



euroclear

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Application instruction

# Participation in Euroclear Finland and Euroclear Sweden

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Euroclear is the marketing name for the  
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## Introduction

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Euroclear Sweden AB (“ES”) and Euroclear Finland Oy (“EFi”) are central securities depositaries and have a central role in the Nordic financial system. ES and EFi are responsible for providing long-term, secure and cost effective services to issuers, intermediaries and investors, as regards the issuance and administration of financial instruments, as well as clearing and settlement of trades on these markets. ES and EFi are part of the Euroclear group which is the world's largest provider of domestic and cross-border settlement and related services for bond, equity, fund and derivatives transactions.

This application instruction for participation is used by both ES and EFi. The requirements for participation and the procedures in relation to handling an application are harmonised to suit both CSDs. However, due to differences regarding different possibilities for participation, technical systems and national legislation, some requirements differ between the CSDs.

ES and EFi provide expert services in registration, account operations and the clearing and settlement of financial instruments. As a participant in ES and EFi, you are in a position to take advantage of our extensive experience and knowledge in our field of business.

This document contains instructions for the preparation of an application to participate in ES and EFi. Information regarding the different technical systems in the two CSDs as well as a description of the various options that are offered for participation in the different systems is available on the Euroclear web site [www.euroclear.com](http://www.euroclear.com).

In the processing of an application, ES and EFi will take into consideration those aspects that have a bearing on maintaining public confidence in the securities market. ES and EFi therefore place a high demand on security and efficiency and on the ability of the applicant company to run its business operations on a long-term basis. Participants shall also at all times run their business operations in accordance with the rules and regulations of the CSDs applicable at any one time.



## **Requirement references**

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For the convenience of the reader, this document contains references to relevant sections in the rules and regulations of the CSDs or Swedish or Finnish laws where more details of the requirements can be found. The following abbreviations are used for the references:

CSD            Central Securities Depository

## **Euroclear Sweden**

### Rules and regulations:

GTC            ES General Terms and Conditions for Account Operations and Clearing

### Swedish law:

FIAA           Financial Instruments Accounts Act (SFS 1998:1479)

SMA            Securities Market Act (SFS 2007:528)

## **Euroclear Finland**

### Rules and regulations:

Rules           Rules of the Euroclear Finland Limited ("EFi")

Decision       Decision(s) of the Managing Director of EFi

### Finnish law:

SMA            Securities Markets Act (495/1989)

ABES           Act on Book-Entry System (826/1991)

ABEA           Act on Book-Entry Accounts (827/1991)

## Instructions for applying to ES and EFi

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### General

In order to join ES and EFi as a participant, the applicant needs to submit an application in accordance with the instructions below.

**General information**

Sections 1-6 concern general information and shall be submitted for all forms of participation. Section 7 is sub-sectioned into the different participant types and the applicant shall submit information corresponding to the particular type that is being applied for. To facilitate the application process, please use the numbering noted on the right-hand side.

According to the rules and regulations of the respective CSD and in order to facilitate the processing of the application, the following information at least shall be appended thereto. More details on the information needed can be found in the rules and regulations of the respective CSD. Where the application includes participation in both CSDs the applicant should be aware that exchange of information regarding the application will take place between the CSDs.

Adequate time should be reserved for the processing of the application, which varies depending on the scope of the application. It is strongly recommended that the applicants establishes contact with ES and EFi well in advance of their plans so that the situation may be examined with regard to the said applicant and the issue may be thoroughly prepared prior to the filing of the actual application. ES and EFi will handle the application promptly upon receipt of the application. Should the information in the application be insufficient and ES and EFi are required to request for additional information, the handling of the application may consequently be prolonged.

An applicant shall undertake to comply with the self-regulation of the respective CSD<sup>1</sup>.

**Self-regulation of the CSD Application**

The application shall be written in English<sup>2</sup> and signed by an authorised signatory (as indicated in trade register or otherwise). Append information of the applicant's decision to apply for participation (for example an extract from the minutes of a meeting of the board of directors).

