



BANK OF ENGLAND

Guidance for non-UK CSDs applying for Recognition

Non-UK CSDs wishing to provide CSD services in the UK need to apply to the Bank of England ('the Bank') for recognition under the [Central Securities Depositories Regulations as amended](#) (UK CSDR). Terms and expressions set out in the UK CSDR shall have the same meanings that is given to them in the UK CSDR when used in this guidance.

Overview

This guidance applies to any non-UK CSD seeking to apply for recognition in the UK (including any non-UK CSD that has submitted a valid notification to the Bank before the end of the transition period (31 December 2020) that it wishes to continue to provide CSD services in the UK and make use of the transitional provisions) where HM Treasury (HMT) has determined the jurisdiction in which the firm is established as equivalent. The information of this page is not applicable to *UK CSDs* seeking authorisation. These CSDs should contact the Bank directly at CSD-Enquiries@bankofengland.co.uk.

Please note that this guidance represents the Bank's general approach in assessing applications. In particular, the Bank may consider other criteria or requirements as relevant to reaching its final decision on any application. The Bank will consider each application on a case-by-case basis.

Why might non-UK CSDs want UK CSDR recognition?

A non-UK CSD may wish to apply for UK recognition if it intends to do any of the following after the transition period:

- Provide notary and/or central maintenance services referred to in points (1) and (2) of Section A of the UK CSDR Annex in relation to financial instruments constituted under UK law to either issuers or CSD participants established in the UK; or
- Establish a branch in the UK.

Once an equivalence decision is made by HMT in relation to a third country, a non-UK CSD established in that third country can make an application from the date of the equivalence

decision (or in any event must do so within six months from the end of the transition period if it submitted a notification to make use of the transitional provisions) or in any event must do so within six months from the end of the transition period for UK CSDR recognition. Article 25 (4) of the UK CSDR sets out the recognition requirements for non-UK CSDs. The Bank is taking a proportionate and risk-based approach to assessing whether the conditions set out are met, and may recognise a non-UK CSD that has applied for recognition under the UK CSDR.

Submitting an application for UK CSDR recognition

To submit an application, non-UK CSDs will need to submit the list of information specified in the Annex of this guidance for UK CSDR recognition.

The application must be submitted in English and accompanied by the information required by the Bank. For an application to be considered as complete, it will need to include a fully and correctly completed application along with relevant supporting documentation. The information provided must be of sufficient quality and detail to allow the Bank to complete its assessment.

An applicant non-UK CSD should send an email with an electronic copy of their completed application and supporting documents to the Bank at the following mailbox: CSD-Enquiries@bankofengland.co.uk.

Communication

The Bank will email you to confirm receipt of your application and contact you if the application is considered to be complete.

If the application is considered to be incomplete, the Bank will contact you and send a list of the additional information that must be submitted. The Bank will set deadlines for receipt of the additional information and will contact you when the application is considered to be complete.

Please note that the Bank reserves the right to ask for additional information at any stage of the process.

Fees

Following the consultation and having considered the feedback received, on 31 July 2019, the Bank [announced](#) that it decided to introduce a fee of £30,000 for each non-UK CSD

recognition. The fee will be payable once the non-UK CSD has been recognised by the Bank.

Annex 1

Information required in a non-UK CSD recognition application

An application for recognition submitted by a non-UK CSD established in a third country shall contain at least the following information below. The list of information specified below is provided for convenience. Non-UK CSDs should consider the legislative requirements (the UK CSDR and the BTS) to ensure they submit all necessary information they consider appropriate to include in their application.

- a) Date of application
- b) Corporate name of the legal entity
- c) Registered address
- d) Name of the person assuming the responsibility for the application
- e) Contact details of the person assuming the responsibility for the application
- f) Name of other person(s) responsible for the compliance of the third-country CSD with Regulation (EU) No 909/2014
- g) Contact details of the person(s) responsible for the compliance of the third-country CSD with Regulation (EU) No 909/2014
- h) Identities of the shareholders or members that hold participations in the capital of the third-country CSD
- i) Identification of the group structure, including any subsidiary and parent company of the third-country CSD
- j) Information regarding core services listed in Section A of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the United Kingdom
- k) Information regarding ancillary services listed in Section B of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the United Kingdom
- l) Information regarding any other services permitted under, but not explicitly listed in Section B of the Annex to Regulation (EU) No 909/2014 that the third-country CSD intends to provide in the United Kingdom
- m) Currency or currencies that the third-country CSD processes or intends to process
- n) Statistical data regarding the services that the third-country CSD intends to provide in the United Kingdom

- o) Assessment of the measures that the third-country CSD intends to take to allow its users to comply with any specific national laws of the United Kingdom or any part of the United Kingdom. A list of such can be found in Annex 2 of this guidance note
- p) Where the third country CSD intends to provide the core services referred to in points (1) and (2) of Section A of the Annex to Regulation (EU) No 909/2014, a description of the measures that the third-country CSD intends to take to allow its users to comply with the relevant law of the United Kingdom or any part of the United Kingdom as referred to in point (d) of Article 25(4) of Regulation (EU) No 909/2014. A list of laws can be found in Annex 2 of this guidance note
- q) Rules and procedures that facilitate the settlement of transactions in financial instruments on the intended settlement date
- r) Third-country CSD's financial resources, form and methods in which they are maintained and arrangements to secure them
- s) Evidence that rules and procedures of the third-country CSD are fully compliant with the requirements applicable in the third country where it is established, including the rules concerning prudential, organisational, business continuity, disaster recovery and conduct of business aspects
- t) Details of any outsourcing arrangements
- u) Rules governing the finality of transfers of securities and cash
- v) Information regarding the participation in the securities settlement system operated by the third-country CSD, including the criteria for participation and the procedures for the suspension and orderly exit of participants that no longer meet its criteria
- w) Rules and procedures for ensuring the integrity of the securities issues
- x) Information on mechanisms established to ensure the protection of participants' and their clients' securities
- y) Information on third-country CSD links and links with other market infrastructures and on how the related risks are monitored and managed
- z) Information on rules and procedures put in place to manage the default of a participant
- aa) Recovery plan
- bb) Investment policy of the third-country CSD
- cc) Information on procedures ensuring the timely and orderly settlement and transfer of the assets of clients and participants to another CSD in case of the CSD's default
- dd) Information on all pending judicial or extrajudicial proceedings, including administrative, civil or arbitration proceedings, which may cause significant financial

