



BANK OF ENGLAND

Guidance for non-UK CSDs applying for Recognition

After the end of the transition period, 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 CSDRs shall have the same meanings that is given to them in the UK CSDRs when used in this guidance.

Overview

This guidance applies to any non-UK CSD seeking to apply for recognition in the UK, provided it has submitted a valid notification to the Bank before the end of the transition period that it wishes to continue to provide CSD services in the UK and make use of the transitional provisions, and 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 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

Information required in a non-UK CSD recognition application which non-UK CSD has submitted a valid notification to enter the transitional regime

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
- 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
- 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