Details of person/s responsible for the application at the applicant shall be stated, giving name, phone/fax/mobile numbers and e-mail address.

**Responsible for the application**

The application can be sent to either ES or EFi at the below addresses:

**Address**

Euroclear Sweden  
CEO  
P.O. Box 7822  
103 97 Stockholm, Sweden

Euroclear Finland  
Managing director  
P.O. Box 1110  
00101 Helsinki, Finland

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<sup>1</sup> EFi: Rules 1.5.10, subsection 8, ES: GTC A 2.2

<sup>2</sup> If the applicant intends to operate in only one CSD, the application may be written in the language of the CSD (i.e. Finnish for EFi and Swedish for ES).

## 1. Scope of application

Specify the legal name of the applicant.

### **1.1 Applicant**

Specify which CSD(s) the application concerns.

### **1.2 CSD**

Specify which form(s) of participation the applicant is applying for in each respective CSD.

### **1.3 Participant types**

## 2. Organisation description

Give an outline of the history of the company.

### **2.1 History**

Attach an accurate extract from the Trade Register or corresponding information. The documents must clearly state the authorised signatories. Attach a copy of articles of association, or equivalent, which shall include information on the company's type of business.<sup>3</sup>

### **2.2 Company law documents**

Describe the ownership of the company, including any group structure where relevant.<sup>4</sup>

### **2.3 Ownership**

Specify which activities the company is authorised to conduct, such as securities business and banking operations, and attach copies of permits from a regulatory body. Non-domestic applicants shall, where relevant, attach a copy of notification from the supervisory authority in the home state of the applicant to the supervisory authority of the country of the CSD and a copy of the reply to the notification.<sup>5</sup>

### **2.4 Authorisation**

Provide a general description of the company's organisation and attach an organisational chart of the overall organisation.

### **2.5 Overall organisation**

Describe in detail the organisation that will interact with ES and EFi. Attach an organisational chart of the part of the organisation that will conduct business relating to the application, including names and function.

### **2.6 CSD related organisation**

Specify which persons in the company who are responsible for:

- technical issues
- operational issues
- legal issues
- security/risk issues

### **2.7 Persons responsible**

Provide information of their e-mail addresses, phone/fax/mobile numbers, as well as their experience in the field and where they are placed in the organisation.

Describe how the applicant, by means of staffing, will ensure the fulfilment of its obligations under the rules and regulations of the respective CSD. Specify which persons, at least three (3), that will be working with the system of the respective CSD and their previous education and experience thereof. Specify whether these persons are employed on a permanent or temporary basis. Note that this request is independent on whether any administration is outsourced. Provide information also on any planned training of users and list relevant courses that employees have participated in.<sup>6</sup>

### **2.8 Personnel**

Submit a CV-type clarification, especially of the experience in the securities markets, of at least two persons participating in the management of the applicant. Submit also a CV-type clarification, especially of the experience in securities operation activities, for the minimum

### **2.9 Documentation of skills**

<sup>3</sup> EFi: Rules 1.5.31, subsection 2-3

<sup>4</sup> EFi: Rules 1.5.31, subsection 1

<sup>5</sup> EFi: Rules 1.5.31, subsection 4 and 1.5.10, subsection 1, ES: FIAA chapter 3 section 2, SMA chapter 21 section 2, GTC A 3.1, 4.1, 5.1, 6.1.

<sup>6</sup> EFi: Rules 1.5.10, subsections 3 and 4 and the Decision: "Requirements imposed on persons using EFi's OM and RM system", ES: GTC A 3.1.3, A 4.1.2, A 5.1.2

three (3) persons working with the relevant system of the CSD. Note that this request is independent on whether any administration is outsourced. State e-mail addresses and phone/fax/mobile numbers of these persons.<sup>7</sup>

An applicant applying for participation as account operator or agent with EFi shall appoint at least one Registration Officer and his/her personal deputy for the registration operations. The Registration Officer shall meet the qualifications set in the Rules of EFi. Submit a CV-type clarification of the experience of the Registration Officer.<sup>8</sup>

## **2.10 Registration Officer EFi**

For applicants with other domicile than Sweden or Finland, a legal opinion may be required. The legal opinion must be drawn up by a legal expert independent of the applicant and may take up the following issues.

