

**WFC Single Disclosure Report 2020****AGC answers**

Date submitted

04/11/2020 08:14:09

**General information**

1 G01Q001

Please indicate the full name of the responding institution:

*PFMI: Annex A - CSD disclosure template [CSD name]**AGC: 0a*

Clearstream Banking S.A.

2 G01Q002

Registered address:

*PFMI: n/a**AGC: 0c*

Clearstream Banking S.A.

42 av. J-F Kennedy

L-1855, Luxembourg

3 G01Q003

Country of registered address:

*PFMI: n/a**AGC: 0d*

Luxembourg

6 G01Q006

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

*PFMI: n/a**AGC: 99*

Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.

- Yes, my response will be public, but only for my answers to AGC questions.
- Yes, my response will be public, but only for my answers to PFMI questions.
- No, I do not wish my response to be publicly available.

7 G01Q007

How will you be making your answers publicly available?

*PFMI: n/a*

*AGC: 99a*

- Website
- Upon request
- OTHER: We will make the questionnaire available on the Clearstream website, [www.clearstream.com](http://www.clearstream.com)

8 G01Q008

This disclosure can also be found at the following web address(es):

*PFMI: Annex A - CSD disclosure template [website URL]*

*AGC: 99b*

[www.clearstream.com](http://www.clearstream.com)

9 G01Q009

First and Last Name of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99c*

Andrea Polenta

10 G01Q009A

Disclosure submission authorisation

- I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99h*

andrea.polenta@clearstream.com

12 G01Q011

Telephone number (please include the international country code):

*PFMI: n/a*

*AGC: 99e*

+325 243 3 65 81

13 G01Q012

How do you prefer to be contacted?

*PFMI: n/a*

*AGC: 99d*

- Telephone
- Fax
- mail/air courier
- e-mail

14 G01Q013

Fax number

*PFMI: n/a*

*AGC: 99f*

-

15 G01Q014

What is the preferred street address for mailing requests?

*PFMI: n/a*

*AGC: 99g*

-

25 G01Q024

I am submitting up-to-date information in response to:

- The AGC questions and a report with only AGC answers will be generated
- The PFMI questions and a report with only PFMI answers will be generated

Both the AGC and PFMI questions and a report with answers to both questionnaires will be generated

### Legal Basis (PFMI Principle 1)

27 G02Q002

Under what regulation or statute is the CSD established and governed?

*PFMI: n/a*

*AGC: 7*

As Clearstream is located in Luxembourg, customers benefit from one of the most sophisticated legal protection in the financial industry. Clearstream as a credit institution is mainly subject to the Financial Sector Law and the Grand Ducal Regulation of 30 May 2018 relating to organisational requirements and rules of conduct in the financial sector, available online on the CSSF website: . The law sets forth the authorisation procedure and obligations of banks, operators of securities settlement systems and other professionals of the financial sector established in Luxembourg, including the prudential supervision regime to which they are subject.

Holding and safekeeping of assets is an activity regulated by the CSSF under the Financial Sector Law. The provision of custody services requires a license under this Law.

The transfer of securities is mainly governed by the Luxembourg Law of 1 August 2001 on the circulation of securities, as amended (the "Securities Law"). The provisions of the Securities Law apply to securities and other financial instruments in the widest sense of the word, materialised or dematerialised, in bearer or registered form, issued in Luxembourg or foreign countries, and whatever the form is in which they have been issued under their respective applicable law. According to the Securities Law, securities received for deposit or held by a depository without any indication of serial numbers or other individual identification elements are or are deemed to be fungible. Fungible securities are booked in accounts and may be transferred from one account to another by book entry.

Financial collateral arrangements are governed by the Luxembourg Law of 5 August 2005 on financial collateral arrangements, as amended, providing a state-of-the-art legal framework for implementation and enforcement of pledges, repos, nettings, transfer of title operations.

Clearstream as securities settlement system, is subject to the "Payment Services Law", which sets forth the authorisation procedure and settlement finality rules applicable to securities settlement systems. The Payment Services Law includes provisions that a transfer order can no longer be cancelled by a participant of a Luxembourg agreed settlement and payment system or challenged by any third party as from the moment such transfer order is introduced in the settlement system. The Payment Services Law furthermore specifies that the moment where the transfer order is assumed or considered to have been introduced in the settlement system is defined through the governing documents of such settlement system itself.

A Luxembourg Law dated 28 July 2014 on the immobilisation of bearer shares and units entered into force on 18 August 2014. As a general summary, this law sets up a mechanism of immobilisation for bearer shares and units with a depository. The aim of the law on the dematerialisation of the securities is to modernise Luxembourg securities law allowing Luxembourg public liability companies to issue securities on a dematerialised form.

Furthermore, Clearstream filled its final application for the Regulation (EU) no 909/2014 of 23 July 2014 (CSDR) license to the local regulator at the end of August 2020. For further details, please refer to the following website: <https://www.clearstream.com/clearstream-en/about-clearstream/regulation-1-/central-securities-depository-regulation-csdr->

Moreover, Clearstream sets out the high standard of care to which it holds itself in its General Terms and Conditions, which are available on our website at:  
<https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions>

28 G02Q003

Is the regulation or statute electronically available?

PFMI: n/a

AGC: 7a

Yes

No

29 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

PFMI: n/a

AGC: 7b

The legal texts are available on the CSSF website at [www.cssf.lu](http://www.cssf.lu). CBL's General Terms and Conditions are available at: <https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions>

30 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a

AGC: 7c

cbl-gtcs-9-sep-2020-data.pdf (216KB)

General  
Terms and  
Conditions

1

### Governance and ownership (PFMI Principle 2)

45 G03Q002

What type of legal entity is the institution?

