

Name of CSD: Clearstream Banking S.A. (CBL), Clearstream Banking AG (CBF), LuxCSD

List of questions to be addressed to CSDs				
#	Topic	Relevant Article	Question	CSD Response (valid for CBL, CBF and LuxCSD)
1	Timetable	Article 17 of CSDR	When do you plan to submit your application to your regulator?	30 September 2017
2	Timetable	Article 17 of CSDR	By when do you envisage to be CSDR compliant?	We envisage to achieve compliance within 2018, with the exception of the settlement discipline measures (currently foreseen for 2019, but pending the final publication of the respective RTS).
3	User Communication	N/A	How do you plan to communicate to your participants your preparation towards the re-authorisation process? Is there any additional information you might require from your participants going forward and, if yes, please specify what additional information will be required (i.e. account details, Transaction types etc.) by when should this information be submitted?	Clearstream's website provides constant and updated information to its customers and other interested parties. In addition, there is targeted customer communication via workshops and bilateral meetings. The analysis is still ongoing but we expect that customers and other participants will have to provide further information.
4	User Communication	N/A	How do you envisage to communicate the receipt of your license and the subsequent application to your participants? Do you expect to provide notification prior to authorisation?	Upon granting of the license, we will actively communicate information via our website and potentially also via a targeted customer communication.
5	Scope of application	Article 16 of CSDR Article 55 of CSDR Article 19 of CSDR	What kind of licence will you apply for: - CSD Licence - Banking Licence - Interoperable Link licence	CBL: CSD Licence, Banking Licence and an Interoperable Link Licence for the Bridge with Euroclear. CBF: CSD Licence and Banking Licence LuxCSD: CSD Licence
6	Scope of application	Article 19 of CSDR	Do you maintain any interoperable links?	Yes. Please refer to our our answer to question 5. above.
7	User Committee	Article 28 of CSDR	Do you already have a user committee compliant with CSDR?	We have user committees in place and are currently analysing to which degree they are CSDR compliant.
8	User Committee	Article 28 of CSDR	When do you plan to set up such committee? What will be the procedure for the member selection?	Please refer to our previous answer.
9	CSD Changes		Which changes do you foresee to your legal documentation (Contracts / CSD Liabilities / General Terms and Conditions)?	Contractual arrangements with our suppliers are currently being amended. For our customers, Clearstream's governing documents will be updated accordingly.
10	CSD Changes		What are the different types of 'transaction type' codes currently supported and what are the changes envisaged under CSDR? (i.e. Purchase/Sell, Repo, Collateral Movement, SecLending etc.)	Based on our initial assessment, no gaps in relation to CSDR transaction types were identified, i.e. assuming that final ESMA RTS remain unchanged, we expect no adjustment needs.
11	CSD Changes		Are you considering making 'transaction type' codes identified in the previous question a matching criteria? If already a matching criteria, what is the current market practice?	We are not intending to make transaction types matching relevant unless required by CSDR.
12	CSD Changes	Article 38 of CSDR	Which changes do you foresee to your account opening processes and timelines?	No changes are expected with regards to our account opening processing and timelines.
13	CSD Changes		Which changes do you expect to your CSD services prices?	We currently do not expect changes to our pricing. Note that new customised products/services specifically linked to settlement discipline will be defined once RTS text is finalised.
14	CSD Changes		What is your envisaged timeline for CSD participants to transpose those changes in their systems?	According to CSDR, participants are required to be compliant with the regulation upon authorisation of the CSD.
15	Processing Changes	Article 8 of Draft RTS Settlement Discipline	Do you need to enhance your available functional scope to be CSDR compliant (Hold&Release, partial settlement, recycling etc.)?	Adaptations will be made for CBL and Bridge (implementing partial settlement, bilateral cancellation, Hold & release and adapting matching tolerance levels) while CBF and LuxCSD are compliant already.
16	Processing Changes	Article 9 of Prudential RTS under CSDR	Do you foresee the need to place collateral going forward?	We currently already foresee the need to place collateral. Eligibility criteria for accepting collateral will be aligned with CSDR requirements.
17	Processing Changes		How will you process Corporate Action proceeds going forward? (Overnight, daytime processing, CeBM, CoBM)?	We do not expect changes to the processing of Corporate Actions within CSDR.

18	Processing Changes		Do you envisage changes to the settlement processing? Pre-Funding, Collateralisation, Segregation of Collateral?	No changes to the settlement processing are expected. Please also refer to our answer to question 16. above. In case of settlement failure, we will apply the measures that will be foreseen by the settlement discipline regime.
19	Processing Changes	Article 35 of CSDR	Do you still envisage to maintain proprietary communications networks?	Yes. All of our proprietary communication channels follow international communication standards (ISO 15022).
20	Communication Changes	Article 35 of CSDR	Do you need to enhance your communication protocols to be CSDR compliant? ISO Standards? By when do you envisage to roll this out to your clients?	All of our communication protocols are already CSDR compliant.
21	Communication Changes	Art. 35 and Q&A 4 of ESMA	Do you still retain proprietary communication tools, which could be no longer allowed under CSDR?	Please refer to our answer to question 19 above.
22	Communication Changes		Do you require to change the content of some messages that we send to you (LEI, Transaction Type)?	According to CSDR, transaction types shall be provided by customers in the settlement instructions; however, we will not make this information matching-relevant (see questions 10 and 11 above). LEI data will have to be provided by customers for completion of the CSD account master data. Customers will be approached in case of missing LEI. LEI data will not be required in customers' settlement instructions.
23	Segregation	Art 38	When do you plan to publish the risk disclosure documents for Art 38?	We intend to have documents prepared by authorisation submission - i.e. end-September 2017.
24	Prudential Requirements	Art. 1 -4 of Prudential RTS	How do you envisage to implement the new capital requirements? Do you need to raise additional capital to be CSDR compliant?	Currently, we do not expect a need to raise additional capital, while the new calculation methods and processes will be implemented and adapted to meet CSDR requirements.
25	Key Participants / Service Provider	Art 79 of RTS	How are we going to determine, which of your participants or SPs are significant to you?	This will be based on the requirements of Art 67 on Key Participants. We focus on their overall volume and value of transactions and how these key participants can affect the CSD.
26	Key Participants / Service Provider	Art 79 of RTS	How do you plan to conduct the regular stress testing with your key participants ? What are the requirements for your KP and SP?	We are already involving our participants and some service providers in our regular tests. We are analysing whether and how to expand the current scope of testing.
27	Default	Art 41 + ESMA Guidelines	Which procedures do you plan to enact in case of insolvency of one of your participants?	We have defined clear procedures for Default Management in case a participant enters into insolvency in order to protect the CSD and avoid any negative impact to Clearstream, our other participants as well as the the financial markets in general.
28	Settlement Discipline	Art 7 of CSDR	Do you plan to use the T2S penalty mechanism?	We are actively participating in the ECB T2S CSDR Task Force discussing ways to develop a T2S penalty system aiming to leverage T2S as much as possible.
29	Settlement Internalisation	Art. 9 of CSDR	Is it possible to match and settle two instructions facing each other on the CSD same account (buy and sell of same amount)?	Yes, this is possible.