## **2.11 Non-domestic applicants**

- The validity of the rules and regulations of the respective CSD in the applicant's country of domicile, as well as the possibility of enforcing a Swedish/Finnish court decision or a Swedish/Finnish arbitration decision in the applicant's country of domicile.
- Where it is not possible to attach a registration certificate to the application, a legal opinion as to the terms and conditions applied regarding authorised representation for the company.<sup>9</sup>

## **3. Financial description<sup>10</sup>**

The applicant must show that it has adequate financial prerequisites with regard to the business to be conducted and the scope of the obligations the applicant is expected to have in conjunction with the operations. The prerequisites shall exist to ensure that operations can be conducted long-term. Where applicable, ES and EFi will obtain information from a credit information company in conjunction with the processing of the application. The minimum capital requirements are as follows.

## **3.1 Capital requirement**

<b>Participant type</b>	<b>EFi</b>	<b>ES</b>
Clearing party / member	€ 5 million share capital	€ 730,000 equity capital
Account operator	€ 5 million equity capital	€ 125,000 equity capital
Agent	€ 730,000 equity capital	N.A.
Nominee	N.A.	€ 125,000 equity capital
Issuer agent	N.A.	€ 125,000 equity capital
Settlement bank	N.A.	*

\* In SEK: the same as the demands of the Central Bank of Sweden. In EUR: capital base equal to 8% of the applicant's assets and obligations.<sup>11</sup>

As for the minimum capital requirements please note that ES and EFi will consider the size of the equity capital in relation to registered share capital. This would be relevant especially for companies with low levels of profitability.

Submit copies of the annual reports (financial statement and auditor's report) for the three most recent financial years as well as the most recent quarterly report. Submit forecast for current year with adjustments where necessary.

## **3.2 Financial reports**

<sup>7</sup> EFi: Rules 1.5.10, subsections 3 and 4 and the Decision: "Requirements imposed on persons...", ES: GTC A 3.2, A 4.2, A 5.2, A 6.3.4

<sup>8</sup> EFi: Rules 1.5.15, subsection 1 and 1.5.16, subsection 1, ABES section 11, see also Rules 2.1.5

<sup>9</sup> EFi: SMA chapter 4a section 8, ABES section 7, Rules 1.5.23, 1.5.24, 1.5.31, subsection 4, ES: GTC A 3.4, A 4.6, A 5.3, A 6.4

<sup>10</sup> EFi: SMA chapter 4a section 8, ABES chapter 2 section 7, Act on Investment Firms (579/1996) section 13, Rules 1.5.10, subsection 2, 1.5.11, subsection 1 and 1.5.14, 1.5.15, subsection 2, 1.5.16, subsection 3, ES: FIAA chapter 3 section 1, SMA chapter 21 section 1, GTC A 3.1.4, A 4.1.3, A 5.1.3, A 6.2, A 9.2

<sup>11</sup> ES: GTC A 6.2

Provide information on insurances (business liability and crime) and guarantees safeguarding the operations and of any other special arrangements supporting the operations.

**3.3 Company guarantees and insurances**

## 4. Business description

Describe in general the applicant's operations and business. Specify whether the applicant is conducting other business than securities operations.

**4.1 Overall business concept**

Describe in detail the part of business to be conducted in conjunction with the participation applied for.

**4.2 CSD related business**

Provide an estimate of the scope of future operations, the most central key ratios, such as number of customers and their nationality and number of transactions etc.

**4.3 Business volumes**

Specify whether external resources will be used for any part of the business operations. Give a comprehensive description of the scope of the outsourcing and the reason why this is necessary. Specify in detail which operations will be handled by the applicant and by the outsourcing partner and submit the agreement with the service provider. ES and EFi will make an assessment in each individual case, taking into consideration security aspects and the need for an efficient functioning communication with ES and EFi.<sup>12</sup>

**4.4 Outsourcing**

## 5. Risk management description<sup>13</sup>

A participant in ES and EFi must possess the requisite routines and resources to be able to manage the risks and problems that may arise in relation to the participant's business.