PFMI: n/a

AGC: 3

Public Company

- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

46 G03Q003

Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a

AGC: 4

- Not for profit
- For profit

47 G03Q004

Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a

AGC: 5

CBL is fully owned by Clearstream Holdings AG who itself is a wholly owned subsidiary of Deutsche Börse Group. Please further refer to: <https://www.clearstream.com/clearstream-en/about-clearstream/company-governance/shareholding-structure>

48 G03Q005

What is the date of establishment of the CSD?

PFMI: n/a

AGC: 6a

28/09/1970

49 G03Q006

What is the date that the CSD's operations began?

PFMI: n/a

AGC: 6b

28/09/1970

50 G03Q007

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

PFMI: n/a  
AGC: 18

- Not applicable
- No
- Yes

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

PFMI: n/a  
AGC: 18a.

59 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

PFMI: Q.2.3.1  
AGC: 7d

The following link shows the current composition of the Executive Board:  
<https://www.clearstream.com/clearstream-en/about-clearstream/company-governance/executivemanagement>

The members of the Supervisory Board are available at the following link:  
<https://www.clearstream.com/clearstream-en/about-clearstream/company-governance/supervisory-boards>

Please find below the required profile and experience of supervisory board members (except staff representatives)

- Senior executive who is member of or reports to the management/executive board-level within his own institution;
- Widely experienced in different areas of capital markets, finance and international banking with a global reach and working experience outside of his home country;
- High ranking decision maker within his own institution;
- Objective, incisive and able to build a consensus decision within the Company's board;
- Able to commit time and energy to the role of member of the supervisory board;
- Able to conceptualise and contribute objectively to the development of the Company and its policies and be able to focus on the key issues affecting the business of the Company and its major subsidiaries;

Please refer further to the "Rules of Procedure for the Executive Board Clearstream Banking S.A." published in compliance with CSDR at: <https://www.clearstream.com/clearstream->

en/about-clearstream/company-governance

61 G03Q018

What are the election procedures?

*PFMI: Q.2.3.2*

*AGC: 7e*

The members of the supervisory board are elected by the general meeting of shareholders for a period of six years and until their successors are elected provided, however, that any member of the supervisory board may be removed at any time by a resolution approved by a simple majority taken at a general meeting of shareholders. In the event of vacancy in the office of a member of the supervisory board because of death, resignation or otherwise, the remaining members of the supervisory board cannot fill any such vacancy but a general meeting of shareholders has to be called forthwith in order to fill any such vacancy.

62 G03Q019

What is the maximum length of time a board member can serve?

*PFMI: Q.2.3.2*

*AGC: 7f*

Members of the supervisory board shall be appointed for a period of no more than six years. They shall be eligible for reelection. Their appointments shall end immediately after the general meeting of shareholders which appoints their successors. Pending the holding of such general meeting of shareholders, the supervisory board may only pass resolutions of a conservatory or protective nature.

63 G03Q020

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

*PFMI: Q.2.3.2*

*AGC: 7g*

The Chairman of the Supervisory Board is a primus inter pares and in case of a tie has a casting vote.

65 G03Q022

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

*PFMI: Q.2.3.4*

*AGC: 7h*

The jurisdiction for CBL is Luxembourg and therefore the relationship with the Supervisory Board is subject to local Luxembourg law and European law.



**Comprehensive risk management (PFMI Principle 3)**

88 G04Q003

Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

*PFMI: Q.3.1.1**AGC: 66x.*

- Not applicable
- No
- Yes

89 G04Q004

If yes, please check all of the following that apply:

*PFMI: Q.3.1.1**AGC: 66y.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

90 G04Q005

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

*PFMI: Q.3.1.1**AGC: 66+*

- Not applicable
- No
- Yes
- Other: CBL does not accept liability in case of force majeure. However, CBL undertakes to mitigate the impact of any such event through a comprehensive Business Continuity Management (BCM). The BCM includes back-up sites for both IT and operations and the ability to switch operations to one of its remote operational centres (Frankfurt, Prague, Singapore, Cork).

91 G04Q006

Please define the standard of care applied:

*PFMI: Q.3.1.1*

*AGC: 66\**

#### Credit risk (PFMI Principle 4)

121 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

*PFMI: Q.4.3.1*

*AGC: 78*

- Not applicable
- No
- Yes

122 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

*PFMI: Q.4.3.1*

*AGC: 78a.*

123 G05Q013

How is the size of the fund determined?

*PFMI: Q.4.3.1*

*AGC: 78b.*

- A fixed amount
- By asset value
- By participant volume

124 G05Q014

How is the fund financed?

*PFMI: Q.4.3.1*

*AGC: 78d.*

- Funding from retained earnings
- Contributions from participants
- Contributions from owner

125 G05Q015  
If so, what is the amount or percentage per owner?

*PFMI: Q.4.3.1*  
*AGC: 78e.*

126 G05Q016  
If so, what is the amount or percentage per participant?

*PFMI: Q.4.3.1*  
*AGC: 78f.*

127 G05Q017  
Who is covered by the fund?

*PFMI: Q.4.3.1*  
*AGC: 78h.*

- Direct CSD participants only
- The beneficial owner also
- OTHER:

128 G05Q018  
When is the guaranty fund used?

*PFMI: Q.4.3.1*  
*AGC: 78j.*

- When a broker defaults
- When a direct participant defaults
- OTHER:

131 G05Q021  
Does the CSD have insurance to cover losses in the event of Default on settlement

commitments by the CSD or a participant?

*PFMI: Q.4.3.3*

*AGC: 91*

- Not applicable
- No
- Yes

132 G05Q022

What is the amount of the coverage?

*PFMI: Q.4.3.3*

*AGC: 91a*

133 G05Q023

What is the amount of the deductible?