and other costs to the third-country CSD. Information on any final decisions resulting from the proceedings referred to above.

- ee) Information regarding the handling of conflicts of interest by the third-country CSD
- ff) Information to be published on the competent authority website in accordance with Article 21(3) of Regulation (EU) No 909/2014, as regards Article 25 of that Regulation

Annex 2

National laws of the United Kingdom or any part of the United Kingdom

Note: The Bank of England may, having regard to the CSD services and, where applicable, classes of financial instruments, set out in the application, request that applicant third-country CSD should, in addition to communicating the measures it intends to take and the procedures it intends to follow, provide independent legal opinions certifying that the third-country CSD's rules and procedures allow its users to comply with each applicable law.

Date	14 April 2021
Title of the UK corporate law or similar law with hyperlink(s) to the full text	<p>Companies Act 2006 - An Act to reform company law and restate the greater part of the enactments relating to companies; to make other provision relating to companies and other forms of business organisation; to make provision about directors' disqualification, business names, auditors and actuaries; to amend Part 9 of the Enterprise Act 2002; and for connected purposes.</p> <p>Government Stock Regulations 2004 - These Regulations make provision in respect of the administration of Government stock.</p> <p>Uncertificated Securities Regulations 2001 - These Regulations make provision for the transfer of a written instrument, and the evidencing otherwise than with a certificate, of a title to a unit of security, in accordance with a computer based system and procedures known as the "relevant system". The relevant system centres on a person known as the "Operator". The legal framework underlying the operation of the relevant system, together with the criteria which the Operator and relevant system must meet, are enshrined in these Regulations.</p> <p>Companies (Model Articles) Regulations 2008 - These Regulations set out model forms of articles of association for the</p>

	<p>three main types of company – a private company limited by shares, a private company limited by guarantee and a public company.</p> <p>Financial Services and Markets Act 2000 - The Act provides the framework within which a single regulator for the financial services industry, the Financial Services Authority, will operate. Schedule 2 sets out a list of “activities” and “investments” which, together, indicate the broad scope of activities which are potentially regulated under the Act.</p> <ul style="list-style-type: none"> • Contents • Schedule <p>Stock Transfer Act 1963 - An Act to amend the law with respect to the transfer of securities.</p> <p>Stock Transfer Act 1982 - An Act to amend the law relating to the transfer, registration and redemption of securities, and for purposes connected therewith.</p> <p>The Companies (Shares and Share Capital) Order 2009 - This Order makes provision in relation to shares and share capital for the purposes of various provisions of the Companies Act 2006.</p>
<p>Title of the UK corporate law or similar law with hyperlink(s) to the full text</p>	<p>Companies Act 2006</p> <p>Part 2: Company Formation www.legislation.gov.uk/ukpga/2006/46/part/2</p> <p>This Part of the Act is about how companies are formed.</p> <p>Part 3: A Company’s Constitution www.legislation.gov.uk/ukpga/2006/46/part/3</p>

This Part deals with various matters relating to a company's constitution.

Part 8: A Company's Members

www.legislation.gov.uk/ukpga/2006/46/part/8

This Part of the Act defines who are a company's members, provides rules relating to a company's register of members and overseas branch registers and, subject to certain exceptions, prohibits a company from being a member of its holding company.

Part 9: Exercise of Members' Rights

www.legislation.gov.uk/ukpga/2006/46/part/9

This Part of the Act introduces new provisions dealing with the ability of indirect investors to exercise governance rights.

Part 13: Resolutions and Meetings

www.legislation.gov.uk/ukpga/2006/46/part/13

The provisions in this Part replace most of Chapter 4 of Part 11 of the 1985 Act on meetings and resolutions.

Part 17: A Company's Share Capital

www.legislation.gov.uk/ukpga/2006/46/part/17

This Part of the Act deals with various matters relating to a company's share capital.

Part 18: Acquisition by Limited Company of its Own Shares

www.legislation.gov.uk/ukpga/2006/46/part/18

Part 20: Private and Public Companies

www.legislation.gov.uk/ukpga/2006/46/part/20

The provisions of this Part set out the two major differences between public and private companies.

Part 21: Certification and Transfer of Securities

www.legislation.gov.uk/ukpga/2006/46/part/21

Financial Services and Markets Act 2000**Part VI: Official Listing Rules**

www.legislation.gov.uk/ukpga/2000/8/part/VI

Part XVII: Collective Investment Schemes - this Part comprises six chapters concerning collective investment schemes, including unit trusts, open-ended investment companies (“oeics”) and overseas schemes. It includes provisions relating to the authorisation of schemes, their trustees, managers and operators and also to the rules applicable to them. The Part also makes provision for overseas collective investment schemes which may be promoted in the United Kingdom.

www.legislation.gov.uk/ukpga/2000/8/part/XVII

Schedule 5 effectively deals with authorisation of collective investment schemes.

	www.legislation.gov.uk/ukpga/2000/8/schedule/5
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