Submit a general description of how the risk management responsibilities are defined and how risks are managed within the organisation. The description should clarify the following.

**5.1 Risk management organisation**

- The person responsible within the organisation for the management of risks.
- Policies and other relevant risk documentation established in order to support the management of risks.
- The management of risks within the organisation.
- The distribution of information relating to risk management within the organisation.
- Procedures for handling operational incidents.
- The escalation routines relevant to a risk/incident situation, including named recipients of incident reporting.
- The organisation of internal control function.

Please describe the management of the following risks.

**5.2 Risk inventory**

### Operational risk/IT risk

- Risks relating to the operational organisation (e.g. inadequate organisation, unclear responsibilities, no decision-maker at hand in difficult situations).
- Risks relating to personnel (e.g. key staff dependence, human error, ignorance, fraud, insufficiently trained staff).
- Risks due to loss of data communications, telecommunications (e.g. voice, fax) and power.
- Risks that damage to a single piece of hardware, system or application software, or communication equipment jeopardises the usability of main functions in critical IT systems.
- Risks due to viruses and other internet attacks.
- Risks due to unauthorised access or poor data security in operations.
- Risks due to insufficient physical security arrangements (e.g. theft, sabotage).

<sup>12</sup> EFi: Rules 1.5.10, subsection 2, ES: GTC A 3.1.6, A 4.1.5, A 5.1.7

<sup>13</sup> EFi: Rules 1.5.10, subsection 6, 1.6.6, 1.6.7 and the Decision: "Data Security regulations as well as preparation for malfunctions and other exceptional situations", ES: GTC A 3.1.5, A 5.1.4

- Risks that the premises of the applicant are destroyed or otherwise become inaccessible (e.g. fire).
- Other operational risks.

#### Other risks

- Legal risk (e.g. investments, other business operations).
- Counterparty risk (e.g. principal risk, market risk, liquidity risk).
- Outsourcing (e.g. confidentiality issues, operational risks associated with the outsourced services).
- Risks related to the operations of agents (applicable for account operators in EFi who intend to have agents).<sup>14</sup>

Give an overview of the applicant's preparedness and the preventive measures that exist for handling crises and abnormal situations, e.g. in the form of a business continuity plan. State who is responsible for the maintenance and the frequency of testing and updating the measures.

#### **5.3 Business Continuity Plan**

## **6. Technical description**

A participant at ES and EFi must be technically connected to, and capable of operating the relevant CSD system in accordance with the CSD's requirements for technical communication.<sup>15</sup>

Information on the details required to describe concerning the technical communication for each CSD is found in appendices to this instruction for participation (Appendix 1 for EFi and Appendix 2 for ES).

## **7. Description of participant types**

The information requested in the previous sections 1-6 is general and mandatory regardless of the participation applied for. In addition to those requirements, the applicant must provide ES and EFi with different, specific descriptions as found below, depending on the type of participation.

### **7.1. Participation in EFi**

#### **Clearing party<sup>16</sup>**

Specify whether the applicant is applying for membership in the RM and/or the OM system.

#### **7.1.1 Details**

An applicant applying for membership as clearing party in the OM system shall simultaneously apply for membership as an account operator or an agent in the OM system.<sup>17</sup>

An applicant applying for membership as clearing party in the RM system shall simultaneously apply for membership as an account operator in the RM system.<sup>18</sup>

State whether membership of a regulated market or multilateral trading facility (MTF) exists.