*PFMI: Q.4.3.3*

*AGC: 91b*

134 G05Q024

Please explain other loss or default protections:

*PFMI: Q.4.3.3*

*AGC: 79a*

135 G05Q025

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

*PFMI: Q.4.3.3*

*AGC: 66q.*

- Not applicable
- No
- Yes

136 G05Q026

If yes, please check all of the following that apply:

*PFMI: Q.4.3.3**AGC: 66r.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

**Collateral (PFMI Principle 5)**

141 G06Q001

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

*PFMI: Annex A - CSD disclosure template - IV.P5**AGC: 35c*

CBL provides global securities financing services which are bundled under the Global Liquidity Hub. In addition to securities lending and borrowing it contains collateral management in cash, fixed income and equities. The Global Liquidity Hub's sophisticated collateral management system allows a high degree of flexibility, enabling a broad range of participants to implement individual service requirements.

CBL is constantly striving to extend the Global Liquidity Hub's reach through partnerships with electronic trading platforms, central counterparties (CCPs), central securities depositories (CSDs) and agent banks, so that customers can cover all their exposures from CBL. The Global Liquidity Hub manages collateral to cover all types of exposures in real time, across currencies, asset classes and time zones. Outsourcing collateral management to CBL as a neutral agent enables customers to focus on their core business, while benefiting from asset optimisation and full regulatory compliance.

CBL's ICSD customers can benefit from the full suite of Global Liquidity Hub services to make the most of their assets.

Triparty collateral services (CmaX)

- Triparty Collateral Management Service

Collateral refers to assets - cash or securities - pledged to back up a credit advance. Since financial transactions of almost any kind require some form of collateral, efficient collateral management has become essential for every customer. CBL ensures that customers make the most efficient use of the collateral they hold through the Triparty Collateral Management Service. This service frees customers from collateral management and administrative tasks from the moment a transaction takes place through to final settlement. CBL monitors the credit exposure and collateral coverage throughout the duration of a deal. CBL marks positions to market daily, calls for margin and provides comprehensive transaction and

settlement reports every day.

- Triparty Repo Service

Multi-currency repurchase agreements, known as “repos”, are short-term money market instruments in which sellers (“collateral givers”) offer fixed income financial instruments, for example, bonds, as collateral in exchange for a cash loan from buyers (“collateral receivers”). The Triparty Repo Service offered by CBL is designed to simplify the process of administering multi-currency repurchase agreements for both collateral giver and collateral receiver, and to reduce the operational risks associated with some types of repurchase agreements by offering a comprehensive delivery versus payment and securities safekeeping service. Collateral received in connection with a triparty repo agreement is monitored, reviewed and marked to market on a daily basis to ensure that collateral margin requirements are maintained.

- Triparty Securities Lending Service

CBL offers its Triparty Securities Lending Service for the settlement, valuation and collateralisation of bilateral securities lending transactions.

- Collateral pledge to central banks

CBL acts as an intermediary for international customers, allowing them to pledge assets in favour of various central banks mainly Banque centrale du Luxembourg, Deutsche Bundesbank and U.S. Federal Reserve.

- CCP margining

Regulators are pushing for an increasing number of trades to be cleared by CCPs. While this has the benefit of reducing counterparty risk, it also creates additional complexity, as each CCP has different clearing requirements. As a result, customers have to deal with a multitude of operational frameworks and collateral profiles.

As an experienced triparty collateral agent, CBL helps customers to make the most of their assets through an efficient use of collateral, thereby making expensive cash margins redundant. Thanks to partnerships with selected CCPs such as CME Clearing, Eurex Clearing, ICE Clear Europe, LCH Clearnet and Oslo Clearing ASA, CBL customers who are also clearing members can use the Global Liquidity Hub's full suite of automatic allocation, optimisation and substitution services for their exposures.

This margining service is part of CBL's wider efforts to give customers the best possible access to collateral locations around the world: both through strategic partnerships and by linking to globally fragmented exposure locations such as CCPs. Customers can use the Global Liquidity Hub to cover multiple exposure types: bilateral, central bank and CCP margining.

OTC collateral services

- Bilateral collateral management solutions

OTC Collateral enables customers to cover all their derivative exposures from a single collateral pool out of the Global Liquidity Hub. The service covers all aspects of bilateral collateral management from CSA review and administration, mark-to-market, margining, dispute management and portfolio reconciliation to payment/settlement follow-up and reporting.

- Full triparty reuse

The collateral received from bilateral transactions under the OTC Collateral service can be readily reused within the triparty environment of the Global Liquidity Hub. The full range of triparty products is available for reuse, including triparty repo, GC Pooling, reinvestment in

money market funds for cash collateral and collateral transformation. Our collateral transformation services include OTC and centrally cleared repos, securities lending and pledges to central banks.

**Liquidity risk (PFMI Principle 7)**

**Settlement finality (PFMI Principle 8)**

**Money settlements (PFMI Principle 9)**

217 G09Q003

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

*PFMI: Q.9.1.1*

*AGC: 31*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

218 G09Q004

Please indicate the name of the banks appointed by the CSD

*PFMI: Q.9.1.1*

*AGC: 31a*

Please find an exhaustive list of CBL's appointed banks in the Cash Timings Matrix, available at the following link: <https://www.clearstream.com/clearstream-en/products-and-services/asset-types/cash/cash-timings-matrix-1290324>

219 G09Q005

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

*PFMI: Q.9.1.1*

*AGC: 32*

- CSD
- Central Bank
- Banks appointed by the CSD

Neither or others (e.g. credit lines used)

Not applicable

OTHER:

220 G09Q006

Please name banks appointed by the CSD

*PFMI: Q.9.1.1*

*AGC: 32a*

Please find an exhaustive list of CBL's appointed banks in the Depository Listings page, available at the following link: <https://www.clearstream.com/clearstream-en/products-and-services/market-coverage/depository-listings-1291442>

Please find an exhaustive list of CBL's appointed banks in the Cash Timings Matrix, available at the following link: <https://www.clearstream.com/clearstream-en/products-and-services/asset-types/cash/cash-timings-matrix-1290324>

221 G09Q007

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

*PFMI: Q.9.1.1*

*AGC: 33, 33b*

CSD

Central Bank

Banks appointed by CSD

Neither or others (e.g. credit lines used)

Not applicable

OTHER:

222 G09Q008

Please name banks appointed by the CSD

*PFMI: Q.9.1.1*

*AGC: 33a*

223 G09Q009

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

*PFMI: Q.9.1.1*

*AGC: 34*



- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

224 G09Q010  
Please name banks appointed by CSD

*PFMI: Q.9.1.1*  
*AGC: 34a*

#### Physical deliveries (PFMI Principle 10)

239 G10Q005  
How are eligible securities lodged in the CSD system?

*PFMI: Q.10.1.3*  
*AGC: 57, 57a*

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER: In each of the 58 domestic markets and the international market, in which CBL provides settlement and safekeeping services, securities are lodged in accordance with the applicable law of the market in question.

