payment system?

PFMI: Q.8.1.4
AGC: n/a

CDCP is providing its settlement services via T2S whereby it is ensured that settlement finality also in case of cross-CSD settlement in compliance with T2S documentation

205 G08Q006

Is the CSD designed to complete final settlement on the value date (or same day settlement)? How does the CSD ensure that final settlement occurs no later than the end of the intended value date?

PFMI: Q.8.2.1
AGC: n/a

Yes, CDCP settles the instructions in batches (night settlement) and in real time in compliance with T2S principles. That is ensured by the system which is providing the settlement process on fully automatic basis.

206 G08Q007

Has the CSD ever experienced deferral of final settlement to the next business day that was not contemplated by its rules, procedures or contracts? If so, under what circumstances? If deferral was a result of the CSD's actions, what steps have been taken to prevent a similar situation in the future?

PFMI: Q.8.2.2
AGC: n/a

No. CDCP did not experienced such situation.

207 G08Q008

Does the CSD provide intraday or real-time final settlement? If so, how? How are participants informed of the final settlement?

PFMI: Q.8.2.3
AGC: n/a

CDCP is provides only final settlement in real time. That is ensured by the system which is providing the settlement process on fully automatic basis. The participant are informed automatically via "Settlement confirmation" notification.

208 G08Q009

If settlement occurs through multiple-batch processing, what is the frequency of the batches and within what time frame do they operate? What happens if a participant does not have enough funds or securities at the settlement time? Are transactions entered in the next batch? If so, what is the status of those transactions and when would they become final?

PFMI: Q.8.2.4
AGC: n/a

Batch processing is made in compliance with the T2S schedule for night settlement (8:00 pm - 3:00 am). In case of lack of funds or securities the instructions are postponed to next batch or to real time settlement. As long as the transaction is not settled, its status is "unsettled", or waiting for settlement.

209 G08Q010

If settlement does not occur intraday or in real time, how has the LVPS or SSS considered the introduction of either of these modalities?

PFMI: Q.8.2.5
AGC: n/a

n/a

210 G08Q011

How does the CSD define the point at which unsettled payments, transfer instructions or other obligations may not be revoked by a participant? How does the CSD prohibit the unilateral revocation of accepted and unsettled payments, transfer instructions or obligations after this time?

PFMI: Q.8.3.1
AGC: n/a

CDCP defines the moment of irrevocability, which is given by the moment when the instructions are matched. From that moment is possible only to cancel the settlement instruction bilaterally. The system controll shall assure that unilateral cancellation of the instruction is not possible.

211 G08Q012

Under what circumstances can an instruction or obligation accepted by the system for settlement still be revoked (for example, queued obligations)? How can an unsettled payment or transfer instruction be revoked? Who can revoke unsettled payment or transfer instructions?

PFMI: Q.8.3.2
AGC: n/a

The instruction can be cancelled as long it is not settled, or is not being settled. Cancellation of the instruction is possible through the system by respective instruction in sense of ISO 20022. Instruction can be cancelled by person whos placed the instruction (trading venue, participant) under conditions set for the bilateral cancelation.

212 G08Q013

Under what conditions does the CSD allow exceptions and extensions to the revocation deadline?

PFMI: Q.8.3.3
AGC: n/a

CDCP does not allow exceptions and extentions to the cancellation deadlines.

213 G08Q014

Where does the CSD define this information? How and to whom is this information disclosed?

PFMI: Q.8.3.4
AGC: n/a

This information is defined in the publicly available Settlement System Rules.

Money settlements (PFMI Principle 9)

214 G09Q001

Summary narrative for PFMI Principle 9. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P9
AGC: n/a

CDCP conducts cash settlement only in central bank money via the dedicated cash accounts opened in T2S for purpose of settlement of cash instruction resulting from the instructions settled in T2S. CDCP conducts cash settlement in T2S settlement currencies (nowadays only EUR)

215 G09Q002
How does the CSD conduct money settlements? If the CSD conducts settlement in multiple currencies, how does the CSD conduct money settlement in each currency?

PFMI: Q.9.1.1
AGC: n/a

CDCP conducts cash settlement only in central bank money and only in T2S settlement currencies.

216 G09Q003
Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

PFMI: Q.9.1.1
AGC: 31

CSD
 Central Bank
 Banks appointed by CSD
 Neither or others (e.g. credit lines used)
 Not applicable
 OTHER:

217 G09Q004
Please indicate the name of the banks appointed by the CSD

PFMI: Q.9.1.1
AGC: 31a

218 G09Q005
Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

PFMI: Q.9.1.1
AGC: 32

CSD
 Central Bank
 Banks appointed by the CSD
 Neither or others (e.g. credit lines used)
 Not applicable
 OTHER:

219 G09Q006
Please name banks appointed by the CSD

PFMI: Q.9.1.1
AGC: 32a

220 G09Q007
Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

PFMI: Q.9.1.1
AGC: 33, 33b

CSD
 Central Bank
 Banks appointed by CSD
 Neither or others (e.g. credit lines used)
 Not applicable
 OTHER:

221 G09Q008
Please name banks appointed by the CSD

PFMI: Q.9.1.1
AGC: 33a

n/a

222 G09Q009
Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

PFMI: Q.9.1.1
AGC: 34

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

223 G09Q010
Please name banks appointed by CSD

PFMI: Q.9.1.1
AGC: 34a

n/a

224 G09Q011
If the CSD does not settle in central bank money, why is that?

PFMI: Q.9.1.2
AGC: n/a

n/a

225 G09Q012
If central bank money is not used, how does the CSD assess the credit and liquidity risks of the settlement asset used for money settlement?

PFMI: Q.9.2.1
AGC: n/a

n/a

226 G09Q013
If the CSD settles in commercial bank money, how does the CSD select its settlement banks? What are the specific selection criteria the CSD uses?

PFMI: Q.9.2.2
AGC: n/a

n/a

227 G09Q014
How does the CSD monitor the settlement banks adherence to criteria it uses for selection? For example, how does the CSD evaluate the banks regulation, supervision, creditworthiness, capitalisation, access to liquidity and operational reliability?

PFMI: Q.9.3.1
AGC: n/a

n/a

228 G09Q015
How does the CSD monitor, manage and limit its credit and liquidity risks arising from the commercial settlement banks? How does the CSD monitor and manage the concentration of credit and liquidity exposures to these banks?

PFMI: Q.9.3.2
AGC: n/a

n/a

229 G09Q016
How does the CSD assess its potential losses and liquidity pressures as well as those of its participants if there is a failure of its largest

settlement bank?
 PFM: Q.9.3.3
 AGC: n/a

n/a

230 G09Q017
 If an CSD conducts money settlements on its own books, how does it minimise and strictly control its credit and liquidity risks?
 PFM: Q.9.4.1
 AGC: n/a

n/a

231 G09Q018
 Do the CSD's legal agreements with its settlement banks state when transfers occur, that transfers are final when effected, and that funds received are transferable?
 PFM: Q.9.5.1
 AGC: n/a

In connection with settlement, in the Rules of the Settlement System CDCP has defined the obligation for the bank to credit cas funds of the participant in the settlement system without dealy after settling the instruction, but by the end of the operation day at the latest when the instruction was settled.

232 G09Q019
 Are funds received transferable by the end of the day at the latest? If not, why? Are they transferable intraday? If not, why?
 PFM: Q.9.5.2
 AGC: n/a

The funds are transferable during the day, but must be transferred at the end of the day at the latest.

233 G09Q020
 filecount - Add relevant appendices for this group.
 PFM: n/a
 AGC: n/a

0

Physical deliveries (PFMI Principle 10)

234 G10Q001
 Summary narrative for PFMI Principle 10. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)
 PFM: Annex A - CSD disclosure template - IV.P10
 AGC: n/a

CDCP does not provide settlement of transactions using physical deliveries.

235 G10Q002
 Which asset classes does the CSD accept for physical delivery?
 PFM: Q.10.1.1
 AGC: n/a

n/a

236 G10Q003
 How does the CSD define its obligations and responsibilities with respect to the delivery of physical instruments or commodities? How are these responsibilities defined and documented? To whom are these documents disclosed?

PFMI: Q.10.1.2
AGC: n/a

n/a

237 G10Q004
How does the CSD engage with its participants to ensure they have an understanding of their obligations and the procedures for effecting physical delivery?

PFMI: Q.10.1.3
AGC: n/a

n/a

238 G10Q005
How are eligible securities lodged in the CSD system?

PFMI: Q.10.1.3
AGC: 57, 57a

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER:

239 G10Q006
When are securities lodged into the CSD reflected in a participant's CSD account?

PFMI: Q.10.1.3
AGC: 58, 58a

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER:

240 G10Q007
How long does it usually take to lodge securities with the CSD?

PFMI: Q.10.1.3
AGC: 59, 59b

Not applicable [A05]

241 G10Q008
Please specify

PFMI: Q.10.1.3
AGC: 59a

242 G10Q009
During the process of lodging securities into the CSD, can the securities be traded?

PFMI: Q.10.1.3
AGC: 60

Not applicable [A03]

243 G10Q010
During the process of lodging securities into the CSD, can the securities be settled?

PFMI: Q.10.1.3
AGC: 60a

Not applicable [A03]

244 G10Q011
During the process of lodging securities into the CSD, can the securities have ownership transferred?

PFMI: Q.10.1.3
AGC: 60b

Not applicable [A03]

245 G10Q012
If they cannot be traded, or if you answered other, please explain

PFMI: Q.10.1.3
AGC: 60c

n/a

246 G10Q013
If they cannot be settled, or if you answered other, please explain

PFMI: Q.10.1.3
AGC: 60d

247 G10Q014
If ownership cannot be transferred, or if you answered other, please explain

PFMI: Q.10.1.3
AGC: 60e

n/a

248 G10Q015
Are securities immediately available for delivery upon transfer to the CSD?

PFMI: Q.10.1.3
AGC: 61, 61d

Not applicable [A03]

249 G10Q016
If no: Securities are unavailable for

PFMI: Q.10.1.3
AGC: 61a

250 G10Q017
If more than 4 weeks, please specify

PFMI: Q.10.1.3
AGC: 61b

251 G10Q018
If not applicable, please explain

PFMI: Q.10.1.3
AGC: 61c

n/a

252 G10Q019
What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

PFMI: Q.10.1.3
AGC: 63, 63a

Not applicable [A05]

253 G10Q020

How long does it usually take to remove securities from the CSD?

PFMI: Q.10.1.3
AGC: 64, 64b

Not applicable [A05]

254 G10Q021

If more than 4 weeks, please specify

PFMI: Q.10.1.3
AGC: 64a

255 G10Q022

While the securities are being removed from the CSD, can they be traded? (Choose one)

PFMI: Q.10.1.3
AGC: 65a

Not applicable [A02]

256 G10Q023

If they cannot be traded please explain

PFMI: Q.10.1.3
AGC: 65b

257 G10Q024

While the securities are being removed from the CSD, can they be settled? (Choose one)

PFMI: Q.10.1.3
AGC: 65c

Not applicable [A02]

258 G10Q025

If they cannot be settled, please explain

PFMI: Q.10.1.3
AGC: 65d

259 G10Q026

While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

PFMI: Q.10.1.3
AGC: 65e

Not applicable [A02]

260 G10Q027

If ownership cannot be transferred, please explain

PFMI: Q.10.1.3
AGC: 65f

261 G10Q028

How does the CSD identify the risks and costs associated with storage and delivery of physical instruments or commodities? What risks and costs has the CSD identified?

PFMI: Q.10.2.1
AGC: n/a

n/a

262 G10Q029

What are the vault security procedures for the safekeeping of physical paper?

PFMI: Q.10.2.1

AGC: 75

- Not applicable, no vault is maintained
- Electronic keys or combinations
- Dual access control
- Visitor logs
- Vault counts
- Intrusion alarms
- Fire alarms
- Guards
- OTHER:

263 G10Q030

Please indicate frequency of vault counts:

PFMI: Q.10.2.1
AGC: 75a.

264 G10Q031

Please explain:

PFMI: Q.10.2.1
AGC: 75b

n/a

265 G10Q032

What processes, procedures and controls does the CSD have to monitor and manage any identified risks and costs associated with storage and delivery of physical instruments or commodities?

PFMI: Q.10.2.2
AGC: n/a

n/a

266 G10Q033

If an CSD can match participants for delivery and receipt, under what circumstances can it do so, and what are the associated rules and procedures? Are the legal obligations for delivery clearly expressed in the rules and associated agreements?

PFMI: Q.10.2.3
AGC: n/a

n/a

267 G10Q034

How does the CSD monitor its participants' delivery preferences and, to the extent practicable, ensure that its participants have the necessary systems and resources to be able to fulfil their physical delivery obligations?

PFMI: Q.10.2.4
AGC: n/a

n/a

268 G10Q035

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Central Securities Depositories (PFMI Principle 11)

269 G11Q001

Summary narrative for PFMI Principle 11. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P11
AGC: n/a

CDCP serves as a central depository and operates the settlement system for debt securities (government, corporate), equities, units of unit trust, cooperative units, investment certificates and state T-bills. In CDCP are held and settled all securities that are issued in book-entry form and registered in CDCP registry. The paper form securities are not registered in CDCP, but CDCP is administering lists of shareholders. Protection of the assets of the participants is governed by the national legislation (Act No. 566/2001 on Securities and Investment services, the insolvency law) and by EU regulation 909/2014 CSDR. Asset protection is ensured via the structure of accounts CDCP offers to its participants and clients, individual client segregation and omnibus client segregation are recognized. The assets of participants, owners and CDCP are segregated from each other. The segregation of participant's own securities from securities of their clients is mandatory, thus the participants are permitted to open unlimited number of securities accounts in structure most suitable for them. CDCP has in place required daily reconciliation procedures and the issue integrity controls are integrated in the Settlement System. Debit balance and account overdraft are not allowed and the principles of double-entry accounting in connection with transaction settlement are implemented. CDCP has stable and functional risk management system. CDCP has effective measures for protection of processed data, information systems and all related information assets to assure their confidentiality, integrity and availability. Information Security Management System is operated in compliance with the internationally recognized standard for Information Systems Security - ISO/IEC 27001. Other services provided by CDCP are: assigning ISIN, LEI and other codes; redemption of principal and yield/dividend at the request of issuer; administration of shareholders registry, CA processing support (incl. tax, GM, information services), Pledge registry, Registry of transfers as collateral.