#### **7.1.2 Stock exchange relation**

Notify EFi of a monetary account in the TARGET system of the European System of Central Banks in which the payments to the clearing party are to be made. If the

#### **7.1.3 Payments**

<sup>14</sup> EFi: Rules 1.5.8, 1.5.15, subsection 4 and 5, 2.2.38 and the Decision: "Plan on the settlement of errors and discrepancies"

<sup>15</sup> EFi: Rules 1.5.10, subsections 2 and 5 and 1.5.31, subsection 5, ES: GTC A 3.1.5, A 4.1.4, A 5.1.6, A 6.3.2

<sup>16</sup> Rules 1.5.10 – 1.5.13

<sup>17</sup> Rules 1.5.11, subsection 3

<sup>18</sup> Rules 1.5.13

applicant does not have its own account in the TARGET system, it shall arrange payment transactions with the party whose account the applicant notifies to EFi.<sup>19</sup>

An applicant who cannot obtain central-bank financing shall acquire and maintain a valid liquidity guarantee, safeguarding the liquidity of the party. EFi assesses and sets a requirement relating to the amount of the liquidity guarantee of a new clearing party, on the basis of the information provided by the applicant regarding its operations and their estimated scope. Submit the liquidity guarantee to EFi for inspection at the latest one week before the planned commencement of operations.<sup>20</sup>

#### ***7.1.4 The liquidity guarantee***

Notify whether the applicant intends to accede to the Agreement on the Delivery of Allocation Data Applications and Certain Other Applications between the clearing parties and the account operators.

#### ***7.1.5 Other agreements***

State whether the applicant intends to accede to the so-called "give-up agreements" between the market participants.

### **Account operator<sup>21</sup>**

The requirements concerning account operators also apply to the agents of account operators (except for sections 7.1.9 and 7.1.13 which apply only to account operators), see further information below.

Specify whether the applicant is applying for membership in the RM and/or OM system.<sup>22</sup>

#### ***7.1.6 Details***

An applicant who intends to make registrations in the RM system shall simultaneously apply for membership as clearing party and account operator.<sup>23</sup>

State whether the accounts are to be opened on own behalf and/or on behalf of third party<sup>24</sup> and whether accounts will be opened for account holders with domicile other than Finland and state which countries. Give an estimate of the number of accounts to be opened.

#### ***7.1.7 Account specification***

Appoint at least one Registration Officer and his/her personal deputy for the registration operations. The Registration Officer shall meet the qualifications specified further in the Rules of EFi and shall decide on the matters requiring legal expertise.<sup>25</sup>

#### ***7.1.8 Registration Officer***

Confirm that the applicant undertakes to comply with the Rules of the Finnish Central Securities Depository Fund and to pledge a security to the Registration Fund. When a new account operator starts its operations, the amount of the pledged security shall be 600,000 euros.<sup>26</sup>

#### ***7.1.9 Finnish Central Securities Depository Fund***

State whether the applicant's liability insurance covers claims for damages according to strict liability of account operators.

#### ***7.1.10 Liability***

Notify whether the applicant intends to accede to the Agreement on the Delivery of Allocation Data Applications and Certain Other Applications between the clearing parties and the account operators.

#### ***7.1.11 Other agreements***

A precondition for granting the right to act as an account operator is that the account operator shall have an account operator system in use. The account operator system must be able to handle communication with EFi and the tasks required from an account operator.

#### ***7.1.12 Systems and registrations***

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<sup>19</sup> Rules 4.2.14

<sup>20</sup> Rules 1.5.12 and 4.2.16

<sup>21</sup> Rules 1.5.15

<sup>22</sup> Rules 1.5.5

<sup>23</sup> Rules 1.5.13

<sup>24</sup> Rules 1.5.29

<sup>25</sup> ABES section 11, Rules 1.5.14, subsection 1, 2.1.5

<sup>26</sup> Rules 1.5.15, subsection 3, ABES section 18, see also Rules of the Fund of the EFi 11.3

The account operator and its agent shall be able to take care of the transactions relating to keeping book-entry accounts of its customers or its own. The account operator must maintain the data of its book-entry account in EFi's book-entry register to the extent it provides services for its customers. It shall be able to communicate with EFi's book-entry register in machine language form.

Confirm that the applicant has the proper systems in use and can carry out required tasks. Notify if all or some of the tasks are outsourced to an existing account operator and include an agreement with the service provider and submit it for assessment to EFi and the Finnish Financial Supervision Authority. Please note that for such arrangement, the responsibilities are unchanged and the liability remains with the account operator buying the services from another account operator.