240 G10Q006  
When are securities lodged into the CSD reflected in a participant's CSD account?

*PFMI: Q.10.1.3*  
*AGC: 58, 58a*

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.

- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER: Securities are reflected in the customer's account with CBL upon receipt of a settlement confirmation from CBL's sub-custodian. The delivered securities are checked for 'good' delivery prior to the settlement confirmation being sent. In general this occurs on a same-day basis. If a re-registration is required, the customer's position will be blocked in CBL's books until re- registration has been completed and the sub-custodian has confirmed receipt to CBL accordingly. This process takes in general on average no more than 1-2 days.

241 G10Q007

How long does it usually take to lodge securities with the CSD?

*PFMI: Q.10.1.3*

*AGC: 59, 59b*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days
- Other: Usually, 1 - 2 days. When physical registered securities are received by our depositories for a CBL beneficiary account a re-registration process will need to be conducted. The turnaround varies from market to market.

242 G10Q008

Please specify

*PFMI: Q.10.1.3*

*AGC: 59a*

243 G10Q009

During the process of lodging securities into the CSD, can the securities be traded?

*PFMI: Q.10.1.3*

*AGC: 60*

- Not applicable
- No

- Yes
- Other: CBL acts as settlement agent and therefore the trading of securities is outside its purview. Whether securities may be traded or not while they are being 'lodged' depends on a number of factors including the local law governing the issuing company, the terms and conditions of the issue and so on.

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3*

*AGC: 60a*

- Not applicable
- No
- Yes

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3*

*AGC: 60b*

- Not applicable
- No
- Yes

246 G10Q012

If they cannot be traded, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60c*

247 G10Q013

If they cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60d*

Securities are not available until confirmation has been received from CBL's sub-custodian.

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60e*

If registration needs to be conducted by agents, securities are not available until the re-registration process has been concluded and the depository confirms the receipt to CBL.

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3*

*AGC: 61, 61d*

Not applicable

No

Yes

Other: If registration needs to be conducted by the sub-custodian, securities are not available until the re-registration process has been concluded and the sub-custodian confirms the receipt to CBL. This process takes in general on average no more than 1-2 days.

250 G10Q016

If no: Securities are unavailable for

*PFMI: Q.10.1.3*

*AGC: 61a*

Not applicable

More than 4 weeks

2 to 4 weeks

3 days to 1 week

1 to 2 days

251 G10Q017

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*

*AGC: 61b*

252 G10Q018

If not applicable, please explain

*PFMI: Q.10.1.3*

*AGC: 61c*

253 G10Q019

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

*PFMI: Q.10.1.3*

*AGC: 63, 63a*

- Not applicable
- Securities are transferred as is any physical delivery in the market.
- Securities are re-certificated and delivered as bearer instruments.
- Securities are re-certificated and re-registered into the name of the beneficia
- Securities are re-registered into the name of the beneficial owner or a nominee.
- Other: All of the above may apply. Securities are debited from a customer's account and delivered in accordance with the customer's instructions and according to local market rules and regulations.

254 G10Q020

How long does it usually take to remove securities from the CSD?

*PFMI: Q.10.1.3*

*AGC: 64, 64b*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days
- Other: Usually, 1 to 2 days. But, depending on the market, its time zone, the type of instrument and the defined deadline for receiving customers' instructions, it is also possible to execute a delivery on the same day of receipt of the instruction, provided there is sufficient

provision of securities in the account.

255 G10Q021

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*

*AGC: 64a*

256 G10Q022

While the securities are being removed from the CSD, can they be traded? (Choose one)

*PFMI: Q.10.1.3*

*AGC: 65a*

- Yes
- Not applicable
- No
- Other: CBL acts as settlement agent and therefore the trading of securities is outside its purview. Whether securities may be traded or not while they are being removed depends on a number of factors including the local law governing the issuing company, the terms and conditions of the issue and so on.

257 G10Q023

If they cannot be traded please explain

*PFMI: Q.10.1.3*

*AGC: 65b*

258 G10Q024

While the securities are being removed from the CSD, can they be settled? (Choose one)

*PFMI: Q.10.1.3*

*AGC: 65c*

- Yes
- Not applicable
- No

259 G10Q025

If they cannot be settled, please explain

*PFMI: Q.10.1.3*

*AGC: 65d*

If registration needs to be conducted by agents, securities are not available until the re-registration process has been concluded and the depository confirms the receipt to CBL.

260 G10Q026

While the securities are being removed from the CSD, can they have ownership transferred?

(Choose one)

*PFMI: Q.10.1.3*

*AGC: 65e*

- Yes
- Not applicable
- No
- Other: Following the respective local market rules securities might be traded, but cannot be settled while removing them from the depository. Ownership can be transferred depending on the agreement of the parties. Book entry transfers are not possible.

261 G10Q027

If ownership cannot be transferred, please explain

*PFMI: Q.10.1.3*

*AGC: 65f*

263 G10Q029

What are the vault security procedures for the safekeeping of physical paper?