270 G11Q002
 CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

PFMI: n/a
AGC: 26

Government securities
 Equities
 Corporate bonds
 Corporate money market
 Not applicable
 OTHER: units of the unit trusts, cooperative units, investment certificates, state T-bills

271 G11Q003
 Please name the other security types:

PFMI: n/a
AGC: 26a.

units of the unit trusts, cooperative units, investment certificates, state T-bills

272 G11Q004
 Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

PFMI: n/a
AGC: 27, 27c

Yes by law for settlement of all instrument types
 Yes by law for safekeeping of all instrument types
 Yes by market practice for settlement of all instrument types
 Yes by market practice for safekeeping of all instrument types
 Yes by law for settlement, but not for all instrument types
 Yes by law for safekeeping, but not for all instrument type
 Yes by market practice for settlement, but not for all instrument types
 Yes by market practice for safekeeping, but not for all instrument types
 Neither
 OTHER:

273 G11Q005
 Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

PFMI: n/a
AGC: 27a. (i)

units of (book-entry) open-ended unit trust

<p>274 G11Q006 (ii) safekeep in your CSD:</p> <p><i>PFMI: n/a</i> <i>AGC: 27a. (ii)</i></p>
<p>units of (book-entry) open-ended unit trust</p>

<p>275 G11Q007 Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD</p> <p><i>PFMI: n/a</i> <i>AGC: 27b. (i)</i></p>
<p>units of (book-entry) open-ended unit trust</p>

<p>276 G11Q008 (ii) safekeep in your CSD:</p> <p><i>PFMI: n/a</i> <i>AGC: 27b. (ii)</i></p>
<p>units of (book-entry) open-ended unit trust</p>

<p>277 G11Q009 Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.</p> <p><i>PFMI: n/a</i> <i>AGC: 28 28a</i></p>
<p>100% of all securities types of book-entry securities registered in the CSD; data on total market including book-entry securities registered and settled by entities other than CSD is not available to CSD;</p>

<p>278 G11Q010 Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.</p> <p><i>PFMI: n/a</i> <i>AGC: 28b.</i></p>
<p>100% of all securities types of book-entry securities registered in the CSD; data on total market including book-entry securities registered and safekept by entities other than CSD is not available to CSD;</p>

279 G11Q011

How are the rights of securities issuers and holders safeguarded by the rules, procedures and controls of the CSD?

PFMI: Q.11.1.1

AGC: n/a

The CDCP rules and procedures (as well as the legal regulation) contain several relevant measures, in particular - the way of maintaining the accounts, the segregation of the assets held in the CDCP, the rules for securing integrity of the issue, the reconciliation rules, risk management procedures. Furthermore, the general liability under the legal regulation applies.

280 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

PFMI: Q.11.1.1

AGC: 44a

Yes [A01]

281 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

PFMI: Q.11.1.1

AGC: 44b

The Clients would access their securities via transferring the securities to an account opened with other participant, or they can dispose of their securities on existing account. In both cases cooperation of relevant participant which opened the account is expected.

282 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

PFMI: Q.11.1.1

AGC: 44d.

Other: Only participant's own beneficial owner account can be accessed, but not an omnibus account.

283 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

PFMI: Q.11.1.1

AGC: 44e.

284 G11Q016

By the participant's creditors?

PFMI: Q.11.1.1

AGC: 44g, 44i

No [A02]

285 G11Q017

If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

PFMI: Q.11.1.1

AGC: 44h

286 G11Q018

By the CSD's creditors?

PFMI: Q.11.1.1

AGC: 44j.

No [A02]

287 G11Q019

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

PFMI: Q.11.1.1
AGC: 44k.

288 G11Q020

What is your document and record retention policy for documents and records described above in this section?

PFMI: Q.11.1.1
AGC: 47, 47a

Other: The record keeping is provided through the information system and document retention terms are regulated by the internal guidelines complying with legal requirements.

289 G11Q021

Does the law protect participant assets from claims and liabilities of the CSD?

PFMI: Q.11.1.1
AGC: 54

Other: The assets of the participants are protected under the applicable legislation. The CSD is entitled to handle the assets only in cases where the legal regulation or the consent of the participant so provides.

290 G11Q022

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

PFMI: Q.11.1.1
AGC: 55

No [A02]

291 G11Q023

If yes, for what reasons are liens or similar claims imposed?

PFMI: Q.11.1.1
AGC: 55a

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER:

292 G11Q024

Please describe:

PFMI: Q.11.1.1
AGC: 55b

Legal regulation allows to register suspension of disposal right in certain circumstances, but only in relation to accounts of the final securities owners, not in relation to the accounts of the participant, where the data of the securities of participants clients are registered and only in connection with fees and expenses.

293 G11Q025

Please indicate the limits of this lien as indicated below:

PFMI: Q.11.1.1
AGC: 55c

294 G11Q026

Please explain:

PFMI: Q.11.1.1
AGC: 55d

295 G11Q027

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

PFMI: Q.11.1.1
AGC: 55e

296 G11Q028
If yes, please indicate whether:
PFMI: Q.11.1.1
AGC: 55f

297 G11Q029
Please explain:
PFMI: Q.11.1.1
AGC: 55g

298 G11Q030
If no, please indicate whether the entire account will be subject to the lien.
PFMI: Q.11.1.1
AGC: 55h

299 G11Q031
For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?
PFMI: Q.11.1.1
AGC: 55j

300 G11Q032
If yes, are the restrictions accomplished by:
PFMI: Q.11.1.1
AGC: 55k

301 G11Q033
Please explain:
PFMI: Q.11.1.1
AGC: 55l

302 G11Q034
Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?
PFMI: Q.11.1.1
AGC: 56, 56e

Other: No. The CSD may only dispose of its own securities.

303 G11Q035
When does title or entitlement to CSD securities pass between participants?
PFMI: Q.11.1.1
AGC: 56a

304 G11Q036
Please describe:
PFMI: Q.11.1.1
AGC: 56b

Title to securities pass immediately after securities are transferred on a DVP or FOP basis.

305 G11Q037
Where does title or entitlement to CSD securities pass between participants?

PFMI: Q.11.1.1
AGC: 56c

306 G11Q038
Please describe:

PFMI: Q.11.1.1
AGC: 56d

307 G11Q039

How do the CSD's rules, procedures and controls ensure that the securities it holds on behalf of participants are appropriately accounted for on its books and protected from risks associated with the other services the CSD may provide?

PFMI: Q.11.1.2
AGC: n/a

Asset protection is secured by the way and structure of account management within the CDCP records. Individual client segregation and omnibus client segregation apply. The assets of each participant and owner are segregated from the CDCP assets and of other participants and CP owners: The insolvency law also safeguards the assets of the CDCP clients. Detailed information CDCP publishes on its website.

308 G11Q040

In what form does the CSD maintain records identifying the assets of each participant?

PFMI: Q.11.1.2
AGC: 45

Computer file
 Microfiche
 Hard copy
 Computer tape
 OTHER:

309 G11Q041

In which format is the source data maintained?

PFMI: Q.11.1.2
AGC: 45b

XML

310 G11Q042

How does the CSD ensure that it has robust accounting practices? Do audits review whether there are sufficient securities to satisfy customer rights? How frequently are end-to-end audits conducted to examine the procedures and internal controls used in the safekeeping of securities?

PFMI: Q.11.1.3
AGC: n/a

311 G11Q043

What are the CSD's internal procedures to authorise the creation and deletion of securities? What are the CSD's internal controls to prevent the unauthorised creation and deletion of securities?

PFMI: Q.11.1.4
AGC: n/a

Creation and deletion of securities is limited to employees of relevant department providing services related to the issuers and securities issues. To prevent unauthorised creation or deletion of securities CDCP conducts multilevel control in the system between the static data of given securities issue and processing of any request for change in data on the securities issue, issuance of securities, transaction settlement.

312 G11Q044

Does the CSD conduct periodic and at least daily reconciliation of the totals of securities issues in the CSD for each issuer (or its issuing agent)? How does the CSD ensure that the total number of securities recorded in the CSD for a particular issue is equal to the amount of securities of that issue held on the CSD's books?

PFMI: Q.11.1.5
AGC: n/a

Yes, CDCP conducts reconciliation regularly, on the end of each operation day. CDCP ensures the issue integrity through continuous

control integrated in the Settlement System. This control ensures that unauthorised creation or deletion of securities is possible, due to multilevel control between the static data of given securities issue and processing of any request for change in data on the securities issue, issuance of securities, transaction settlement.

313 G11Q045

If the CSD is not the official registrar of the issues held on its books, how does the CSD reconcile its records with official registrar?

PFMI: Q.11.1.6

AGC: n/a

n/a

314 G11Q046

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

PFMI: Q.11.1.6

AGC: 52i

not applicable

315 G11Q047

How does the CSD prevent overdrafts and debit balances in securities accounts?

PFMI: Q.11.2.1

AGC: n/a

CDCP prevents overdrafts through automatic system restriction of transferred securities, i.e. it is not possible to settle the transaction unless the securities to be transferred are on the account of transferor.

316 G11Q048

Are securities issued or maintained in a dematerialised form? What percentage of securities is dematerialised, and what percentage of the total volume of transactions applies to these securities?

PFMI: Q.11.3.1

AGC: n/a

Yes, CDCP provides services of initial registration of securities in the book-entry securities system ("registration services") only for dematerialised securities. 100% of securities is dematerialised and 100% of the transactions applies to these securities.

317 G11Q049

How are CSD eligible securities held by the CSD?

PFMI: Q.11.3.1

AGC: 50, 50a

In dematerialized form
 In certificated form
 OTHER:

318 G11Q050

If securities are issued as a physical certificate, is it possible to immobilise them and allow their holding and transfer in a book-entry system? What percentage of securities is immobilised, and what percentage of the total volume of transactions applies to immobilised securities?

PFMI: Q.11.3.2

AGC: n/a

The CDCP does not provide securities immobilisation services, because such a method of registration of securities is not used in the long term under CDCP conditions. The national law of the Slovak Republic allows for a change of the form of securities.

319 G11Q051

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

PFMI: Q.11.3.2
AGC: 51

Other: Generally, if the issue is held in paper form, it is not entered in the registry of the CSD and therefore it is not eligible for CSD operations. For registered shares in paper form, the CSD only administers the lists of shareholders.

320 G11Q052

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

PFMI: Q.11.3.2
AGC: 51a

321 G11Q053

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

PFMI: Q.11.3.2
AGC: 51b

322 G11Q054

Are these certificates:

PFMI: Q.11.3.2
AGC: 51c

Bearer
 Registered
 OTHER:

323 G11Q055

If registered, how are the CSD eligible securities registered?

PFMI: Q.11.3.2
AGC: 51d

In the name of the CSD
 In the name of the depositing participant or its nominee
 In the name of a separate nominee of the CSD
 OTHER:

324 G11Q056

If in the name of a separate nominee, please identify by name the nominee used:

PFMI: Q.11.3.2
AGC: 51f

325 G11Q057

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

PFMI: Q.11.3.2
AGC: 51h

326 G11Q058

What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

PFMI: Q.11.3.2
AGC: 51i

327 G11Q059

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

PFMI: Q.11.3.2
AGC: 52

No [A02]

328 G11Q060
Are the securities held:

PFMI: Q.11.3.2
AGC: 52a, 52k

Through book-entry at the CSD
 Through book-entry at a registrar or issuer
 OTHER:

329 G11Q061
Please identify which types of entities may act as registrars:

PFMI: Q.11.3.2
AGC: 52b

Issuers
 Separate companies that perform registrar functions
 CSD
 OTHER:

330 G11Q062
If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

PFMI: Q.11.3.2
AGC: 52d

331 G11Q063
If yes, how are securities held at the registrar for the account of the CSD?

PFMI: Q.11.3.2
AGC: 52e

332 G11Q064
Please describe:

PFMI: Q.11.3.2
AGC: 52f

n/a

333 G11Q065
If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

PFMI: Q.11.3.2
AGC: 52g

334 G11Q066
Please describe:

PFMI: Q.11.3.2
AGC: 52h

n/a

335 G11Q067
What incentives, if any, does the CSD provide to immobilise or dematerialise securities?

PFMI: Q.11.3.3
AGC: n/a

CDCP allows only dematerialised form of securities.

336 G11Q068
How do the CSD's rules and procedures protect assets against custody risk, including the risk of loss because of the CSD's negligence,

misuse of assets, fraud, poor administration, inadequate recordkeeping or failure to protect participants' interests in their securities?

PFMI: Q.11.4.1
AGC: n/a

CDCP has stable and functional risk management system, consisting of organisation structure of CDCP with clearly defined responsibility lines, and effective procedures for identification, measuring, monitoring, reporting and managing of risks. Main principles and procedure CDCP applies to risk management and basic organisational framework for risk management are defined in the Risk Management Policy. In connection with confidentiality, integrity and availability of data processed electronically or in other form, CDCP has effective measures for protection of processed data, information systems and all related information assets that are critical for CDCP activities. Information Security Management System is implemented, operated and developed in compliance with internationally recognised standard for Information Systems Security - ISO/IEC 27001. CDCP is ensuring segregation of accounts and assets by use of omnibus and individual client segregation. With regard to securities issue integrity CDCP applies several controls (continual and periodic), has implemented principles of double-entry accounting in connection with transaction settlement and it does not allow debit balance and account overdraft.

337 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

PFMI: Q.11.4.1
AGC: 66, 66a, 66d

Not applicable [A02]

338 G11Q070

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66b 66c

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

339 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

PFMI: Q.11.4.1
AGC: 66e, 66g, 66h

Other: Person who placed an instruction is liable for damages caused by processing of such instruction.

340 G11Q072

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66f

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

341 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

PFMI: Q.11.4.1
AGC: 66i, 66l

Yes [A02]

342 G11Q074

If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66j, 66k

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

343 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

PFMI: Q.11.4.1
AGC: 66m, 66p.

- Yes
- No
- Not applicable
- OTHER:

344 G11Q076
If yes, please check all of the following that apply:

PFMI: Q.11.4.1
AGC: 66n.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

345 G11Q077
How has the CSD determined that those rules and procedures are consistent with the legal framework?

PFMI: Q.11.4.2
AGC: n/a

The CDCP is responsible for compliance of its rules and procedures with the legal framework.

346 G11Q078
Is the CSD immune from legal action in its own jurisdiction?

PFMI: Q.11.4.2
AGC: 68

No [A02]

347 G11Q079
What other methods, if any, does the CSD employ to protect its participants against misappropriation, destruction and theft of securities (for example, insurance or other compensation schemes)?

PFMI: Q.11.4.3
AGC: n/a

n/a

348 G11Q080
Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

PFMI: Q.11.4.3
AGC: 92

No [A02]

349 G11Q081
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 92a.

350 G11Q082
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 92b.

351 G11Q083
Does the CSD have insurance for Operational Errors?

PFMI: Q.11.4.3
AGC: 93

No [A02]

352 G11Q084
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 93a.

353 G11Q085
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 93b.

354 G11Q086
Does the CSD have Errors and Omissions insurance?

PFMI: Q.11.4.3
AGC: 94

No [A02]

355 G11Q087
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 94a.

356 G11Q088
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 94b.

357 G11Q089
Does the CSD have insurance for the Premises?

PFMI: Q.11.4.3
AGC: 95

Yes [A01]

358 G11Q090
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 95a.

Depository considers this information to be confidential.

359 G11Q091
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 95b.

Depository considers this information to be confidential.

360 G11Q092
Does the CSD have any other insurance?

PFMI: Q.11.4.3
AGC: 96, 96d

Yes [A01]

361 G11Q093

If so, what is it for?

PFMI: Q.11.4.3
AGC: 96a.

Cars and other losses

362 G11Q094

What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 96b.

Depository considers this information to be confidential.

363 G11Q095

What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 96c.

Depository considers this information to be confidential.

364 G11Q096

Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

PFMI: Q.11.4.3
AGC: 97

1) AIG Europe Limited, branch of insurance company from other Member State 2) Allianz - Slovenska poistovna, a.s.

