



PRESS RELEASE

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NBS granted to CDCP authorisation to operate as a central securities depository

The National Bank of Slovakia granted Centrálny depozitár cenných papierov SR, a.s. (CDCP) authorisation, effective from 28 January 2019, to operate in compliance with valid European legal regulation. The central securities depositories operating in EU will be subject to identical and directly applicable requirements, standards and rules and will provide harmonised scope of services.

Obligation to apply for authorisation according to the Regulation applied to all existing depositories in EU. *“CDCP applied for the authorisation in September 2017, and documents submitted by the depository and provided information were assessed very positively not only by the National Bank of Slovakia but also by the Eurosystem,”* stated Martin Wiedermann, Managing Director of CDCP.

According to the granted authorisation CDCP can provide core services of central securities depositories, which cover initial recording of securities in the book-entry system – so called notary service, providing and maintaining of securities accounts at top tier level and operation of securities settlement system. Moreover, CDCP can provide also non-banking type ancillary services of central depositories, involving for instance services related to the settlement service, services related to the notary and central accounts maintenance services, establishing CSD links and other services as keeping of pledge registry, keeping of list of shareholders of registered paper-form shares or services related to allocation and management of LEI codes. Full list of services provided by CDCP pursuant to the granted authorisation is published on the web site of the company: <https://www.cdcp.sk/en/about-cdcp/activities-of-cdcp/>.

In course of the last three years CDCP adapted its activities and processes to requirements set by the Regulation and amended or prepared number of internal regulations. CDCP established several committees to monitor risks and also independent functions required by the Regulation. *„I consider granting of the authorisation in compliance with the Regulation for next important milestone in the history of CDCP and confirmation of continual development and improving of its activities“*, added M. Wiedermann.

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 (hereinafter the „Regulation“) harmonises requirements for organisation and certain aspects of operation of central securities depositories established in the European Union (EU). Except strictly defined organisational requirements and requirements for depository governing bodies, the Regulation specifies also requirements for amount of capital of the depository depending on risks related to services it is providing. As regards further requirements set by the Regulation there can be mentioned for example requirements for participants or risk management requirements adapted to operation of a central depository. Intention to harmonise and standardise activities of EU depositories in order to facilitate their cross-border cooperation is evident also from the requirement for application of communication procedures based on the international standards.

Central depositories are institutions systemically important for functional capital market. They are important for securities holding, register issues of book-entry securities and operate securities settlement system. With respect to their central position they play important role in ensuring issue integrity, what helps to strengthen trust of investors. *„The central depository established in the Slovak Republic has to be compliant with equally demanding requirements as any other depository operating on developed capital market“* concluded Martin Wiedermann.

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