*PFMI: Q.10.2.1*

*AGC: 75*

- Not applicable, no vault is maintained
- Electronic keys or combinations
- Dual access control
- Visitor logs
- Vault counts
- Intrusion alarms

Fire alarms

Guards

OTHER: CBL does not have own vaults but uses its depositories for the safekeeping of physical securities. Clearstream recommends its agents to maintain the vaults for qualifying securities (i.e. mainly global notes) as per the following guidelines: • a secure room • clear controls on who has access to the room, requiring access via dual ID cards (at correct staff level) or dual keys access (we see various systems in place for these) • room is a 6-sided box, i.e. not built on suspended floors or with 'flimsy' walls and suspended ceilings above • room is under CCTV surveillance • smoke/fire detection system • fire extinguisher system (newest vaults are gas rather than water)

264 G10Q030

Please indicate frequency of vault counts:

*PFMI: Q.10.2.1*

*AGC: 75a.*

265 G10Q031

Please explain:

*PFMI: Q.10.2.1*

*AGC: 75b*

CBL does not have own vaults but uses its depositories for the safekeeping of physical securities.

Clearstream recommends its agents to maintain the vaults for qualifying securities (i.e. mainly global notes) as per the following guidelines:

- a secure room
- clear controls on who has access to the room, requiring access via dual ID cards (at correct staff level) or dual keys access (we see various systems in place for these)
- room is a 6-sided box, i.e. not built on suspended floors or with 'flimsy' walls and suspended ceilings above
- room is under CCTV surveillance
- smoke/fire detection system
- fire extinguisher system (newest vaults are gas rather than water)

### Central Securities Depositories (PFMI Principle 11)

271 G11Q002

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing



systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

*PFMI: n/a*

*AGC: 26*

- Government securities
- Equities
- Corporate bonds
- Corporate money market
- Not applicable
- OTHER: Please refer to answer 2b.

272 G11Q003

Please name the other security types:

*PFMI: n/a*

*AGC: 26a.*

Please refer to answer 2b.

273 G11Q004

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

*PFMI: n/a*

*AGC: 27, 27c*

- Yes by law for settlement of all instrument types
- Yes by law for safekeeping of all instrument types
- Yes by market practice for settlement of all instrument types
- Yes by market practice for safekeeping of all instrument types
- Yes by law for settlement, but not for all instrument types
- Yes by law for safekeeping, but not for all instrument type
- Yes by market practice for settlement, but not for all instrument types
- Yes by market practice for safekeeping, but not for all instrument types
- Neither

OTHER: The use of CBL as depository for the settlement and the safekeeping of all instrument types is neither compulsory by law nor by market practice.

274 G11Q005

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

*PFMI: n/a*

*AGC: 27a. (i)*

275 G11Q006

(ii) safekeep in your CSD:

*PFMI: n/a*

*AGC: 27a. (ii)*

276 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

*PFMI: n/a*

*AGC: 27b. (i)*

277 G11Q008

(ii) safekeep in your CSD:

*PFMI: n/a*

*AGC: 27b. (ii)*

278 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

*PFMI: n/a*

*AGC: 28 28a*

There are no official figures regarding market share for International Debt Securities as such but Network Management have a complete set of comparative statistics for

international securities (both debt and equities). These show CBL has approximately a 38% market share.

In the important segment of EUR denominated Eurobonds, CBL currently has a market share of approximately 50%. CBL has experienced a steady flow of new business wins over the last 18 months.

In the 58 domestic markets, where we use a network of agent banks, CBL also has a significant market share.

279 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

*PFMI: n/a*

*AGC: 28b.*

Please refer to our answer to question 28a.

281 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

*PFMI: Q.11.1.1*

*AGC: 44a*

- Not applicable
- No
- Yes

282 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

*PFMI: Q.11.1.1*

*AGC: 44b*

283 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

*PFMI: Q.11.1.1*

*AGC: 44d.*

- Not applicable
- No
- Yes

284 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

*PFMI: Q.11.1.1*

*AGC: 44e.*

Provided that CBL receives the necessary court documents and appointment of a bankruptcy manager, liquidator, and provided that any instructions received bear the necessary signature(s) of the liquidator(s), then CBL will accept and process their instructions. The process is done manually, which means the liquidator will not have any direct access to the customer's account.

285 G11Q016

By the participant's creditors?

*PFMI: Q.11.1.1*

*AGC: 44g, 44i*

- Not applicable
- No
- Yes

286 G11Q017

If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

*PFMI: Q.11.1.1*

*AGC: 44h*

287 G11Q018

By the CSD's creditors?

*PFMI: Q.11.1.1*

*AGC: 44j.*

- Not applicable
- No
- Yes

288 G11Q019

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

*PFMI: Q.11.1.1*

*AGC: 44k.*

289 G11Q020

What is your document and record retention policy for documents and records described above in this section?

*PFMI: Q.11.1.1*

*AGC: 47, 47a*

- 7 years
- 5 years
- 3 years
- 1 year
- 6 months or less
- Other: As required under Luxembourg law, CBL has the obligation to maintain records relating to services provided to customers for a period of ten years.

290 G11Q021

Does the law protect participant assets from claims and liabilities of the CSD?

*PFMI: Q.11.1.1*

*AGC: 54*

- Not applicable
- No
- Yes

291 G11Q022

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

*PFMI: Q.11.1.1*

*AGC: 55*

- Yes
- No
- Not applicable

292 G11Q023

If yes, for what reasons are liens or similar claims imposed?