365 G11Q097

Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

PFMI: Q.11.4.3
AGC: 97a.

1. American International Group, Inc. (AIG) 2. Allianz versicherung, Deutschland

366 G11Q098

What is the term of the policy?

PFMI: Q.11.4.3
AGC: 97b.

1. indefinite time period (with automatic annual renewal) 2. indefinite time period (with automatic annual renewal)

367 G11Q099

Who does the insurance cover?

PFMI: Q.11.4.3
AGC: 97c, 97d

CSD
 Direct CSD participants
 Final investors
 Not applicable
 OTHER:

368 G11Q100

If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

PFMI: Q.11.4.3
AGC: 98

369 G11Q101

filecount - Upload document here:

PFMI: Q.11.4.3
AGC: 98a.

0

370 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

PFMI: Q.11.4.3
AGC: 67a, 67b.

Yes
 No
 Not applicable
 OTHER:

371 G11Q103

Please explain (then please answer 67c):

PFMI: Q.11.4.3
AGC: 67b.

372 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

PFMI: Q.11.4.3
AGC: 67c.

n/a

373 G11Q105

Insurance

PFMI: Q.11.4.3
AGC: 67d.

Yes
 No
 Not applicable
 OTHER:

374 G11Q106

Please explain (then please answer 67f):

PFMI: Q.11.4.3
AGC: 67e.

375 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

PFMI: Q.11.4.3
AGC: 67f.

376 G11Q108

Acknowledgement of liability for losses caused by CSD's own actions.

PFMI: Q.11.4.3
AGC: 67g.

No [A02]

377 G11Q109

Please explain (then please answer 67i):

PFMI: Q.11.4.3
AGC: 67h.

378 G11Q110

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

PFMI: Q.11.4.3

AGC: 67i.

379 G11Q111

Other

PFMI: Q.11.4.3

AGC: 67j.

No [N]

380 G11Q112

Please explain (then please answer 67i):

PFMI: Q.11.4.3

AGC: 67k.

381 G11Q113

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

PFMI: Q.11.4.3

AGC: 67l.

382 G11Q114

What segregation arrangements are in place at the CSD? How does the CSD ensure segregation between its own assets and the securities of its participants? How does the CSD ensure segregation among the securities of participants?

PFMI: Q.11.5.1

AGC: n/a

The CDCP ensures segregation of accounts and assets through omnibus and individual client segregation. Securities are held on accounts of different types depending on the segregation chosen. All accounts are segregated from each other and securities are always held on a specific account. The CDCP is compliant with the requirements of CSDR Regulation.

383 G11Q115

Are participants permitted to maintain more than one account at the CSD?

PFMI: Q.11.5.1

AGC: 41

Yes [A01]

384 G11Q116

If yes, please indicate number:

PFMI: Q.11.5.1

AGC: 41a, 41c

An unlimited number of accounts

More than one account

OTHER:

385 G11Q117

If more than one account what is the maximum?

PFMI: Q.11.5.1

AGC: 41b

386 G11Q118

Where supported by the legal framework, how does the CSD support the operational segregation of securities belonging to participants' customers from the participants' book? How does the CSD facilitate the transfer from these customers' accounts to another participant?

PFMI: Q.11.5.2

AGC: n/a

The method of accounts administration in CDCP requires that participants clients' assets are segregated from the participants' assets. The CDCP system as well as the legal framework allow to transfer securities between individual accounts.

387 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

PFMI: Q.11.5.2

AGC: 42

- Yes
 No
 Not applicable
 OTHER:

388 G11Q120

If yes, is segregation required or simply permitted?

PFMI: Q.11.5.2

AGC: 42a

Required [A01]

389 G11Q121

How does segregation occur?

PFMI: Q.11.5.2

AGC: 42b, 42c

- By separately designated participant accounts.
 By sub-accounts within a single participant account.
 By separately designated beneficial owner accounts.
 OTHER:

390 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

PFMI: Q.11.5.2

AGC: 43, 43b

Yes [A01]

391 G11Q123

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

PFMI: Q.11.5.2

AGC: 43a

Yes [Y]

392 G11Q124

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

PFMI: Q.11.5.2

AGC: 53, 53a

- Yes
 No
 Not applicable
 OTHER:

393 G11Q125

Does the CSD provide services other than central safekeeping and administration of securities and settlement? If so, what services?

PFMI: Q.11.6.1

AGC: n/a

394 G11Q126

Please indicate services you provide.

PFMI: Q.11.6.1

AGC: 35

Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
 Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
 In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
 Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
 Same day turnaround settlements.
 Information on distribution of new issues (IPO, Privatization).
 Not applicable
 OTHER:

395 G11Q127
Automatic securities lending facility is provided for:

PFMI: Q.11.6.1
AGC: 35a

Brokers
 Banks
 Other financial institutions
 OTHER:

396 G11Q128
If collateral handling, please provide details

PFMI: Q.11.6.1
AGC: 35c

397 G11Q129
Other, please explain:

PFMI: Q.11.6.1
AGC: 35d

assigning ISIN and other codes; information on new or cancelled securities issues or on changes to securities issues in its books; redemption of principal and yield/dividend at the request of issuer; assigning LEI codes; Shareholders registry (book-entry and registered paper form securities), CA processing support (incl. tax, GM, information services), Pledge registry, Registry of transfers as collateral; opening and administration of links with other CSDs

398 G11Q130
What procedures are in place for the processing of corporate action entitlements?

PFMI: Q.11.6.1
AGC: 36

Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
 Credited to the securities account upon actual receipt by the CSD.
 Corporate action entitlements are handled by an entity separate from the CSD.
 Not applicable
 OTHER: Entitlements resulting from the CA shall be processed in CDCP in compliance with T2S standards.

399 G11Q131
Credited to the securities account:

PFMI: Q.11.6.1
AGC: 36a

On pay date.
 On pay date +1.
 On pay date +2.
 OTHER:

400 G11Q132
Name of entity:

PFMI: Q.11.6.1
AGC: 36c

401 G11Q133
What procedures are in place for the processing of interest and dividends?

PFMI: Q.11.6.1

AGC: 37, 37d.

Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
 Credited to the cash account upon actual receipt by the CSD.
 Income and dividend collection is handled by an entity separate from the CSD.
 Not applicable
 OTHER: Due to market practice the payments of yields are processed by the participants or banks out of CDCP system.

402 G11Q134
 Credited to the cash account:

PFMI: Q.11.6.1
 AGC: 37a

On pay date.
 On pay date +1.
 On pay date +2.
 OTHER:

403 G11Q135
 Name of entity:

PFMI: Q.11.6.1
 AGC: 37c

404 G11Q136
 If the CSD provides services other than central safekeeping and administration of securities and settlement, how does it identify the risks associated with those activities, including potential credit and liquidity risks? How does it measure, monitor and manage these risks, including legally separating services other than safekeeping and administration of securities where necessary?

PFMI: Q.11.6.2
 AGC: n/a

n/a - Potential credit and liquidity risks are not associated with other services provided by CDCP.

405 G11Q137
 filecount - Add relevant appendices for this group.

PFMI: n/a
 AGC: n/a

0

Exchange-of-value settlement systems (PFMI Principle 12)

406 G12Q001
 Summary narrative for PFMI Principle 12. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P12
 AGC: n/a

CDCP provides settlement services via T2S. This ensures that DVP/DWP transactions shall be settled as concurrent transfer of securities between the securities accounts and of cash funds between the cash accounts (dedicated cash accounts).

407 G12Q002
 How do the CSD's legal, contractual, technical and risk management frameworks ensure that the final settlement of relevant financial instruments eliminates principal risk? What procedures ensure that the final settlement of one obligation occurs if and only if the final settlement of a linked obligation also occurs?

PFMI: Q.12.1.1
 AGC: n/a

Procedures ensuring that final settlement of one obligation occurs at the same time as final settlement of linked obligation are guaranteed technically (technical documentation of T2S) and legally (CDCP Rules of Settlement System).

408 G12Q003
 Does the CSD guaranty settlement?

PFMI: Q.12.1.1
AGC: 66u.

No [A01]

409 G12Q004

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

PFMI: Q.12.1.1
AGC: 66v.

410 G12Q005

How are the linked obligations settled - on a gross basis (trade by trade) or on a net basis?

PFMI: Q.12.1.2
AGC: n/a

on gross basis

411 G12Q006

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

PFMI: Q.12.1.2
AGC: 48

Model1
 Model2
 Model3
 Not applicable
 OTHER:

412 G12Q007

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

PFMI: Q.12.1.3
AGC: 48a

DVP transaction is settled by debiting the seller's securities account (in T2S), crediting the buyer's securities account (in T2S), debiting the buyer's funds account (DCA in T2S), and crediting the seller's funds account (DCA in T2S). All transfers are final at the instant the debits and credits are posted to the securities and funds accounts. Our settlement procedures do not differ from the description of Model 1.

413 G12Q008

Is the finality of settlement of linked obligations simultaneous?

PFMI: Q.12.1.3
AGC: n/a

Yes [Y]

414 G12Q009

If not, what is the timing of finality for both obligations? Is the length of time between the blocking and final settlement of both obligations minimised?

PFMI: Q.12.1.3
AGC: n/a

n/a

415 G12Q010

Are the cash and security movements simultaneous?

PFMI: Q.12.1.3
AGC: 49

Yes [A01]

416 G12Q011
 If cash and security movements are not simultaneous, please indicate the duration of the timing gap
 PFM: Q.12.1.3
 AGC: 49a
 Other: n/a

417 G12Q012
 filecount - Add relevant appendices for this group.
 PFM: n/a
 AGC: n/a
 0

Participant default rules and procedures (PFMI Principle 13)

418 G13Q001
 Summary narrative for PFMI Principle 13. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)
 PFM: Annex A - CSD disclosure template - IV.P13
 AGC: n/a
 CDCP rules contain all precautions that CDCP will perform in the event of a participant's failure. The precautions include solving of the participant's default, other participants and relevant authorities and the measures to solve the operating failures.
 The participant's default is defined as the situation when an insolvency proceedings against participant have started as defined in Article 2 (j) of Directive 98/26/ES. It means a collective measure provided by relevant law of the participant's country or third country with the purpose of liquidation or reorganization of participant where such a measure involves the temporary suspension or the imposition of a limitation on transfer or payments.
 Operating failure is occurrence of incident that prevents a participant from fulfilling the obligations of a participant, unavailability of technical infrastructure of participant's communication service provider, or any other operational problem on the side of the participant.
 CDCP measures include the immediate measures (restrictions on participants accounts, management of instructions and transactions affected by default) which might include suspending or limiting access of a failed participant to certain or all services, removing access, withdrawing access, whereas CDCP decision will depend on the assessment of all circumstances of the particular case.
 CDCP performs testing of all possibly and available scenarios of a participant's default once a year, respectively in the event of a change in the CDCP procedures. The participants are required to participate in the test. The test results are presented to the Risk Manager, the Board of Directors, the User Committee and the national authority.
 The roles and responsibilities of each level of CDCP management are documented in internal directive on participants default. The key aspects of CDCP's participants default rules are publicly available on CDCP website as the part of Rules of Operation.

419 G13Q002
 Do the CSD's rules and procedures clearly define an event of default (both a financial and an operational default of a participant) and the method for identifying a default? How are these events defined?
 PFM: Q.13.1.1
 AGC: n/a
 Yes. Financial default is defined as: the situation when a bankruptcy procedure againsts participant has been started as defined in Article 2 (j) of Directive 98/26/ES what means a collective measure provided by relevant law of the participants country or third country with the purpose of liquidation or reorganization of participant where such a measure involves the temporary suspension or limitation on transfer or payments. Operational failure is an existing occurrence that prevents a participant from fulfilling the obligations of a participant or its communications service with technical infrastructure or any other operational problems on the side of the participant.

420 G13Q003
 How do the CSD's rules and procedures address the following key aspects of a participant default: a) the actions that the CSD can take when a default is declared, b) the extent to which the actions are automatic or discretionary, c) changes to normal settlement practices, d) the management of transactions at different stages of processing, e) the expected treatment of proprietary and customer transactions and accounts, f) the probable sequencing of actions, g) the roles, obligations and responsibilities of the various parties, including non-defaulting participants, and h) the existence of other mechanisms that may be activated to contain the impact of a default?
 PFM: Q.13.1.2
 AGC: n/a
 The CDCP rules include all precautions that the CDCP will perform in the event of a participants failure, including informing other participants and relevant authorities on a default participant. CDCP measures include immediate measures (restrictions on participants accounts, management of instructions and transactions affected by default) which may include suspending or limiting access of failed participant to certain or all services, removing access or withdrawing access that CDCP will decide on upon assessment of all circumstances of the particular case.

421 G13Q004
 During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?
 PFM: Q.13.1.2

AGC: 77
No [A02]

422 G13Q005
How was the situation resolved? Or if you answered "Other," then please explain:

PFMI: Q.13.1.2
AGC: 77a

423 G13Q006
Does the stock exchange have default protections that extend to the CSD, such as the following?

PFMI: Q.13.1.2
AGC: 80

 Margin requirements for stock exchange members
 Guaranty fund for stock exchange members
 Financial requirements for stock exchange membership
 No
 Not applicable
 OTHER:

424 G13Q007
Please explain:

PFMI: Q.13.1.2
AGC: 80a

425 G13Q008
How do the CSD's rules and procedures allow the CSD to promptly use any financial resources that it maintains for covering losses and containing liquidity pressures arising from default, including liquidity facilities?

PFMI: Q.13.1.3
AGC: n/a

N/A - CDCP does not guarantee settlement and therefore does not hold any financial reserves, nor does it have access to other sources of liquidity that it could use to cover the default.

426 G13Q009
How do the CSD's rules and procedures address the order in which the financial resources can be used?

PFMI: Q.13.1.4
AGC: n/a

N/A

427 G13Q010
Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

PFMI: Q.13.1.4
AGC: 76, 76d

 CSD insurance covers the loss
 The CSD guaranty fund covers the loss
 Loss is shared among participants
 Not applicable
 OTHER:

428 G13Q011
Please explain the process:

PFMI: Q.13.1.4
AGC: 76a

429 G13Q012
Please explain the process of how the loss is shared:

PFMI: Q.13.1.4
AGC: 76b

430 G13Q013
Please explain:

PFMI: Q.13.1.4
AGC: 76d

Participant is liable for fulfillment of its obligations. Neither CSD nor its participants are liable for obligations of defaulting participant.

431 G13Q014
How do the CSD's rules and procedures address the replenishment of resources following a default?

PFMI: Q.13.1.5
AGC: n/a

n/a

432 G13Q015
Does the CSD's management have internal plans that clearly delineate the roles and responsibilities for addressing a default? What are these plans?

PFMI: Q.13.2.1
AGC: n/a

Yes. The internal directive on participants default clearly describes the roles and responsibilities of each level of CDCP management.

433 G13Q016
What type of communication procedures does the CSD have in order to reach in a timely manner all relevant stakeholders, including regulators, supervisors and overseers?

PFMI: Q.13.2.2
AGC: n/a

email, regular post

434 G13Q017
How frequently are the internal plans to address a default reviewed? What is the governance arrangement around these plans?