An account operator shall present a plan for the settlement of errors and discrepancies in its operations.<sup>27</sup>

**7.1.13 Plan of errors and discrepancies**

State if the right to act as an account operator is applied only in order to be able to act as an issuer agent. In this case an account operator does not have to have an account operator system in use. The discretionary requirements set to account operators have to be fulfilled to appropriate extent for the planned operations.

**7.1.14 Issuer Agent**

## **Agent of an account operator<sup>28</sup>**

In addition to the requirements stated for both account operators and agents above, an applicant applying as agent must show that the following conditions are met.

Append the agreement between the agent and the account operator.

**7.1.15 Agreement**

Clarify the manner in which the agent shall be liable for the registrations made on behalf of the account operator.<sup>29</sup>

**7.1.16 Liability**

## **Issuer agent<sup>30</sup>**

The right to act as an issuer agent may be granted to an account operator or an agent of an account operator. An agent of an account operator shall attach to its application an authorisation from its account operator to act as an issuer agent.

**7.1.17 Authorisation**

Specify which types of corporate actions, issues and other corporate events that are to be processed.

**7.1.18 Event specification**

Specify on a general level how the planned operations will be executed. Describe on a general level the procedures and routines in place.

**7.1.19 Operations**

Describe how business activities as an issuer agent are kept separate from any other business activities within the applicant's organisation.

**7.1.20 Business separation**

## **7.2. Participation in ES**

### **Clearing member**

If the applicant is applying as a clearing member for the PM sub-market, it must itself be an account operator. If the applicant is applying for the AM sub-market and is not itself an account operator, it must use an account operator for registrations.

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<sup>27</sup> Rules 1.5.15

<sup>28</sup> Rules 1.5.16 and 1.5.26

<sup>29</sup> Rules 1.5.32, ABES section 7 a

<sup>30</sup> Decision: "Issues and corporate actions in the book-entry system"

Specify whether the applicant wishes to participate on its own account and/or on behalf of a third party. Specify also the sub-markets concerned (the AM and/or the PM sub-market) and currencies (SEK and/or EUR). <sup>31</sup>	<b>7.2.1 Details</b>
State whether the applicant is member of a regulated market or multilateral trading facility (MTF).	<b>7.2.2 Stock exchange relation</b>
Specify which settlement bank will be used and routines and time limits agreed with the settlement bank regarding required settlement headroom. <sup>32</sup>	<b>7.2.3 Payments</b>
Describe how securities trades are processed from the customer contact to the registration in the CSD account. Illustrate in the form of a flow chart.	<b>7.2.4 Trade flow</b>
If acquiring the services of an account operator for registrations, please append the agreement.	<b>7.2.5 Other agreements</b>

## Account operator

State whether the accounts are to be opened on own behalf and/or on behalf of third party. Specify which types of accounts are to be opened and whether accounts will be opened for account holders with domicile other than Sweden and state which countries. <sup>33</sup>	<b>7.2.6 Account specification</b>
Specify whether other securities than Swedish will be registered in the account and which sub-markets the securities are to be settled in, i.e. AM and/or PM sub-market.	<b>7.2.7 Securities specification</b>
Attach a W-8IMY form to specify which Qualified Intermediary status the applicant intends to have in the VPC system. If authorised as QI, please provide information of when authorisation was granted. <sup>34</sup>	<b>7.2.8 Qualified Intermediary (QI)</b>
State whether the applicant's liability insurance covers claims for damages in accordance with FIAA. <sup>35</sup>	<b>7.2.9. Liability</b>