*PFMI: Q.11.1.1*

*AGC: 55a*

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER:

293 G11Q024

Please describe:

*PFMI: Q.11.1.1*

*AGC: 55b*

294 G11Q025

Please indicate the limits of this lien as indicated below:

*PFMI: Q.11.1.1*

*AGC: 55c*

- The lien may extend to settled client positions
- The lien is limited to securities in the course of purchase and sale transactio
- The lien is limited to securities in the participant's proprietary account
- Other: According to the Article 43 of CBL's General Terms and Conditions (GTCs) CBL shall have a general right of retention, with respect to any securities, funds and precious metals held by the customer within the CBL system, now or in the future, to secure the entire present or future obligations which the customer has or may subsequently have towards CBL, in consequence of the services rendered to it by CBL. Article 44 of CBL's GTCs sets forth that all customer assets (including in particular securities and cash) are pledged to secure the entire present or future obligations which the customer has, or may subsequently have, towards CBL in consequence of the services rendered to it by CBL and/or any credit extensions by CBL to the customer. However, CBL's customers must notify CBL in

accordance with article 45 of the GTCs if assets are held on behalf of a third party, in which case they may not be pledged. CBL's GTCs are available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions>

295 G11Q026

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55d*

296 G11Q027

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

*PFMI: Q.11.1.1*

*AGC: 55e*

No

Yes

Other: CBL's customers must notify CBL in accordance with article 45 of the GTCs if assets are held on behalf of a third party, which may consequently not be pledged.

297 G11Q028

If yes, please indicate whether:

*PFMI: Q.11.1.1*

*AGC: 55f*

The lien is placed on the securities with the greatest value in the account

The lien is placed on the most liquid securities in the account

298 G11Q029

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55g*

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

*PFMI: Q.11.1.1*  
*AGC: 55h*

- No
- Yes

300 G11Q031

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

*PFMI: Q.11.1.1*  
*AGC: 55j*

- No
- Yes

301 G11Q032

If yes, are the restrictions accomplished by:

*PFMI: Q.11.1.1*  
*AGC: 55k*

- Contract between the CSD and the participant

302 G11Q033

Please explain:

*PFMI: Q.11.1.1*  
*AGC: 55l*

303 G11Q034

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

*PFMI: Q.11.1.1*  
*AGC: 56, 56e*

- Not applicable
- No



- Yes
- Other: CBL has no legal authority to transfer legal ownership in the processing of a book-entry settlement instruction. The process of book-entry settlement evidences a modification in the ownership rights of the two counterparties to the transaction. The transfer of ownership or other entitlement is determined in the underlying convention between the parties. In case of existence of collateral under the form of a pledge granted pursuant to Luxembourg law in favour of CBL, CBL might in the event of a default of the pledgor and which default might no longer be 'cured' or otherwise remedied, either acquire or transfer ownership of such collateral to enforce its pledge in accordance with applicable law and the contractual arrangements of the parties.

304 G11Q035

When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*

*AGC: 56a*

- When the transaction is processed on an intra-day basis
- When corresponding money or other consideration is transferred
- At the end of the business day on which the transfer occurs

305 G11Q036

Please describe:

*PFMI: Q.11.1.1*

*AGC: 56b*

306 G11Q037

Where does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*

*AGC: 56c*

- On the registrars books
- On the CSD books

307 G11Q038

Please describe:

*PFMI: Q.11.1.1*

*AGC: 56d*

309 G11Q040

In what form does the CSD maintain records identifying the assets of each participant?

*PFMI: Q.11.1.2*

*AGC: 45*

- Computer file
- Microfiche
- Hard copy
- Computer tape
- OTHER:

310 G11Q041

In which format is the source data maintained?

*PFMI: Q.11.1.2*

*AGC: 45b*

CBL's Creation platform is a Linux-based development providing the benefits of scalability and modern development techniques. Hardware is based on the latest hardware and software technology with Oracle as the main database. An advanced Position Management system records customer securities transactions as well securities and cash accounts positions hold in CBL.

315 G11Q046

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

*PFMI: Q.11.1.6*

*AGC: 52i*

This will depend on the regulation and market practice of the domestic market in question.

318 G11Q049

How are CSD eligible securities held by the CSD?

*PFMI: Q.11.3.1*

*AGC: 50, 50a*

- In dematerialized form
- In certificated form

OTHER: In CBL's system, securities are held in book-entry form and transferred by book-entry. They are immobilised at least as long as they remain in CBL. Depending on the market served (e.g. Eurobonds, domestic securities) the underlying security may be held in certificated and/or immobilised form as well as fully dematerialised. With respect to Eurobonds for which CBL acts as primary depository, 100% of the outstanding bonds are held in certificated form. Of that, less than 1% are physically deliverable, the remainder being immobilised. For all other domestic markets serviced we refer you to the Creation Link Guide available on [www.clearstream.com](http://www.clearstream.com).

320 G11Q051

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

*PFMI: Q.11.3.2*

*AGC: 51*

- Not applicable
- Certain designated securities may be held outside the CSD
- Once entered into the CSD, eligible securities must remain in the CSD
- Securities may move freely into and out of the CSD
- All eligible securities must be held in the CSD

321 G11Q052

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

*PFMI: Q.11.3.2*

*AGC: 51a*

322 G11Q053

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

*PFMI: Q.11.3.2*

*AGC: 51b*

323 G11Q054

Are these certificates:

*PFMI: Q.11.3.2*

*AGC: 51c*

- Bearer
- Registered
- OTHER:

324 G11Q055

If registered, how are the CSD eligible securities registered?

*PFMI: Q.11.3.2*

*AGC: 51d*

- In the name of the CSD
- In the name of the depositing participant or its nominee
- In the name of a separate nominee of the CSD
- OTHER:

325 G11Q056

If in the name of a separate nominee, please identify by name the nominee used:

*PFMI: Q.11.3.2*

*AGC: 51f*

326 G11Q057

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

*PFMI: Q.11.3.2*

*AGC: 51h*

- Registered
- Bearer

Other: International securities may exist in various forms and include various features.

Within CBL, securities are held in book-entry form and transferred by book-entry. They are immobilised at least as long as they remain in CBL. Most securities held in CBL's system are subdeposited with CBL's depositories. Depending on the market served (e.g. Eurobonds, domestic securities) the underlying security may be held in certificated and/or immobilised form as well as fully dematerialised. For further information, please refer to the Market Guides on our website [www.clearstream.com](http://www.clearstream.com).