PFMI: Q.13.2.3
AGC: n/a

CDCP tests the internal plans at least once a year with the participants, respectively more often in case of a change in the internal plan. In the event of inconsistencies during testing, CDCP will update its internal plan to remove them.

435 G13Q018
How are the key aspects of the CSD's participant default rules and procedures made publicly available? How do they address: a) the circumstances in which action may be taken, b) who may take those actions, c) the scope of the actions which may be taken, including the treatment of both proprietary and customer positions, funds and assets, d) the mechanisms to address an CSD's obligations to non-defaulting participants, and e) where direct relationships exist with participants' customers, the mechanisms to help address the defaulting participant's obligations to its customers?

PFMI: Q.13.3.1
AGC: n/a

All aspects regarding the participants are publicly available in CDCP Rules of Operation.

436 G13Q019
How does the CSD engage with its participants and other relevant stakeholders in the testing and review of its participant default procedures? How frequently does it conduct such tests and reviews? How are these tests results used? To what extent are the results shared with the board, risk committee and relevant authorities?

PFMI: Q.13.4.1
AGC: n/a

CDCP test the participant's failure procedures once a year, respectively in the event of a change in the CDCP procedure. Participants are required to participate the testing. The test results are presented to the risk manager, the board of directors, the user committee and the national authority.

437 G13Q020

What range of potential participant default scenarios and procedures do these tests cover? To what extent does the CSD test the implementation of the resolution regime for its participants?

PFMI: Q.13.4.2

AGC: n/a

The CDCP performs testing of all possibly and available scenarios of a participant's default.

438 G13Q021

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

General business risk (PFMI Principle 15)

439 G14Q001

Summary narrative for PFMI Principle 15. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P15

AGC: n/a

A financial audit is performed annually by an independent Audit company. CDCP has internal processes to assure sufficient own resources to cover possible loss incurred due to risk materialisation. Own resources (incl. retained earnings and reserves) are held in compliance with relevant regulations proportionally to the risks the Company is exposed to. CSD is holding liquid net assets covering 6 months operating expenses in average and in compliance with the regulation, CDCP holds only short time fixed deposits. CDCP has a plan to raise additional equity if necessary (when assets are below 80% of the capital requirements).

440 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

PFMI: Q.17.2.3

AGC: 15

Yes [Y]

441 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

PFMI: n/a

AGC: 15a.

ACCEPT AUDIT & CONSULTING, s.r.o., Baštová 38, 080 01 Prešov, SLOVAKIA

442 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

PFMI: n/a

AGC: 15b.

31/03/2017

443 G14Q005

Please list the period that the audit covered:

PFMI: n/a

AGC: 15c.

Start date: 01/01/2016

End date: 31/12/2016

444 G14Q006
How frequently does the financial audit occur?

PFMI: n/a
AGC: 15d.

Annually [A02]

445 G14Q007
If less than annually, please explain:

PFMI: n/a
AGC: 15e.

446 G14Q008
Please select the statement that most accurately characterizes the results of the last financial audit:

PFMI: n/a
AGC: 15g.

No material exceptions found. [A01]

447 G14Q009
If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: n/a
AGC: 15h.

448 G14Q010
Has there been any material loss by the CSD during the past three years?

PFMI: n/a
AGC: 86

Not applicable [A03]

449 G14Q011
If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

PFMI: n/a
AGC: 86a.

450 G14Q012
Has the CSD been subject to any litigation involving a participant during the past three years?

PFMI: n/a
AGC: 87

No [A02]

451 G14Q013
Please explain the circumstances and resolution:

PFMI: n/a
AGC: 87a.

452 G14Q014
Has the CSD realized revenues sufficient to cover expenses during the past three years?

PFMI: n/a
AGC: 88, 88a

Yes for all three years [A01]

453 G14Q015
Has any participant suffered any losses in the past three years due to the CSD's performance?

PFMI: n/a
AGC: 30, 30m

No [A02]

454 G14Q016
If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

PFMI: n/a
AGC: 30a, 30j

- Corporate Action
- Settlement Process - Securities
- Settlement Process - Cash
- System Outage
- OTHER:

455 G14Q017
Corporate Action. Please specify number of instances:

PFMI: n/a
AGC: 30b.

456 G14Q018
Corporate Action. Please specify total loss in USD:

PFMI: n/a
AGC: 30c.

n/a

457 G14Q019
Settlement Process - Securities. Please specify number of instances:

PFMI: n/a
AGC: 30d.

458 G14Q020
Settlement Process - Securities. Please specify total loss in USD:

PFMI: n/a
AGC: 30e.

n/a

459 G14Q021
Settlement Process - Cash. Please specify number of instances:

PFMI: n/a
AGC: 30f.

460 G14Q022
Settlement Process - Cash. Please specify total loss in USD:

PFMI: n/a
AGC: 30g.

n/a

461 G14Q023
System Outage. Please specify number of instances:

PFMI: n/a
AGC: 30h.

462 G14Q024
System Outage. Please specify total loss in USD:

PFMI: n/a
AGC: 30i.

n/a

463 G14Q025
For Other, please specify number of instances:

PFMI: n/a
AGC: 30k.

none

464 G14Q026
For Other, please specify total loss in USD:

PFMI: n/a
AGC: 30i.

n/a

465 G14Q027
How does the CSD identify its general business risks? What general business risks has the CSD identified?

PFMI: Q.15.1.1
AGC: n/a

General business risk is explained in the risk policy and covered as described in the capital requirements policy.

466 G14Q028
How does the CSD monitor and manage its general business risks on an ongoing basis? Does the CSD's business risk assessment consider the potential effects on its cash flow and (in the case of a privately operated CSD? capital?

PFMI: Q.15.1.2
AGC: n/a

General business risks are subject to periodical review.

467 G14Q029
Does the CSD hold liquid net assets funded by equity so that it can continue operations and services as a going concern if it incurs general business losses?

PFMI: Q.15.2.1
AGC: n/a

yes

468 G14Q030
Does the CSD maintain a reserve for operating losses?

PFMI: Q.15.2.1
AGC: 89, 89b

Yes [A01]

469 G14Q031
How does the CSD calculate the amount of liquid net assets funded by equity to cover its general business risks?

PFMI: Q.15.2.2
AGC: n/a

Calculations are made in accordance with the Capital requirement policy

470 G14Q032

How does the CSD determine the length of time and associated operating costs of achieving a recovery or orderly wind-down of critical operations and services?

PFMI: Q.15.2.2
AGC: n/a

Calculations are made in accordance with the Capital requirement policy

471 G14Q033

Please describe and indicate reserve (for operating losses) amount:

PFMI: Q.15.2.2
AGC: 89a.

The amount of depository's Reserve fund as of 14 October 2016 was 319 301,- EUR.

472 G14Q034

Has the CSD developed a plan to achieve a recovery or orderly wind-down, as appropriate?

PFMI: Q.15.3.1a
AGC: n/a

Yes [Y]

473 G14Q035

If yes, what does this plan take into consideration (for example, the operational, technological and legal requirements for participants to establish and move to an alternative arrangement)?

PFMI: Q.15.3.1b
AGC: n/a

Establishing of the alternative operation site, plan containing wind-down procedures

474 G14Q036

What amount of liquid net assets funded by equity is the CSD holding for purposes of implementing this plan? How does the CSD determine whether this amount is sufficient for such implementation? Is this amount at a minimum equal to six months of the CSD's current operating expenses?

PFMI: Q.15.3.2
AGC: n/a

CSD is holding liquid net assets in average of 6months operating expenses

475 G14Q037

How are the resources designated to cover business risks and losses separated from resources designated to cover participant defaults or other risks covered under the financial resources principles?

PFMI: Q.15.3.3
AGC: n/a

All the risks are defined and valuated, its summary defines capital requirements.

476 G14Q038

Does the CSD include equity held under international risk-based capital standards to cover general business risks?

PFMI: Q.15.3.4
AGC: n/a

Yes

477 G14Q039

What is the composition of the CSD's liquid net assets funded by equity? How will the CSD convert these assets as needed into cash at little or no loss of value in adverse market conditions?

PFMI: Q.15.4.1

AGC: n/a

The only CDCP investments are short time fixed deposits.

478 G14Q040

How does the CSD regularly assess the quality and liquidity of its liquid net assets funded by equity to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions?

PFMI: Q.15.4.2

AGC: n/a

In compliance with the investments policy the investment package and its quality are reviewed at least annually

479 G14Q041

Has the CSD developed a plan to raise additional equity? What are the main features of the CSD's plan to raise additional equity should its equity fall close to or fall below the amount needed?

PFMI: Q.15.5.1

AGC: n/a

Yes, CDCP has a plan to raise additional equity.

480 G14Q042

How frequently is the plan to raise additional equity reviewed and updated?

PFMI: Q.15.5.2

AGC: n/a

At least annually or when the capital requirements drops to 80% or less

481 G14Q043

What is the role of the CSD's board (or equivalent) in reviewing and approving the CSD's plan to raise additional equity if needed?

PFMI: Q.15.5.3

AGC: n/a

Board of Directors approves the proposal to rise additional equity.

482 G14Q044

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Custody risk (PFMI Principle 16)

483 G15Q001

Summary narrative for PFMI Principle 16. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P16

AGC: n/a

CDCP investment strategy and risk management policy (and related procedures) are reviewed regularly by the relevant employees. Except that, the investment strategy is disclosed to the National Bank of Slovakia (the central bank). CDCP makes deposits only in banks, and these are regulated entities, supervised, obliged to implement relevant policies and procedures. Only domestic banks are used, no assets (CDCP or participant) held with foreign custodians. To avoid concentration of credit risk exposures CDCP investments are limited to short terms deposits, are distributed in minimum 3 banks and value is maximum of 40% of total available amount.

484 G15Q002

If the CSD uses custodians, how does the CSD select its custodians? What are the specific selection criteria the CSD uses, including supervision and regulation of these entities? How does the CSD monitor the custodians' adherence to these criteria?

PFMI: Q.16.1.1

AGC: n/a

CDCP deposits its asset only in banks, i.e. regulated financial institutions. The rule is that CDCP makes only short-term deposits and it is never only in one bank.

485 G15Q003
Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

PFMI: Q.16.1.1
AGC: 29, 29i

- Yes
- No
- Not applicable
- OTHER:

486 G15Q004
If third parties are employed, please indicate which services they supply:

PFMI: Q.16.1.1
AGC: 29a.

487 G15Q005
If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

PFMI: Q.16.1.1
AGC: 29b.

488 G15Q006
If you acknowledge responsibility, please indicate whether your responsibility is assumed

PFMI: Q.16.1.1
AGC: 29c, 29e.

- regardless of whether such loss was caused by any action or inaction of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- if the loss was caused by the willful default or other willful conduct on the part of the agent
- OTHER:

489 G15Q007
If you acknowledge responsibility for agents, your responsibility is assumed for losses

PFMI: Q.16.1.1
AGC: 29d, 29h.

- without limit
- which are not consequential losses
- subject to a monetary limit not based on insurance limits
- subject to a monetary limit based on insurance limits
- OTHER: not applicable

490 G15Q008
Please specify limit:

PFMI: Q.16.1.1
AGC: 29f.

491 G15Q009
Please specify limit:

PFMI: Q.16.1.1
AGC: 29g.

492 G15Q010

How does the CSD verify that these entities have robust accounting practices, safekeeping procedures, and internal controls that fully protect its and its participants' assets?

PFMI: Q.16.1.2
AGC: n/a

CDCP deposits its asset only in banks, and these are regulated entities, supervised, obliged to implement relevant policies and procedures

493 G15Q011

How has the CSD established that it has a sound legal basis to support enforcement of its interest or ownership rights in assets held in custody?

PFMI: Q.16.2.1
AGC: n/a

CDCP deposits its asset only in banks, and these are regulated entities, supervised, obliged to implement relevant policies and procedures

494 G15Q012

How does the CSD ensure that it has prompt access to its assets, including securities that are held with a custodian in another time zone or legal jurisdiction, in the event of participant default?

PFMI: Q.16.2.2
AGC: n/a

Only domestic banks are used, no assets (CDCP or participant) held with foreign custodians.

495 G15Q013

How does the CSD evaluate and understand its exposures to its custodian banks? In managing those exposures, how does it take into account the full scope of its relationship with each custodian bank? For instance, does the CSD use multiple custodians for the safekeeping of its assets to diversify exposure to any single custodian? How does the CSD monitor concentration of risk exposures to its custodian banks?

PFMI: Q.16.3.1
AGC: n/a

CDCP Risk Management procedures include also monitoring and assessing also its financial risk. Risk exposure to the bank is covered as well. CDCP implemented documents regulating capital adequacy, investment principles and concentration limits.

496 G15Q014

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

PFMI: Q.16.3.1
AGC: 62

no applicable

497 G15Q015

How does the CSD ensure that its investment strategy is consistent with its overall risk management strategy?

PFMI: Q.16.4.1a
AGC: n/a

All written procedures, investment and risk management policy are reviewed regularly by the relevant employees.

498 G15Q016

How and to whom does the CSD disclose its investment strategy?

PFMI: Q.16.4.1b
AGC: n/a

The investment strategy is disclosed to the National Bank of Slovakia (the central bank).

499 G15Q017

How does the CSD ensure on an ongoing basis that its investments are secured by, or are claims on, high-quality obligors?

PFMI: Q.16.4.2

AGC: n/a

CDCP makes its investments in compliance with the investments policy.

500 G15Q018

How does the CSD consider its overall exposure to an obligor in choosing investments? What investments are subject to limits to avoid concentration of credit risk exposures?

PFMI: Q.16.4.3

AGC: n/a

The investments are limited to short terms investments only, are distributed in minimum 3 banks and value is maximum of 40% of total available amount.

501 G15Q019

Does the CSD invest participant assets in the participants' own securities or those of its affiliates?

PFMI: Q.16.4.4

AGC: n/a

No

502 G15Q020

How does the CSD ensure that its investments allow for quick liquidation with little, if any, adverse price effect?

PFMI: Q.16.4.5

AGC: n/a

The only investments made are short time fixed deposits and contract conditions.

503 G15Q021

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Operational risk (PFMI Principle 17)

504 G16Q001

Summary narrative for PFMI Principle 17. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P17

AGC: n/a

Operational Risk Management is part of CDCP's risk management system. CDCP identified sources of operational risk in area of IT systems, human resources, from site of the external service providers, in external frauds, natural disasters and external attacks. Operational risk management framework is approved by the Board of Directors and is regularly reviewed. Requirements of the CSDR Regulation and other applicable EU regulations have been implemented into CDCP policies, rules and practice. Activities connected to the operational risks management are coordinated by the Risk Manager, who reports to the BoD and the Supervisory Board twice a year.

CDCP implemented practices for IT service management according to ITIL and information security standard ISO 27001. Before CDCP implement any major change of the IT systems, or starts to provide new service or product, detailed analysis is made. The operation environment has sufficient capacity to process all received transactions and volume stress-test are made at least annually. Each business process has assigned the recovery time what is reflected in relevant IT systems recovery plans, possible utilisation of secondary processing site is included. Business Continuity and Recovery plans are tested annually.