## Nominee

If the applicant is not itself an account operator, it must use an account operator for registrations in the VPC system.	
Describe how the registration of ownership in the custody system will be handled. At what point in time is the final registration of ownership in the custody system effected, and at what point in time may a customer first sell securities that have been bought. Specify also how often reconciliation will be made of the holdings in the custody system against the nominee's holdings registered in the nominee account(s) in ES. <sup>36</sup>	<b>7.2.10 Registration and reconciliation</b>
Specify which security types are to be registered.	<b>7.2.11 Security specification</b>
Specify how the applicant will meet ES requirements regarding reporting and confirm that the applicant is able to submit the required information within the stipulated time. Outline how information will be submitted to ES in the reporting of address details and the registration of temporary voting rights. Explain how a custody customer who has bought shares is prevented from being reported by the nominee to the register of owners at ES before the final registration of ownership has taken place in the VPC system. <sup>37</sup>	<b>7.2.12 Reporting</b>

<sup>31</sup> SMA chapter 21 section 2

<sup>32</sup> GTC A 5.4, C 3.3

<sup>33</sup> FIAA chapter 3 section 2, GTC A 3.1.2

<sup>34</sup> GTC B 8.5

<sup>35</sup> FIAA chapter 7 section 2

<sup>36</sup> FIAA chapter 3 section 12

<sup>37</sup> FIAA chapter 3 section 12, GTC A 4.1.4, A 4.3

Attach a W-8IMY form to specify which Qualified Intermediary status the applicant intends to have in the VPC system. If authorised as QI, please provide information of when authorisation was granted.<sup>38</sup>

**7.2.13 Qualified Intermediary (QI)**

For applicants with domicile other than Sweden, a legal opinion may be required stating the capability of the applicant to submit information to ES concerning the beneficial owners of the securities in custody, and how the ownership of the nominee-registered securities is constituted according to legislation in the country of domicile.<sup>39</sup>

**7.2.14 Non-domestic applicants**

If acquiring the services of an account operator for registrations, please append the agreement.<sup>40</sup>

**7.2.15 Other agreements**

## **Issuer agent<sup>41</sup>**

The right to act as an issuer agent may only be granted to an account operator.

**7.2.16 Authorisation**

Specify which types of corporate actions, issues and other corporate events that are to be processed and in which sub-markets they are to be conducted, i.e. the AM and/or PM sub-market.

**7.2.17 Event specification**

Where applicable, describe what cash disbursements that may be handled by the issuer agent and what measures in relation to preliminary tax, tax-withholding and reporting that are in place.

**7.2.18 Cash disbursements**

Where applicable, describe the procedure and routines in place for handling the primary issuance of a company newly affiliated to ES.

**7.2.19 ES affiliation**

Where the business activities include issues in the PM sub-market, the participant must be a clearing member on the PM sub-market. Describe how the applicant intends to fulfil the conditions with regard to registration of required settlement headroom in respect of interest and redemption according to the requirements in the Special Resolution for Settlement Incentives.

**7.2.20 PM sub-market**

Describe how business activities as an issuer agent are kept separate from any other business activities within the applicant's organisation.

**7.2.21 Business separation**

## **Settlement bank**

Specify whether the application covers the AM sub-market and/or PM sub-market. State whether the application applies to payments in SEK and/or EUR. Specify whether the business operations will be run for the applicant's own account and/or on behalf of other parties. If the business is to be run on behalf of other parties, please state any known clearing members concerned.

**7.2.22 Details**

Settlement bank in SEK: State whether participation in the Swedish Central Bank's system for settlement of payment obligations, RIX, has been granted, or else when it is expected to take place.<sup>42</sup>

**7.2.23 Central bank membership**

Settlement bank in EUR: State whether participation in a central bank payment system for EUR exists or has been granted. If no such participation is planned, state the correspondent bank acting in such system, to be used. Confirm that intraday credits will be obtained, on terms that are mainly equal to the terms governing the credit extended from the central bank to the correspondent bank<sup>43</sup>.

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<sup>38</sup> GTC B 8.5

<sup>39</sup> GTC A 4.6

<sup>40</sup> GTC A 4.1.4

<sup>41</sup> GTC A 3.3

<sup>42</sup> GTC A 6.1

<sup>43</sup> GTC A 6.1

Give an account of the applicant's business to be conducted as a settlement bank. Specify also the extent of the business operations, such as expected transaction volumes and payment amounts, as well as any development plans for the first year.

**7.2.24 Business description**