327 G11Q058

What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

*PFMI: Q.11.3.2*  
*AGC: 51i*

328 G11Q059

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

*PFMI: Q.11.3.2*  
*AGC: 52*

- Not applicable
- No
- Yes

329 G11Q060

Are the securities held:

*PFMI: Q.11.3.2*  
*AGC: 52a, 52k*

- Through book-entry at the CSD
- Through book-entry at a registrar or issuer
- OTHER:

330 G11Q061

Please identify which types of entities may act as registrars:

*PFMI: Q.11.3.2*  
*AGC: 52b*

- Issuers
- Separate companies that perform registrar functions
- CSD
- OTHER:

331 G11Q062

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a

centralized basis for the market?

*PFMI: Q.11.3.2*

*AGC: 52d*

- No
- Yes

332 G11Q063

If yes, how are securities held at the registrar for the account of the CSD?

*PFMI: Q.11.3.2*

*AGC: 52e*

- In the name of a separate nominee of the CSD
- In the name of the CSD

333 G11Q064

Please describe:

*PFMI: Q.11.3.2*

*AGC: 52f*

334 G11Q065

If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

*PFMI: Q.11.3.2*

*AGC: 52g*

- A nominee
- The beneficial owner

335 G11Q066

Please describe:

*PFMI: Q.11.3.2*

*AGC: 52h*

Securities deposited in CBL are in principle registered either:

- In the name of CBL or its nominee;

- o In the name of CBL's depository bank or its nominee.
- o In the name of the SSS in which the securities are sub-deposited or its nominee;
- o In the case of registered securities received from Euroclear Bank S.A. over the electronic Bridge but not yet delivered from the Euroclear Bank S.A. depository to the CBL depository, in the name in which such security is held while deposited in Euroclear Bank;
- o In the exceptional cases of certain securities in Hong Kong, in the name of a third party that was already the registered owner at the time the security was received by CBL depositories; or
- o If required, in the name of the final beneficiary (for example, in the case of Swiss registered shares or U.S. restricted securities).

Registered securities received by the relevant depository bank are only credited to the customer's account once the depository has taken the necessary steps to have them registered according to market practice.

Further information on market practice for each of CBL's 58 domestic market links is available in comprehensive Market Profiles and Creation Link Guides on the website at <https://www.clearstream.com/clearstream-en/products-and-services/market-coverage>

338 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

*PFMI: Q.11.4.1*

*AGC: 66, 66a, 66d*

- Yes
- Not applicable
- No
- Other: CBL may hold securities and cash with any other depository, any sub-custodian or another clearance system. If a customer suffers any loss or liability as the result of any act or omission of, or the bankruptcy or insolvency of any of CBL's depositories, sub-depositories, custodians, sub-custodians or of any other clearance system or of any carrier transporting securities between CBL and/or any of the foregoing, CBL shall take such steps in order to effect a recovery as it shall reasonably deem appropriate under all the circumstances. However, except where CBL acted with gross negligence or willful misconduct, any cost or expense incurred in effecting, or attempting to effect, such recovery shall be borne by the customer.

339 G11Q070

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66b 66c*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

340 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

*PFMI: Q.11.4.1*

*AGC: 66e, 66g, 66h*

- Not applicable
- Yes
- No
- Other: Physical securities are held via a network of depositories and sub-custodians. If a customer suffers any loss or liability as the result of any act or omission of, or the bankruptcy or insolvency of any of CBL's depositories, sub-depositories, custodians, sub-custodians or of any other clearance system or of any carrier transporting securities between CBL and/or any of the foregoing, CBL shall take such steps in order to effect a recovery as it shall reasonably deem appropriate under all the circumstances. However, except where CBL acted with gross negligence or willful misconduct, any cost or expense incurred in effecting, or attempting to effect, such recovery shall be borne by the customer. CBL is bound by legal and regulatory requirements which set out that in the absence of gross negligence or willful misconduct on its part, CBL shall not be liable to the Customer for any loss, claim, liability, expense or damage arising from any action taken or omitted to be taken by CBL, in connection with the provision of services contemplated hereby and by the Governing Documents.

341 G11Q072

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66f*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:



342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1**AGC: 66i, 66l.*

- Not applicable
- Yes
- No

343 G11Q074

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1**AGC: 66j, 66k*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER: CBL is bound by legal and regulatory requirements which set out that in the absence of negligence or willful misconduct on its part, CBL shall not be liable to the customer for any loss, claim, liability, expense or damage arising from any action taken or omitted to be taken by CBL, in connection with the provision of services contemplated hereby and by the Governing Documents

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1**AGC: 66m, 66p.*

- Yes
- No
- Not applicable
- OTHER:

345 G11Q076

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66n.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER: CBL is bound by legal and regulatory requirements which set out that in the absence of negligence or willful misconduct on its part, CBL shall not be liable to the customer for any loss, claim, liability, expense or damage arising from any action taken or omitted to be taken by CBL, in connection with the provision of services contemplated hereby and by the Governing Documents. CBL does not accept responsibility for consequential losses.

347 G11Q078

Is the CSD immune from legal action in its own jurisdiction?

*PFMI: Q.11.4.2*

*AGC: 68*

- No
- Yes

349 G11Q080

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

*PFMI: Q.11.4.3*

*AGC: 92*

- Not applicable
- No
- Yes

350 G11Q081

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 92a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include

infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate.

351 G11Q082

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 92b.*

The amount of deductible is EUR 5 million.

352 G11Q083

Does the CSD have insurance for Operational Errors?

*PFMI: Q.11.4.3*

*AGC: 93*

- Not applicable
- No
- Yes

353 G11Q084

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 93a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate.

354 G11Q085

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 93b.*

The amount of deductible is EUR 5 million.

355 G11Q086

Does the CSD have Errors and Omissions insurance?

*PFMI: Q.11.4.3*

*AGC: 94*

- Not applicable
- No
- Yes

356 G11Q087

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 94a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate.

357 G11Q088

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 94b.*

The amount of deductible is EUR 5 million.