CDCP monitors operation of the key participants to mitigate related risks and with regard to connectivity of the participants to the CDCP Settlement System, their compliance with relevant requirements is necessary. With regards to operational risk the CDCP is exposed to by the service and utility providers, CDCP is performing detailed risk analysis. If identified risk is not acceptable the contract is terminated or not concluded.

Adequacy, effectiveness and reliability of management, operational and information systems and processes are reviewed by the Internal Audit

Department. The controls conducted by the Internal Audit are executed according to the plans of internal controls approved by the BoD and the Supervisory Board. The external audits may be performed by the regulator - the National Bank of Slovakia (on its discretion) or by the external independent auditor – ad-hoc, based on CDCP order.

505 G16Q002

What are the CSD's policies and processes for identifying the plausible sources of operational risks? How do the CSD's processes identify plausible sources of operational risks, whether these risks arise from internal sources (for example, the arrangements of the system itself, including human resources), from the CSD's participants or from external sources?

PFMI: Q.17.1.1

AGC: n/a

Operational risk management is an integral part of CDCP's risk management system. For details see answers in the part Comprehensive risk management.

506 G16Q003

What sources of operational risks has the CSD identified? What single points of failure in its operations has the CSD identified?

PFMI: Q.17.1.2

AGC: n/a

The plausible sources of operational risks identified by CDCP are IT systems, human resources, external service providers, external frauds, natural disasters and external attacks.

507 G16Q004

How does the CSD monitor and manage the identified operational risks? Where are these systems, policies, procedures and controls documented?

PFMI: Q.17.1.3

AGC: n/a

Refer to Q.17.1.1

508 G16Q005

What policies, processes and controls does the CSD employ that are designed to ensure that operational procedures are implemented appropriately? To what extent do the CSD's systems, policies, processes and controls take into consideration relevant international, national and industry-level operational risk management standards?

PFMI: Q.17.1.4

AGC: n/a

All Operational Risk management requirements derived from CSDR Regulation and other applicable EU regulations have been implemented into CDCP policies, rules as well as practice. CDCP implemented internal control mechanisms to ensure compliance with mentioned policies and procedures and to ensure their compliance with relevant regulation.

509 G16Q006

What are the CSD's human resources policies to hire, train and retain qualified personnel, and how do such policies mitigate the effects of high rates of personnel turnover or key-person risk? How do the CSD's human resources and risk management policies address fraud prevention?

PFMI: Q.17.1.5

AGC: n/a

CDCP has stable and functional system for remuneration /remuneration policy, remuneration committee/, providing for transparent, non-discriminatory and consistent method to set salaries for individual positions/functions. The remuneration policy is compliant with the business strategy, goals, values and long-term interest of the company. Measure preventing the conflict of interest are included (CDCP has separate regulation managing conflict of interests). CDCP adopted internal regulations for e.g. Training and education of employees, Organisation rules, Working regulations. CDCP has separate Human resources department.

510 G16Q007

How do the CSD's change management and project management policies and processes mitigate the risks that changes and major projects inadvertently affect the smooth functioning of the system?

PFMI: Q.17.1.6

AGC: n/a

Operational risk management is present in CDCP's change management and project management procedures. Without a detailed risk analysis neither a major change nor new product may be put into life.

511 G16Q008

How has the board of directors defined the key roles and responsibilities for operational risk management?

PFMI: Q.17.2.1

AGC: n/a

Risk manager is a key person who coordinates all activities in the area of operational risks management and reports to the board of directors as well as the supervisory board. Senior management as well as middle management are regularly involved.

512 G16Q009

Does the CSD's board explicitly review and endorse the CSD's operational risk management framework? How frequently does the board review and endorse the CSD's operational risk management framework?

PFMI: Q.17.2.2

AGC: n/a

Operational risk management framework as a part of comprehensive risk management is endorsed by the board. It reviews the framework semi-annually when the regular risk report is submitted by the risk officer.

513 G16Q010

How does the CSD review, audit and test its systems, policies, procedures and controls, including its operational risk management arrangements with participants? How frequently does the CSD conduct these reviews, audits and tests with participants?

PFMI: Q.17.2.3

AGC: n/a

Policies and procedures (notably BC plans and recovery plans) are tested annually. Operational risk management has not been audited yet since the internal audit function has been established only recently, three years auditing period could be expected.

514 G16Q011

Internal Audit. Is an internal audit undertaken in your CSD?

PFMI: Q.17.2.3

AGC: 14

Yes [Y]

515 G16Q012

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

PFMI: Q.17.2.3

AGC: 14a.

The Internal Audit Department provides assurance on the risk management activities related to ensuring the adequacy and effectiveness of management, operational and information processes and systems in terms of achieving the objectives and tasks of the CSD, reliability and integrity of financial and operational information, efficiency, effectiveness and cost - asset protection and compliance with generally binding legislation, internal regulations, contracts, and recommendations for its improvement.

516 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

PFMI: Q.17.2.3

AGC: 14b.

Start date: 01/01/2017

End date: 29/11/2017

Audit date: 22/12/2017

517 G16Q014

How frequently does the internal audit occur?

PFMI: Q.17.2.3

AGC: 14c.

Two or more times a year [A01]

518 G16Q015

If less than annually, please explain:

PFMI: Q.17.2.3
AGC: 14d.

519 G16Q016
Are the results of the internal audit publicly available?

PFMI: Q.17.2.3
AGC: 14e.

No [N]

520 G16Q017
Please select the statement that most accurately characterizes the results of the last internal audit:

PFMI: Q.17.2.3
AGC: 14f.

Minor exceptions found. [A02]

521 G16Q018
If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: Q.17.2.3
AGC: 14g.

Remedies have been imposed on the respondents. The implementation of the measures is subject to supervision by the Internal Audit department. After exiting deadlines, a follow-up audit will be performed.

522 G16Q019
To what extent, where relevant, is the CSD's operational risk management framework subject to external audit?

PFMI: Q.17.2.4
AGC: n/a

Risk management framework is audited based on the audit plan by the internal audit department in cooperation with external auditor.

523 G16Q020
Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

PFMI: Q.17.2.4
AGC: 16

Yes [Y]

524 G16Q021
If yes, please state the name(s) of the entity(ies) who perform the operational audit.

PFMI: Q.17.2.4
AGC: 16a.

Regulatory Authority - National Bank of Slovakia (NBS); external party - independent auditor appointed by the CSD

525 G16Q022
Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

PFMI: Q.17.2.4
AGC: 16b.

22/04/2009

526 G16Q023
Please list the period that the audit covered:

PFMI: Q.17.2.4
AGC: 16c.

Start date: 11/02/2008
End date: 4/3/2009

527 G16Q024
How frequently does the operational audit occur?

PFMI: Q.17.2.4
AGC: 16d.

Less than annually [A03]

528 G16Q025
If less than annually, please explain:

PFMI: Q.17.2.4
AGC: 16e.

ad-hoc: upon deliberation of the National Bank of Slovakia; an independent auditor is appointed by the CSD when needed

529 G16Q026
Please select the statement that most accurately characterizes the results of the last operational audit:

PFMI: Q.17.2.4
AGC: 16g.

530 G16Q027
If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: Q.17.2.4
AGC: 16h.

531 G16Q028
What are the CSD's operational reliability objectives, both qualitative and quantitative? Where and how are they documented?

PFMI: Q.17.3.1
AGC: n/a

The CDCP has several qualitative and quantitative indicators of operational reliability. These are documented in the relevant internal regulations of the CDCP and are regularly reported to the management of the CDCP, to the user committee and to the supervisory authority.

532 G16Q029
How do these objectives ensure a high degree of operational reliability?

PFMI: Q.17.3.2
AGC: n/a

The targets are set so that the CDCP system can process the usual volume of transactions on the market and make the system available to participants in the specified percentage range (98%) of the total declared availability of the system in a given period.

533 G16Q030
What are the policies in place that are designed to achieve the CSD's operational reliability objectives to ensure that the CSD takes appropriate action as needed?

PFMI: Q.17.3.3
AGC: n/a

The operational reliability objectives are ensured by the CDCP in accordance with the Information Security Management System Policy and other relevant internal regulations governing among other things the continuity of operation of CDCP information systems, implementation of planned changes to the production environment after the notification of the participants and at the respective phase of the operating day (maintenance window), security in the development of information systems and change management.

534 G16Q031
How does the CSD review, audit and test the scalability and adequacy of its capacity to handle, at a minimum, projected stress volumes? How frequently does the CSD conduct these reviews, audits and tests?

PFMI: Q.17.4.1
AGC: n/a

The operation environment is developed and maintained with adequate spare capacity in relation to usual volume of transactions on the market. The operation environment has sufficient capacity to process all transactions before the end of the operation day phase. The CDCP tests stress volumes processing at least 1 x per year.

535 G16Q032
How are situations where operational capacity is neared or exceeded addressed?

PFMI: Q.17.4.2
AGC: n/a

The participants are obliged to report increase in volume of transactions to CDCP. That allows CDCP to monitor processing and to increase IT sources for virtual operation environment in advance.

536 G16Q033
What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of physical vulnerabilities and threats on an ongoing basis?

PFMI: Q.17.5.1
AGC: n/a

CDCP has all necessary documents covering procedures and policies (internal documents) addressing all relevant risks.

537 G16Q034
How is access to the physical building controlled?

PFMI: Q.17.5.1
AGC: 74

By guards
 By electronic keys
 personal ID card
 By alarm system
 OTHER:

538 G16Q035
Please explain:

PFMI: Q.17.5.1
AGC: 74a.

539 G16Q036
Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for physical security?

PFMI: Q.17.5.2
AGC: n/a

Yes, CDCP takes in account relevent international and national standards.

540 G16Q037
What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of information security vulnerabilities and threats on an ongoing basis?

PFMI: Q.17.5.3
AGC: n/a

CDCP has implemented practices for IT service management according to ITIL and information security standards according to ISO 27001 which covers also incident and change management and testing procedures. According to information security standards CDCP maintains plans for risk mitigation actions and monitoring activities which are regularly reviewed and updated (4 times in year).

541 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

PFMI: Q.17.5.3
AGC: 71 71a.

Yes [A01]

542 G16Q039
Does each user have a unique user ID?

PFMI: Q.17.5.3
AGC: 71c.

Yes [A01]

543 G16Q040
Are passwords regularly changed?

PFMI: Q.17.5.3
AGC: 71e.

Yes [A01]

544 G16Q041
How often?

PFMI: Q.17.5.3
AGC: 71f.

annually

545 G16Q042
Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

PFMI: Q.17.5.3
AGC: 71h.

Not applicable [A03]

546 G16Q043
How many?

PFMI: Q.17.5.3
AGC: 71i.

547 G16Q044
Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for information security?

PFMI: Q.17.5.4
AGC: n/a

Yes, please see answer to Q.17.5.3.

548 G16Q045
How and to what extent does the CSD's business continuity plan reflect objectives, policies and procedures that allow for the rapid recovery and timely resumption of critical operations following a wide-scale or major disruption?

PFMI: Q.17.6.1
AGC: n/a

CDCP categorizes all its processes. For every business process max allowed "return to operation time" is assigned and this is reflected in relevant IT systems recovery plans and processes in order to resume of critical operations following any disruption.

549 G16Q046
How and to what extent is the CSD's business continuity plan designed to enable critical IT systems to resume operations within two hours following disruptive events, and to enable the CSD to facilitate or complete settlement by the end of the day even in extreme circumstances?

PFMI: Q.17.6.2
AGC: n/a

All critical CDCP's business processes are identified and relevant IT systems recovery plans and processes are designed with the aim to resume operations within two hours after disruptive events and complete settlement by the end of the day.

550 G16Q047
How quickly can the main system be reactivated in the event of an outage?

PFMI: Q.17.6.2
AGC: 82

1 - 4 hours [A01]

551 G16Q048
How is the contingency plan designed to ensure that the status of all transactions can be identified in a timely manner, at the time of the disruption, and if there is a possibility of data loss, what are the procedures to deal with such loss (for example, reconciliation with participants or third parties)?

PFMI: Q.17.6.3
AGC: n/a

Transaction log is backed up during the day every 15 minutes. Possible loss of data within max 15 minutes would be resolved by reconciliation with participants.

552 G16Q049
How do the CSD's crisis management procedures address the need for effective communications internally and with key external stakeholders and authorities?

PFMI: Q.17.6.4
AGC: n/a

Internal as well as external crisis communication is described in detail in BC plans.

553 G16Q050
Will the CSD publicly announce any system interruption?

PFMI: Q.17.6.4
AGC: 84

Yes [A01]

554 G16Q051
To whom will the CSD disclose any system interruptions?

PFMI: Q.17.6.4
AGC: 84a.

To the CSD regulators
 To all direct participants
 To direct and indirect participants
 To the public via the internet
 In the press
 OTHER: Eurosystem

555 G16Q052
If so, please list webpage address:

PFMI: Q.17.6.4
AGC: 84b.

556 G16Q053
If so, please list all publications:

PFMI: Q.17.6.4
AGC: 84c.

557 G16Q054

Please explain:

PFMI: Q.17.6.4

AGC: 84d.

Eurosystem

558 G16Q055

How will the CSD disclose any system interruptions?

PFMI: Q.17.6.4

AGC: 84e.

By e-mail

By telephone

Public announcement

Press release

OTHER: Public announcement only in case of critical failure. Official letter to the National Bank of Slovakia (CB)

559 G16Q056

Please explain:

PFMI: Q.17.6.4

AGC: 84f.

Public announcement only in case of critical failure. Official letter to the National Bank of Slovakia (CB)

560 G16Q057

How does the CSD's business continuity plan incorporate the use of a secondary site (including ensuring that the secondary site has sufficient resources, capabilities, functionalities and appropriate staffing arrangements)? To what extent is the secondary site located a sufficient geographic distance from the primary site such that it has a distinct risk profile?

PFMI: Q.17.6.5

AGC: n/a

The use of the secondary site is incorporated in respective BC plan comprehensively. Location of the secondary site confidential.

561 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

PFMI: Q.17.6.5

AGC: 83

1 - 4 hours [A01]

562 G16Q059

Has the CSD considered alternative arrangements (such as manual, paper-based procedures or other alternatives) to allow the processing of time-critical transactions in extreme circumstances?

PFMI: Q.17.6.6

AGC: n/a

Yes.

563 G16Q060

How are the CSD's business continuity and contingency arrangements reviewed and tested, including with respect to scenarios related to wide-scale and major disruptions? How frequently are these arrangements reviewed and tested?

PFMI: Q.17.6.7

AGC: n/a

Business continuity and contingency plans shall be tested once a year in line with the annual testing plan approved by the CEO.

564 G16Q061

How does the review and testing of the CSD's business continuity and contingency arrangements involve the CSD's participants, critical service providers and linked CSD? as relevant? How frequently are the CSD's participants, critical service providers and linked CSD? involved in the review and testing?

PFMI: Q.17.6.8
AGC: n/a

Participants, linked CSDs and critical service providers are not involved.

565 G16Q062
BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

PFMI: Q.17.6.8
AGC: 81

Yes [Y]

566 G16Q063
Does your Business Recovery Plan include:

PFMI: Q.17.6.8
AGC: 81a, 81h.

- Back-up of all computer files
- Off-site data storage
- Back-up files stored and locked
- Off-site operations facility
- OTHER:

567 G16Q064
Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

PFMI: Q.17.6.8
AGC: 81b.

n/a

568 G16Q065
Please identify both the frequency and the last date of testing for the following third party: Stock exchange

PFMI: Q.17.6.8
AGC: 81c.

n/a

569 G16Q066
Please identify both the frequency and the last date of testing for the following third party: Central bank

PFMI: Q.17.6.8
AGC: 81d.

n/a

570 G16Q067
Please identify both the frequency and the last date of testing for the following third party: Local brokers

PFMI: Q.17.6.8
AGC: 81e.

n/a

571 G16Q068
Please identify both the frequency and the last date of testing for the following third party: Any other third party

PFMI: Q.17.6.8
AGC: 81f.

n/a

572 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

PFMI: Q.17.6.8
AGC: 85

No [A02]

573 G16Q070

If yes, how much time was needed to implement the recovery plan?

PFMI: Q.17.6.8
AGC: 85a.

574 G16Q071

How much time was needed to recover and restore business to normal operations?

PFMI: Q.17.6.8
AGC: 85b.

575 G16Q072

What was the impact to the market?

PFMI: Q.17.6.8
AGC: 85c, 85d.

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER: no applicable

576 G16Q073

If no or other, please explain

PFMI: Q.17.7.4
AGC: 40a.

577 G16Q074

What risks has the CSD identified to its operations arising from its key participants, other CSD, and service and utility providers? How and to what extent does the CSD monitor and manage these risks?

PFMI: Q.17.7.1
AGC: n/a

Operational failure has been identified as a risk arising from key participants and CSDs. Therefore CDCP monitors operations of key participants and requires measures to be applied in terms of their connectivity to CDCP Settlement System and their participation on the failure testing.

Service and utility providers, namely key providers, expose CDCP to operational risks. Any arrangement undergo detailed risk analysis. If an unacceptable risk exposure has been recognized, the contract is refused or terminated and an alternative provider is searched for.

578 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

PFMI: Q.17.7.1
AGC: 39

- Yes
- No
- Not applicable

579 G16Q076

Please explain

PFMI: Q.17.7.1

AGC: 39a

Yes, there are two firewalls in place. Logs are reviewed on regular basis.

580 G16Q077

If the CSD has outsourced services critical to its operations, how and to what extent does the CSD ensure that the operations of a critical service provider meet the same reliability and contingency requirements they would need to meet if they were provided internally?

PFMI: Q.17.7.2

AGC: n/a

SLA parameters are defined in all contracts with critical service providers.

581 G16Q078

How and to what extent does the CSD identify, monitor and mitigate the risks it may pose to another FMI?

PFMI: Q.17.7.3

AGC: n/a

CDCP has implemented standard risk management procedures also for risk it poses to other FMI

582 G16Q079

To what extent does the CSD coordinate its business continuity arrangements with those of other interdependent CSDs?

PFMI: Q.17.7.4

AGC: n/a

Emergency plans are being developed for all interdependencies.

583 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

PFMI: Q.17.7.4

AGC: 40

Yes [A01]

Appropriate measures for such situation have been incorporated to the Rules of Operation and reflected in practise.

584 G16Q081

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Access and participation requirements (PFMI Principle 18)

585 G17Q001

Summary narrative for PFMI Principle 18. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P18

AGC: n/a

CDCP has established legal, operational and financial criteria for access of participant. Criteria have been determined as measures to mitigate the potential risks of external entity – applicant for participation – on CDCP and its clients. The scope of entities that may become participants in the securities settlement system of CDCP is set by EU regulation. Legal criteria are established to demonstrate the applicant's legal status for granting the access and authorisation to access individual types of services, the existence of applicant as the entity, non-applicability of international sanctions, information on how confidentiality and data protection is ensured by the applicant and information that allows CDCP to assess the applicant from AML point of view. Operational criteria are established to allow CDCP to assess the applicant's operational capacity, adequacy of its operational risk management system and business continuity arrangements, the adequacy of its IT tools and communication with CDCP for performance of activities as CDCP participant, management of the applicant's conflict of interest,

arrangement of information safety by the applicant and the existence of necessary identification codes in order to identify the participant in the CDCP's system or for reporting purposes. Financial criteria are established to assess the applicant's ability to meet its contractual obligations towards CDCP and to perform activities of participant. All access criteria are assessed by CDCP prior to granting the access of participant to securities settlement system. The applicant will be granted the access to settlement system only if it meets all participation criteria and it does not pose any material risks on CDCP and its clients. Participants must meet participation criteria on an ongoing basis. CDCP is authorised to regularly assess compliance of participants with participation criteria, this is done with annual frequency. Participants are bound by the rules of CDCP and the agreement on participation to report any non-compliance with participation criteria without any delay. Should CDCP itself identify any non-compliance with participation criteria it may take remedial measures defined by the Rules of Operation of CDCP. Participation criteria are open and non-discriminatory and they are publicly available on the CDCP's website to any interested party.

586 G17Q002

What are the CSD's criteria and requirements for participation (such as operational, financial and legal requirements)?

PFMI: Q.18.1.1

AGC: n/a

Legal criteria: existence of legal status for granting the access of participant; authorisation for access to individual types of services; identification of supervisory body in case of applicant from country outside the EU; non-applicability of international and European sanctions on the applicant; information on confidentiality and data protection; AML; fulfilment of other legal requirements for granting the access of participant. Operational criteria: sufficient operational capacity; functional operational risk management system; risk management of the applicant which has access through authorised participant (if applicable); management of conflict of interest; business continuity; BIC code, LEI code, appropriate IT tools and communication with CDCP, participation in testing of IT systems; information safety; meeting other operational requirements for granting the access of participant. Financial criteria: sufficient financial resources for meeting the contractual obligations; sufficient financial resources for performance of activities of participant.

587 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

PFMI: Q.18.1.1

AGC: 19

Yes [A01]

588 G17Q004

How do these criteria and requirements allow for fair and open access to the CSD's services, including by direct and, where relevant, indirect participants and other CSD?, based on reasonable risk-related participation requirements?

PFMI: Q.18.1.2

AGC: n/a

Most of participation criteria set by CDCP are risk-related, they are publicly available (in Rules of Operation and the Executory Decree No.3), non-discriminatory (all criteria including requirements on demonstration of participation criteria are published) and they are not based on size of the applicant.

589 G17Q005

How are the participation requirements for the CSD justified in terms of the safety and efficiency of the CSD and its role in the markets it serves, and tailored to and commensurate with the CSD's specific risks?

PFMI: Q.18.2.1

AGC: n/a

Participation criteria were set as mitigation measure in order to minimise the risks for CSD and its clients that might arise from external entities - i.e. from participants.

590 G17Q006

Are there participation requirements that are not risk-based but required by law or regulation? If so, what are these requirements?

PFMI: Q.18.2.2

AGC: n/a

Yes - provision of BIC, LEI and MIC code;

591 G17Q007

What governs the relationship between the CSD and the participants?

PFMI: Q.18.2.2

AGC: 20

Relevant law and regulation

- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- Not applicable
- OTHER:

592 G17Q008

Please explain:

PFMI: Q.18.2.2

AGC: 20a

n/a

593 G17Q009

Are all classes of participants subject to the same access criteria? If not, what is the rationale for the different criteria (for example, size or type of activity, additional requirements for participants that act on behalf of third parties, and additional requirements for participants that are non-regulated entities)?

PFMI: Q.18.2.3

AGC: n/a

No, but the differences are minimal and they apply to a specific class of applicants for access (other market infrastructure).

594 G17Q010

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

PFMI: Q.18.2.3

AGC: 17, 17q

- Banks
- Brokers
- Individuals
- Foreign Institutions
- Not applicable
- OTHER: central bank (1), state debt and liquidity management agency (1), domestic CSD (1);

595 G17Q011

How many Bank participants are there currently? (then please answer 17b)

PFMI: Q.18.2.3

AGC: 17a.

12 (domestic and foreign)

596 G17Q012

Please select the features included in the eligibility requirements for Banks.

PFMI: Q.18.2.3

AGC: 17b, 17d

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Legal, operational and financial criteria applicable to participants as detailed in response to Q.18.1.1 G17.Q.002

597 G17Q013

Please explain:

PFMI: Q.18.2.3

AGC: 17d.

Legal, operational and financial criteria detailed as follows (non-exhaustive list of criteria):

Legal criteria: legal status for granting the access of participant, information on confidentiality and data protection, AML, non-applicability of international sanctions and other legal requirements (if applicable);

Operational criteria: sufficient operational capacity, functional operational risk management system, business continuity arrangement, relevant codes allocated to applicant (BIC, LEI, ...), information security, other operational requirements (if applicable);

Financial criteria: financial resources for meeting contractual obligations and for performance of participant activities

598 G17Q014
How many Broker participants are there currently? (then please answer 17f)

PFMI: Q.18.2.3
AGC: 17e.

7 (domestic and foreign)

599 G17Q015
Please select the features included in the eligibility requirements for Brokers.

PFMI: Q.18.2.3
AGC: 17f, 17h

Financial Thresholds
 Regulatory Oversight
 Market Experience
 OTHER: Legal, operational and financial criteria applicable to participants as detailed in response to Q.18.1.1 G17.Q 002

600 G17Q016
How many Individual participants are there currently? (then please answer 17j)

PFMI: Q.18.2.3
AGC: 17i.

601 G17Q017
Please select the features included in the eligibility requirements for Individual participants.

PFMI: Q.18.2.3
AGC: 17j.

Financial Thresholds
 Regulatory Oversight
 Market Experience
 OTHER: not applicable

602 G17Q018
How many Foreign Institution participants are there currently?

PFMI: Q.18.2.3
AGC: 17m.

6

603 G17Q019
Please select the features included in the eligibility requirements for Foreign Institution participants.

PFMI: Q.18.2.3
AGC: 17n, 17p.

Financial Thresholds
 Regulatory Oversight
 Market Experience
 OTHER: Legal, operational and financial criteria applicable to participants as detailed in response to Q.18.1.1 G17.Q 002

604 G17Q020
If you have selected "Other entities" above, please explain:

PFMI: Q.18.2.3
AGC: 17q.

central bank, state debt and liquidity management agency and other CSD can become participants in the SSS

605 G17Q021
Indicate how many "Other entities" are currently participants?

PFMI: Q.18.2.3

AGC: 17r.

central bank (1), state debt and liquidity management agency (1), other CSD domestic/foreign (4)

606 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

PFMI: Q.18.2.3

AGC: 17s, 17u

Financial Thresholds

Regulatory Oversight

Market Experience

OTHER: Legal, operational and financial criteria applicable to participants as detailed in response to Q.18.1.1 G17.Q.002

607 G17Q023

How are the access restrictions and requirements reviewed to ensure that they have the least restrictive access that circumstances permit, consistent with maintaining acceptable risk controls? How frequently is this review conducted?

PFMI: Q.18.2.4

AGC: n/a

Frequency of review of access requirements is not set, but requirements could be reviewed upon annual review of eligibility of participants or when the risks that an individual participant poses to CDCP or its clients increase to an unacceptable level.

608 G17Q024

How are participation criteria, including restrictions in participation, publicly disclosed?

PFMI: Q.18.2.5

AGC: n/a

on the website

609 G17Q025

Where can a description of the specific eligibility requirements for Bank participants be found?

PFMI: Q.18.2.5

AGC: 17c.

in the Rules of Operation of CDCP and Executory Decree No.3

610 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

PFMI: Q.18.2.5

AGC: 17g.

in the Rules of Operation of CDCP and Executory Decree No.3

611 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

PFMI: Q.18.2.5

AGC: 17k.

612 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

PFMI: Q.18.2.5

AGC: 17o.

in the Rules of Operation of CDCP and Executory Decree No.3

613 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

PFMI: Q.18.2.5
AGC: 17t.

in the Rules of Operation of CDCP and Executory Decree No.3

614 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

PFMI: Q.18.2.5
AGC: 22

By e-mail
 By telephone
 By public announcement
 By press release
 Not applicable
 OTHER: via the User Committee

615 G17Q031

Please explain:

PFMI: Q.18.2.5
AGC: 22a.

via the User Committee

616 G17Q032

How does the CSD monitor its participants' ongoing compliance with the access criteria? How are the CSD's policies designed to ensure that the information it uses to monitor compliance with participation criteria is timely and accurate?

PFMI: Q.18.3.1
AGC: n/a

Each department involved in assessment of eligibility of the applicant with participation criteria monitors whether participants meet participation criteria on an ongoing basis. On annual basis CDCP shall send to participants a questionnaire that contains requirements for demonstration of participation criteria. Participants are also obligated to notify CDCP when they no longer meet participation criteria.

617 G17Q033

Who enforces compliance with the CSD's conditions of participation?

PFMI: Q.18.3.1
AGC: 23

The CSD
 The exchange
 The CSD's regulator
 Not applicable
 OTHER:

618 G17Q034

Please explain:

PFMI: Q.18.3.1
AGC: 23a

619 G17Q035
Does the CSD have forms of oversight management for assessing and monitoring of the following?

PFMI: Q.18.3.1
AGC: 79

- Participant eligibility requirements
- Participant volumes
- Participant financial strength
- Other loss or default protections the CSD maintains
- Collateral requirements for participants
- Debit caps for participants
- Settlement controls that minimize or eliminate the risk of default by a participant
- Blocking of securities movement before receipt of payment
- Blocking payment until securities are moved
- Not applicable
- OTHER:

620 G17Q036
Please explain other loss or default protections:

PFMI: Q.18.3.1
AGC: 79a

621 G17Q037
Please explain the requirements:

PFMI: Q.18.3.1
AGC: 79b

622 G17Q038
Please explain how these debit caps work:

PFMI: Q.18.3.1
AGC: 79c

623 G17Q039
What type or types of settlement controls

PFMI: Q.18.3.1
AGC: 79d.

- Blocking or freezing of securities positions
- Controlling DVP settlement
- Simultaneous DVP
- OTHER:

624 G17Q040
Please explain:

PFMI: Q.18.3.1
AGC: 79e.

625 G17Q041
Please explain:

PFMI: Q.18.3.1
AGC: 79f.

626 G17Q042
Please explain:

PFMI: Q.18.3.1
AGC: 79g.

Settlement of transactions in T2-S platform: transfer of cash and securities is simultaneous.

627 G17Q043

Please identify and explain:

PFMI: Q.18.3.1
AGC: 79h

628 G17Q044

Please explain briefly how these work:

PFMI: Q.18.3.1
AGC: 79i

629 G17Q045

What are the CSD's policies for conducting enhanced surveillance of, or imposing additional controls on, a participant whose risk profile deteriorates?

PFMI: Q.18.3.2
AGC: n/a

Manager responsible for identification and monitoring of risks within his competence should identify the risks on a continuous basis and in a regular assessment of participant's compliance with participation criteria. Manager should enter any identified risk in the catalogue of risks. Catalogue of risks contains also proposed measures for mitigation of the risk exposure to the acceptable level or description of measures that are being implemented and the status of their implementation. If the manager identifies an increase in the level of risk during the continuous identification and measuring the risks resulting from access of participant, he informs the risk manager. If at the same time the breach of the Rules of Operations is identified, it is reported to the Committee for measures and sanctions of CDCP and it is further dealt with by this committee. The same procedures apply also in case of regular assessment of compliance with participation criteria.

630 G17Q046

What are the CSD's procedures for managing the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements?

PFMI: Q.18.3.3
AGC: n/a

Suspension of access to services or exit of participant are the measures that can be imposed by CDCP in compliance with its Rules of Operations in case that any other measures imposed on participant were not fulfilled. Details of suspension of access to services are stated by the Rules of Operation, part II Article 14 and the details of withdrawal of access of participant are stated in Article 16. Both measures can be proposed by the Committee for measures and sanctions of CDCP and they must be approved by the Board of Directors. Suspension of access to services can apply to all services or part of services that participant executes pursuant to granted access and depending on the reason of suspension. Suspension of access to services can be imposed on participant for a limited period of one year. From the moment of withdrawal of access of participant becoming effective, the participant is obligated to settle all his obligations that resulted from provision of services to which it was granted the access. From this moment the participant is authorised to execute only the actions that lead to settlement of his obligations resulting from his position of participant or actions named by the Rules of Operation. The participant has to transfer the assets of clients/owners of accounts kept with another CSD or another participant of the CSD. Participant is not authorised to process the new instructions or to submit requests for services unless otherwise stipulated by the Rules of Operation.

631 G17Q047

What enforcement actions are available to the enforcement authority?

PFMI: Q.18.3.3
AGC: 24

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER: Notification of detected insufficiencies and their removal, restriction on access etc.

632 G17Q048

Please explain:

PFMI: Q.18.3.3
AGC: 24a

Notification of detected insufficiencies and recommendation for their removal, measures for remedy of detected insufficiencies, restriction on access to services, suspension of access to services (all mentioned measures precede the final measure that is termination of participation).

633 G17Q049

Has there been any such enforcement actions in the last three years?

PFMI: Q.18.3.3
AGC: 25

No [N]

634 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

PFMI: Q.18.3.3
AGC: 25a.

n/a

635 G17Q051

How are the CSD's procedures for managing the suspension and orderly exit of a participant disclosed to the public?

PFMI: Q.18.3.4
AGC: n/a

Suspension of a participant is publicly disclosed on the day of approval of such decision by CDCP; it is disclosed by means of publishing the announcement on the CDCP's website. Withdrawal of access (i.e. exit of participant) is announced by CDCP to all participants, other market infrastructures that have been granted access to CDCP and to regulator and this fact is also published on the CDCP's website.

636 G17Q052

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Tiered participation (PFMI Principle 19)

637 G18Q001

Summary narrative for PFMI Principle 19. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P19
AGC: n/a

CDCP does not recognise concept of indirect participants in its rules; nevertheless clients of direct participants of CDCP should be disclosed to CDCP when instructions of participant's clients processed by participant reach some percentage on total volume/value of instructions processed by that participant.

638 G18Q002

Does the CSD have any tiered participation arrangements? If so, describe these arrangements.

PFMI: Q.19.1.1
AGC: n/a

No.

639 G18Q003

How does the CSD gather basic information about indirect participation? Which information is collected and how frequently is it updated?

PFMI: Q.19.1.2
AGC: n/a

Information on clients of direct participants is collected through participants if participant exceeds some limits on transaction volumes and values instructed by clients of participant. Data is updated semi-annually and when information on client of participant is disclosed it contains: its commercial name, registered seat, company ID number, BIC, LEI, percentage of volume and/or value of settled instructions of participant's clients on total volume and/or value of instructions settled by participant in assessed period. Details of limits are included in the Executory Decree No.4 to the Rules of Operation.

640 G18Q004

How does the CSD evaluate its risks arising from these arrangements?

PFMI: Q.19.1.3
AGC: n/a

n/a

641 G18Q005

What material risks to the CSD arising from tiered participation arrangements has the CSD identified? How has it mitigated these risks?

PFMI: Q.19.1.4
AGC: n/a

n/a

642 G18Q006

How does the CSD identify material dependencies between direct and indirect participants that might affect the CSD?

PFMI: Q.19.2.1
AGC: n/a

By analysing the settled instructions submitted by clients of participants.

643 G18Q007

Has the CSD identified (a) the proportion of activity that each direct participant conducts on behalf of indirect participants in relation to the direct participants' capacity, (b) direct participants that act on behalf of a material number of indirect participants, (c) indirect participants responsible for a significant proportion of turnover in the system, and (d) indirect participants whose transaction volumes or values are large relative to the capacity of the direct participant through which they access the CSD to manage risks arising from these transactions?

PFMI: Q.19.3.1
AGC: n/a

- a) Yes;
- b) No;
- c) No;
- d) No

644 G18Q008

What risks to the CSD arise, and how does the CSD manage these risks arising from key indirect participants?

PFMI: Q.19.3.2
AGC: n/a

n/a

645 G18Q009

What are the CSD's policies for reviewing its rules and procedures in order to mitigate risks to the CSD arising from tiered participation? How frequently is this review conducted?

PFMI: Q.19.4.1
AGC: n/a

n/a

646 G18Q010

What criteria does the CSD use to determine when mitigating actions are required? How does the CSD monitor and mitigate its risks?

PFMI: Q.19.4.2
AGC: n/a

n/a

647 G18Q011

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Links (PFMI Principle 20)

648 G19Q001

Summary narrative for PFMI Principle 20. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P20
AGC: n/a

When creating a link with the investor CSD, CDCP conducts assessment of the requesting CSD against participation criteria and it follows the same procedure as in case of admitting the participant. CDCP grants access to its settlement system to requesting CSD if all participation criteria have been met and if the applicant does not pose any risks to CDCP and its clients that would be deemed unacceptable. In case of CDCP as the investor CSD creating the link with issuer CSD, CDCP first makes a due diligence of issuer CSD that creates a basis for assessment of risks resulting from potential link for CDCP and its clients. Potential risks are assessed by the respective departments and in general they cover legal, operational and financial risks. If there are no unacceptable risks CDCP shall submit the application for participation in the settlement system of issuer CSD. The link has to comply with requirements on CSD links stipulated by CSDR regulation.

649 G19Q002

What process is used to identify potential sources of risk (such as, legal, credit, liquidity, custody and operational risks) arising from prospective links? How does this affect the CSD's decision whether to establish the link?

PFMI: Q.20.1.1
AGC: n/a

Relevant departments of CDCP assess information and documents provided by the other CSD and evaluate the risks stemming from the future link based on the catalogue of risks maintained by each department.

650 G19Q003

What links have been established with other CSD? How does the CSD identify, monitor and manage the risks arising from an established link on an ongoing basis?

PFMI: Q.20.1.2
AGC: n/a

CDCP currently has three links with investor CSDs and is in the process of creating a link with issuer CSD. Risks are monitored and managed in a standard procedure applicable to management of risks at CDCP.

651 G19Q004

Please list all depositories or settlement systems to which you have an electronic link.

PFMI: Q.20.1.2
AGC: 38

None

652 G19Q005

How does the CSD ensure that link arrangements are designed so that it is able to remain observant of the other principles? How frequently is this analysis conducted?

PFMI: Q.20.1.3
AGC: n/a

CDCP currently maintains standard links based on the Rules of Operation of CDCP and the agreement on CSD link. Applicable PFMI principles have been implemented by CSDR regulation. Compliance of rules and operations of CDCP with legislation is checked by Compliance Department. Analysis of compliance is done prior to any change in the link arrangement or prior to any change of legislation. According to CSDR link arrangements are reviewed annually.

653 G19Q006

In which jurisdictions has the CSD established links? What are the relevant legal frameworks supporting the established links?

PFMI: Q.20.2.1

AGC: n/a

n/a

654 G19Q007

How does the CSD ensure that its links have a well founded legal basis that support its design and provide it with adequate protection in all relevant jurisdictions? How does the CSD ensure that such protections are maintained over time?

PFMI: Q.20.2.2

AGC: n/a

As an issuer CSD, CDCP concludes a special agreement on link with investor CSD. The agreement is ruled by domestic legislation only.

655 G19Q008

What processes are in place to measure, monitor and manage credit and liquidity risks arising from any established links?

PFMI: Q.20.3.1

AGC: n/a

n/a

656 G19Q009

If a CSD extends credit to a linked CSD, what processes exist to ensure that credit extensions to the linked CSD are fully covered by high-quality collateral and that credit limits are appropriate?

PFMI: Q.20.3.2

AGC: n/a

n/a

657 G19Q010

Are provisional transfers of securities allowed across the link? If so, what arrangements make provisional transfers necessary, and is the retransfer of these securities prohibited until the first transfer is final?

PFMI: Q.20.4.1

AGC: n/a

No

658 G19Q011

For any established link, how has the investor CSD determined that the rights of its participants have a high level of protection?

PFMI: Q.20.5.1

AGC: n/a

Investor CSD is entitled to disclose the legal and operational terms and conditions of the link to its participants in order to allow them to assess and manage the risks involved.

659 G19Q012

How frequently is reconciliation of holdings conducted by the entities holding the securities in custody?

PFMI: Q.20.5.2

AGC: n/a

Daily

660 G19Q013

How does the investor CSD provide a high-level of protection for the rights of its participants (including segregation and portability arrangements and asset protection provisions for omnibus accounts)?

PFMI: Q.20.5.3

AGC: n/a

n/a

661 G19Q014
 If the CSD uses an intermediary to operate a link, what are the criteria used by the CSD to select the intermediary or intermediaries? Are these criteria risk-based?

PFMI: Q.20.6.1
 AGC: n/a

n/a

662 G19Q015
 What are the respective liabilities of the two linked CSDs and the intermediaries?

PFMI: Q.20.6.2
 AGC: n/a

Liabilities of linked CSD are detailed in the agreement on CSD link and agreement with the intermediary.

663 G19Q016
 What processes exist to measure, monitor and manage the risks arising from use of the intermediary?

PFMI: Q.20.6.3
 AGC: n/a

n/a

664 G19Q017
 filecount - Add relevant appendices for this group.

PFMI: n/a
 AGC: n/a

policy_risk_management201710 (1).pdf (206KB)	CDCP_SR_Risk_Manag_Policy
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Efficiency and effectiveness (PFMI Principle 21)

665 G20Q001
 Summary narrative for PFMI Principle 21. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P21
 AGC: n/a

CDCP structure, systems and processes are compliant with the requirements of EU and national legal regulations, relevant international standards are applied where suitable. The Internal Audit Department provides assessment and consultancy that helps to increase the added value and to improve the business activities of CDCP; it also helps CDCP to maintain the efficient control mechanisms by assessment of their effectivity and efficiency. The IA Department gives assurance on efficiency and effectiveness of management, operation and information processes and systems in relation to achievement of CDCP goals, reliability and integrity, assets protection and compliance with legal or internal regulations, it evaluates effectiveness of risk management processes. Where necessary the department proposes improvements of the processes, procedures and systems.

All changes in processes and information systems and also implementation of new services is discussed with the participants via the User Committee, what helps CDCP to understand needs of its clients; on the other side the User Committee can propose changes to the CDCP operation systems and services. The IA Department informs the User Committee on result of the audit in certain cases: if finding relates to processes that have impact on the users of the central depository, including access of the issuers or participants to the CSD securities settlement system, and if finding can impact provision of services, incl. business continuity

666 G20Q002
 How does the CSD determine whether its design (including its clearing and settlement arrangement, its operating structure, its delivery systems and technologies, and its individual services and products) is taking into account the needs of its participants and the markets it serves?

PFMI: Q.21.1.1
AGC: n/a

CDCP provides all main services according to the CSDR so they meet requirements and needs of the market. Also it is the right of the User Committee to submit the proposals for change. All changes in the CDCP Rules of Operation are presented and communicated with the User Committee (the participants). CDCP also implements new regulatory requirements and observes international standards (e.g. communications standards).

667 G20Q003

How does the CSD determine whether it is meeting the requirements and needs of its participants and other users and continues to meet those requirements as they change (for example, through the use of feedback mechanisms)?

PFMI: Q.21.1.2
AGC: n/a

Monitoring of regulatory requirements and participants' requirements.

668 G20Q004

What are the CSD's goals and objectives as far as the effectiveness of its operations is concerned?

PFMI: Q.21.2.1
AGC: n/a

To increase the effectiveness of operations is one of the goals of the CDCP Strategy for the period 2016-2019. Therefore it is necessary to continue in increasing the effectiveness of operations through digitization of services.

669 G20Q005

How does the CSD ensure that it has clearly defined goals and objectives that are measurable and achievable?

PFMI: Q.21.2.2
AGC: n/a

By monitoring the strategy, regulatory requirements and market requirements.

670 G20Q006

To what extent have the goals and objectives been achieved? What mechanisms does the CSD have to measure and assess this?

PFMI: Q.21.2.3
AGC: n/a

671 G20Q007

What processes and metrics does the CSD use to evaluate its efficiency and effectiveness?

PFMI: Q.21.3.1
AGC: n/a

672 G20Q008

How frequently does the CSD evaluate its efficiency and effectiveness?

PFMI: Q.21.3.2
AGC: n/a

673 G20Q009

filecount - Add relevant appendices for this group.

PFMI: n/a
AGC: n/a

0

Communication (PFMI Principle 22)

674 G21Q001

Summary narrative for PFMI Principle 22. Please provide a summary narrative disclosure with sufficient detail and context, as well as any

other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P22
AGC: n/a

CDCP uses ISO20022 in communication with T2S which is fully accepted as a standard.
Communication between CDCP and it's participants via CDCP system is based on ISO20022 as well, however messages in this channel were complemented with proprietary elements and messages which are needed for Slovak market due to market practice and legislative reasons.

675 G21Q002
Does the CSD use an internationally accepted communications procedure and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication procedures?

PFMI: Q.22.1.1
AGC: n/a

Yes, is based on ISO20022. See explanation above.

676 G21Q003
Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

PFMI: Q.22.1.1
AGC: 69

By direct electronic link
 By receipt of physical account holding statements
 Not applicable
 OTHER:

677 G21Q004
Please explain:

PFMI: Q.22.1.1
AGC: 69a.

Electronically via CDCP system. Link is encrypted.

678 G21Q005
Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

PFMI: Q.22.1.1
AGC: 70

Yes [A01]

679 G21Q006
How is access given to participants?

PFMI: Q.22.1.1
AGC: 70a.

By direct electronic link
 OTHER:

680 G21Q007
Please select type of electronic link:

PFMI: Q.22.1.1
AGC: 70b.

Dial-up modem
 Secured, leased, dedicated telephone line
 Internet
 Fax

681 G21Q008
Please explain:

PFMI: Q.22.1.1

AGC: 70c.

Fax is only alternative arrangement to allow processing of time-critical transactions in extreme circumstances.

682 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

PFMI: Q.22.1.1

AGC: 72

Yes [A01]

683 G21Q010

Please explain:

PFMI: Q.22.1.1

AGC: 72a

Encrypted electronic link over the internet with the Stock Exchange.
SWIFT link with T2S (SWIFT Van Service).

684 G21Q011

How does the CSD communicate with Stock Exchanges?

PFMI: Q.22.1.1

AGC: 73 73a

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

685 G21Q012

How does the CSD communicate with Payment Systems?

PFMI: Q.22.1.1

AGC: 73b

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q013

How does the CSD communicate with Clearing Houses?

PFMI: Q.22.1.1

AGC: 73c

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q014

How does the CSD communicate with Registrars?

PFMI: Q.22.1.1

AGC: 73d

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax

Paper
 other
 Not applicable
 OTHER:

688 G21Q015

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication procedures for cross-border operations?

PFMI: Q.22.1.2

AGC: n/a

According to T2S procedures, since CDCP is already running in T2S.

689 G21Q016

Does the CSD use an internationally accepted communications standard and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication standards?

PFMI: Q.22.1.3

AGC: n/a

Yes, ISO20022 implemented in T2S, partially implemented ISO150022 in legacy system (for some messages).

690 G21Q017

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication standards for cross-border operations?

PFMI: Q.22.1.4

AGC: n/a

According to T2S procedures, since CDCP is already running in T2S.

691 G21Q018

If no international standard is used, how does the CSD accommodate systems that translate or convert message format and data from international standards into the domestic equivalent and vice versa?

PFMI: Q.22.1.5

AGC: n/a

n/a

692 G21Q019

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Transparency and disclosure (PFMI Principle 23)

693 G22Q001

Summary narrative for PFMI Principle 23. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

PFMI: Annex A - CSD disclosure template - IV.P23

AGC: n/a

With respect to transparency and disclosure, CDCP distinguishes two types of information: information available to public, e.g. the Rules of Operation, Scale of Fees, Annual Report, statistics, Governance and Management System, Risk management policy, and information available to the participants, i.e. information published on the web page but protected with the password. The documents governing processes, procedures, access conditions and requirements are discussed with the Participants (the User Committee) before these are approved and published. The User Committee convenes usually quarterly to discuss changes in the services and the rules, changes in the market or legislation influencing operation of the CSD. CDCP is offering training to the Participants, what helps them to understand the information systems and thus mitigate risks related to use of the CSD services.

694 G22Q002

What documents comprise the CSD's rules and procedures? How are these documents disclosed to participants?

PFMI: Q.23.1.1
AGC: n/a

The CDCP Rules of Operation that is publicly available on the CDCP website

695 G22Q003

How does the CSD determine that its rules and procedures are clear and comprehensive?

PFMI: Q.23.1.2
AGC: n/a

The CDCP takes into account the legal regulations, regulatory requirements and market requirements so that its rules and procedures can fully address all CDCP activities.

696 G22Q004

What information do the CSD's rules and procedures contain on the procedures it will follow in non-routine, though foreseeable, events?

PFMI: Q.23.1.3
AGC: n/a

697 G22Q005

How and to whom does the CSD disclose the processes it follows for changing its rules and procedures?

PFMI: Q.23.1.4
AGC: n/a

CDCP Rules of operation is always discussed with the User Committee before approval of relevant changes and updated version is disclosed 15 days before coming into effect.

698 G22Q006

How does the CSD disclose relevant rules and key procedures to the public?

PFMI: Q.23.1.5
AGC: n/a

By publishing on CDCP web site.

699 G22Q007

What documents comprise information about the system's design and operations? How and to whom does the CSD disclose the system's design and operations?

PFMI: Q.23.2.1
AGC: n/a

The elementary rules for operating the settlement system are included in the CDCP Rules of Operation. The CDCP also provides the participants with relevant manuals regarding the system's design and operation.

700 G22Q008

How and to whom does the CSD disclose the degree of discretion it can exercise over key decisions that directly affect the operation of the system

PFMI: Q.23.2.2
AGC: n/a

Major changes in the IS system, the Rules of Operation or the Scale of Fees are discussed with the Participants (the User Committee)

701 G22Q009

What information does the CSD provide to its participants about their rights, obligations and risks incurred through participation in the CSD?

PFMI: Q.23.2.3
AGC: n/a

This information is provided in the CDCP Rules of Operation as well as in a contract between the participant and CDCP.

702 G22Q010

How does the CSD facilitate its participants' understanding of the CSD's rules, procedures and the risks associated with participating?

PFMI: Q.23.3.1

AGC: n/a

The CDCP provides training for the participants which facilitate understanding of the documents.

703 G22Q011

Is there evidence that the means described above enable participants' understanding of the CSD's rules, procedures and the risks they face from participating in the CSD?

PFMI: Q.23.3.2

AGC: n/a

n/a

704 G22Q012

In the event that the CSD identifies a participant whose behaviour demonstrates a lack of understanding of the CSD's rules, procedures and the risks of participation, what remedial actions are taken by the CSD?

PFMI: Q.23.3.3

AGC: n/a

In the event that the conduct of a participant does not constitute a serious violation when it comes to applying measures and sanctions, it alerts the participant to misconceptions.

705 G22Q013

Does the CSD publicly disclose its fees at the level of its individual services and policies on any available discounts? How is this information disclosed?

PFMI: Q.23.4.1

AGC: n/a

Yes, all fees of individual services are specified in the Scale of Fees which is published on the web site.

706 G22Q014

How does the CSD notify participants and the public, on a timely basis, of changes to services and fees?

PFMI: Q.23.4.2

AGC: n/a

In the event of change in fees the updated version of the Scale of Fees is published on the CDCP website 15 days before coming into effect.

707 G22Q015

Does the CSD provide a description of its priced services? Do these descriptions allow for comparison across similar CSD??

PFMI: Q.23.4.3

AGC: n/a

The Scale of Fees distinguishes the services and allocates fees to each service.

708 G22Q016

Does the CSD disclose information on its technology and communication procedures, or any other factors that affect the costs of operating the CSD?

PFMI: Q.23.4.4

AGC: n/a

The part of the CDCP Rules of Operation is the Executory Decree No. 1 on communication of the participant and other market infrastructure with IS CDCP. This document is publicly available on the CDCP website.

709 G22Q017

When did the CSD last complete the PFMI Disclosure framework for financial market infrastructures? How frequently is it updated? Is it updated following material changes to the CSD and its environment and, at a minimum, every two years?

PFMI: Q.23.5.1
AGC: n/a

The WFC Disclosure form has been completed for the first time in october 2017 - AGC part.
It will be updated annually.

710 G22Q018

What quantitative information does the CSD disclose to the public? How often is this information updated?

PFMI: Q.23.5.2
AGC: n/a

In accordance with the requirements of the Regulation CSDR, the CDCP disclose the documets such as the Rules on Operation, Scale of Fees, Business conditions, Complaints, Conflict on interest, Catalogue of services and other documents in the password protected part of the website indended only for the participants.

711 G22Q019

What other information does the CSD disclose to the public?

PFMI: Q.23.5.3
AGC: n/a

n/a

712 G22Q020

Capital. Are annual financial statements publicly disclosed?

PFMI: Q.23.5.3
AGC: 13

Yes [A01]

713 G22Q021

If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

PFMI: Q.23.5.3
AGC: 13a.

Yes [Y]

714 G22Q022

filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

PFMI: Q.23.5.3
AGC: 13b.

0

715 G22Q023

filecount - If more than one document for 13b, please upload the additional document here:

PFMI: Q.23.5.3
AGC: 13c.

0

716 G22Q024

Please insert web link(s) for 13b here:

PFMI: Q.23.5.3
AGC: 13d.

<https://www.cdcp.sk/en/annual-reports/>

717 G22Q025

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

PFMI: Q.23.5.3

AGC: 13e.

718 G22Q026

Reserves (then please answer 13g):

PFMI: Q.23.5.3

AGC: 13f.

see the Annual Report

719 G22Q027

Retained Earnings:

PFMI: Q.23.5.3

AGC: 13g.

see the Annual Report

720 G22Q028

How does the CSD disclose this information to the public? In which language(s) are the disclosures provided?

PFMI: Q.23.5.4

AGC: n/a

The Annual Report is published on the web page of CDCP. The document is published in the Slovak and English language.

721 G22Q029

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

PFMI: Q.23.5.4

AGC: 100

Yes [Y]

722 G22Q030

Are the results of the financial audit publicly available?

PFMI: Q.23.5.4

AGC: 15f

Yes [Y]

723 G22Q031

Are the results of the operational audit publicly available?

PFMI: Q.23.5.4

AGC: 16f

724 G22Q032

List of publicly available resources. Please list publicly available resources, including those referenced in the disclosure, that may help a reader understand the CSD and its approach to observing each applicable PFMI Principle.

PFMI: Annex A - CSD disclosure template - V.

AGC: n/a

Available on the web page: Risk Management Policy; Policy for managing conflict of interests; User Committee Statute; information on Governing Bodies and Governance and Management System; Annual Report, Statistics; Scale of Fees; Rules of Operation; documents related to Claims and Objections; Information Disclosure Rules; information for owners of securities on provided services; accounts and participants.

725 G22Q033
filecount - Add relevant appendices for this group.
PFMI: n/a
AGC: n/a

0

Compliance with SEC Rule 17f-7

726 G23Q001
Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

PFMI: n/a
AGC: 1

Yes [Y]

727 G23Q002
Please explain
PFMI: n/a
AGC: 1a

n/a

728 G23Q003
Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:
PFMI: n/a
AGC: 2

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?
 Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
 Act in another capacity with respect to the handling of securities or equivalent book-entries?
 Not applicable
 OTHER:

729 G23Q004
Please explain:
PFMI: n/a
AGC: 2a.

730 G23Q005
Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:
PFMI: n/a
AGC: 2b.

equities; interim certificates to equities; units of the unit trust; cooperative units; bonds (including mortgage bonds and government bonds); depository certificates; coupons; investment certificates; state T-bills

731 G23Q006
Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or

enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

PFMI: n/a
AGC: 8

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
 A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
 A membership organization which regulates the participation of its members in securities matters or other financial activities.
 OTHER:

732 G23Q007
Please explain:

PFMI: n/a
AGC: 8a.

733 G23Q008
Please provide the name of regulatory authority(ies) identified in question 8:

PFMI: n/a
AGC: 9

National Bank of Slovakia (NBS)

734 G23Q009
Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

PFMI: n/a
AGC: 10

Regulatory authorities?
 Independent accountants?
 OTHER: Independent Auditor and Regulator

735 G23Q010
Please explain:

PFMI: n/a
AGC: 10a

Accounting is examined by an Independent External Auditor. Regulator provides an ad hoc examinations. Except for that depository provides regulator with regular reports (reporting forms).

736 G23Q011
Name of Authority #1 (please answer 11a):

PFMI: n/a
AGC: 11

National Bank of Slovakia (NBS)

737 G23Q012
What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

PFMI: n/a
AGC: 11a.

Fines
 Restrictions on CSD activities.
 Suspension of CSD activities.
 Termination of CSD activities.
 OTHER:

738 G23Q013
Please explain:

PFMI: n/a

AGC: 11b.

739 G23Q013A
Name of Authority #2:

740 G23Q014
What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

PFMI: n/a
AGC: 11c.

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

741 G23Q015
Please explain:

PFMI: n/a
AGC: 11d.

742 G23Q016
Has there been any use of such enforcement actions in the last three years?

PFMI: n/a
AGC: 12

- Yes
- No
- OTHER:

743 G23Q017
If yes, please explain:

PFMI: n/a
AGC: 12a.

744 G23Q018
Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

PFMI: n/a
AGC: 90

No [A02]

745 G23Q019
Please describe:

PFMI: n/a
AGC: 90a.

746 G23Q020
In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

PFMI: n/a
AGC: 90b.

747 G23Q021
If yes, please describe:

PFMI: n/a
AGC: 90c.

748 G23Q022
If no, why not?

PFMI: n/a
AGC: 90d.

749 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

PFMI: n/a
AGC: 21

Yes [A1]

750 G23Q024

If no, other or not applicable, please explain:

PFMI: n/a
AGC: 21a.

751 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

PFMI: n/a
AGC: 21b, 21c.

- Relevant Law and Regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

752 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

PFMI: n/a
AGC: 21d

Non discriminatory approach is required by CSDR 909/2014 (EU).

The Rules of Operation: "custodian (custody bank) is considered for participant as any other CSD participant, therefore assets held in the CSD by custodian are held under the same conditions as for any other CSD participant"

753 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

PFMI: n/a
AGC: 46

Yes [A01]

754 G23Q029

If no or other, please explain

PFMI: n/a
AGC: 46a.

755 G23Q030

If yes, please indicate the scheduled frequency:

PFMI: *n/a*
AGC: *46b, 46c.*

Daily
 Weekly
 Monthly
 Quarterly
 Annually
 Upon request
 OTHER: The CSD provides continuously all necessary information through the access of the participants to the CSD information system.

756 G23Q031
filecount - Add relevant appendices for this group.

PFMI: *n/a*
AGC: *n/a*

0

Relevant RSSS recommendations

757 G24Q001
Confirmation of trades between direct market participants should occur as soon as possible after trade execution, but no later than trade date (T+0). Where confirmation of trades by indirect market participants (such as institutional investors) is required, it should occur as soon as possible after trade execution, preferably on T+0, but no later than T+1.

PFMI: *2 - Trade confirmation*
AGC: *n/a*

The participants or other market infrastructure are informed about result of the settlement
a) in intervals defined in advance according to the T2S documentation in case the instruction is settled during "Night settlement" phase of the operation day
b) immediately after settlement of each instrument if instruction is settled in real time in the "Real time settlement" phase of the operation day.

758 G24Q002
Rolling settlement should be adopted in all securities markets. Final settlement should occur no later than T+3. The benefits and costs of a settlement cycle shorter than T+3 should be evaluated.

PFMI: *3 - Settlement cycles*
AGC: *n/a*

The instructions are processed in the CDCP system in the order as received by the settlement system. The settlement instructions are settled in a batch form in the "Night settlement" phase of the operation day (participants or other market infrastructure are informed about result of the settlement in intervals defined in advance according to the T2S documentation) or in real time in the "Real time settlement" phase of the operation day (participants/ other market infrastructure are informed about result of the settlement immediately after settlement of each instrument).

759 G24Q003
Securities lending and borrowing (or repurchase agreements and other economically equivalent transactions) should be encouraged as a method for expediting the settlement of securities transactions. Barriers that inhibit the practice of lending securities for this purpose should be removed.

PFMI: *5 - Securities lending*
AGC: *n/a*

CDCP is not providing Securities lending/borrowing service.

760 G24Q004
Securities should be immobilised or dematerialised and transferred by book entry in CSDs to the greatest extent possible.

PFMI: *6 - Central securities depositories (CSDs)*
AGC: *n/a*

All securities registered and held in CDCP are in dematerialised form and it is stipulated by law that all book-entry securities are settled in the securities central depository.

761 G24Q005

Entities holding securities in custody should employ accounting practices and safekeeping procedures that fully protect customers' securities. It is essential that customers' securities be protected against the claims of a custodian's creditors.

PFMI: 12 - Protection of customers' securities

AGC: n/a

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.

762 G24Q006

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Appendices

763 G25Q001

filecount - Add relevant appendices

PFMI: n/a

AGC: n/a

0

764 G25Q002

I am submitting up-to-date information in response to:

Both AGC and PFMI questions [A3]