358 G11Q089

Does the CSD have insurance for the Premises?

*PFMI: Q.11.4.3*

*AGC: 95*

- Not applicable
- No
- Yes

359 G11Q090

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 95a.*

The amount of coverage is up to €260 million.

360 G11Q091

What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 95b.*

The level of deductible depends on the category risk.

361 G11Q092

Does the CSD have any other insurance?

*PFMI: Q.11.4.3*  
*AGC: 96, 96d*

- Not applicable
- No
- Yes

362 G11Q093

If so, what is it for?

*PFMI: Q.11.4.3*  
*AGC: 96a.*

CBL has a Directors and Officers' Liability insurance in place. Additionally, Deutsche Börse AG, including Clearstream Banking Luxembourg, is covered by a Cyber Insurance Policy.

363 G11Q094

What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 96b.*

We consider this information confidential.

364 G11Q095

What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 96c.*

We consider this information confidential.

365 G11Q096

Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

*PFMI: Q.11.4.3*  
*AGC: 97*

Comprehensive Crime and Professional Liability Insurance: The lead insurer is Zurich Insurance All Risks of Physical Loss or Damage of Shipment of Securities and at the Premises, which is an "All Risk" policy: The carrier is Liberty Directors' and Officers' Liability: The lead insurer is Zurich Insurance. Cyber Insurance Policy: Munich RE

366 G11Q097

Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

*PFMI: Q.11.4.3*  
*AGC: 97a.*

n/a

367 G11Q098

What is the term of the policy?

*PFMI: Q.11.4.3*  
*AGC: 97b.*

Annual at either 31.03 or 01.04 with renewal clause.

368 G11Q099

Who does the insurance cover?

*PFMI: Q.11.4.3*  
*AGC: 97c, 97d*

- CSD
- Direct CSD participants
- Final investors
- Not applicable
- OTHER:

369 G11Q100

If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

*PFMI: Q.11.4.3*  
*AGC: 98*

Please note that the answers contained in the Questionnaire of the Association of Global Custodians are provided for information purposes only. Information in this

document is subject to change and does not represent a commitment on the part of CBL, or any other entity in the Clearstream group of companies. CBL, its subsidiaries and affiliates expressly disclaim liability for errors or omissions in the information contained in this document.

370 G11Q101

filecount - Upload document here:

*PFMI: Q.11.4.3*

*AGC: 98a.*

Insurance Certificate\_combined 2020-2021.pdf (557KB)

DBAG  
combined  
insurance  
certificate

1

371 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

*PFMI: Q.11.4.3*

*AGC: 67a, 67b.*

Yes

No

Not applicable

OTHER: CBL is bound by legal regulatory requirements which set out that in the absence of negligence or willful misconduct on its part, CBL shall not be liable to the customer for any loss, claim, liability, expense or damage arising from any action taken or omitted to be taken by CBL, in connection with the provision of services contemplated hereby and by the Governing Documents. CBL may hold securities and cash with any other depository, any sub-custodian or another clearance system. If a customer had suffered an effective direct loss or liability as an immediate result of an established act or omission of, or the bankruptcy or insolvency of any of CBL's depositories, sub-depositories, custodians, sub-custodians or of any other clearance system or of any carrier transporting securities between CBL and/or any of the foregoing, CBL shall take such steps it shall reasonably deem appropriate by its sole discretion in order to assist such customer to effect a recovery of such a loss. However, except where CBL acted with gross negligence or willful misconduct, any cost or expense incurred in effecting, or attempting to effect, such recovery shall be borne by the customer.

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3*

*AGC: 67b.*

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67c.*

<https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions>

374 G11Q105

Insurance

*PFMI: Q.11.4.3**AGC: 67d.* Yes No Not applicable OTHER:

375 G11Q106

Please explain (then please answer 67f):

*PFMI: Q.11.4.3**AGC: 67e.*

CBL has concluded an insurance "Comprehensive Crime and Professional Liability Insurance" policy which covers it against claims made by clients for financial losses that include infidelity of employees, civil liability and electronic crime. In addition, there is an "All Risks of Physical Loss or Damage of Shipment of Securities and at the Premises of Deutsche Börse AG" which covers all risk of physical loss or damage of securities held on our premises and during transport. There is also a "Directors' and Officers' Liability" covering all Directors and Officers of DBAG. This covers any natural person who is a past, present or future director or officer of the company, duly elected or appointed. Last, Deutsche Börse AG, including Clearstream Banking Luxembourg, is covered by a Cyber Insurance Policy. It provides insurance cover in the event that claims for compensation of a financial loss are made against the insured by other parties due to a breach of information security and on the basis of legal liability provisions under private law.

376 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67f.*

Copies of both certificates are enclosed as Annex Insurances.



377 G11Q108

Acknowledgement of liability for losses caused by CSD's own actions.

*PFMI: Q.11.4.3*

*AGC: 67g.*

- Not applicable
- No
- Yes
- Other: CBL will only be liable in case of negligence or willful misconduct.

378 G11Q109

Please explain (then please answer 67i):

*PFMI: Q.11.4.3*

*AGC: 67h.*

379 G11Q110

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*

*AGC: 67i.*

As stated in article 48 of its General Terms and Conditions, CBL undertakes to perform such duties and only such duties as are specifically set forth in its General Terms and Conditions or in the Governing Documents

380 G11Q111

Other

*PFMI: Q.11.4.3*

*AGC: 67j.*

- Yes
- No

381 G11Q112

Please explain (then please answer 67i):

*PFMI: Q.11.4.3*

AGC: 67k.

382 G11Q113

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

PFMI: Q.11.4.3

AGC: 67l.

384 G11Q115

Are participants permitted to maintain more than one account at the CSD?

PFMI: Q.11.5.1

AGC: 41

- Not applicable
- No
- Yes

385 G11Q116

If yes, please indicate number:

PFMI: Q.11.5.1

AGC: 41a, 41c

- An unlimited number of accounts
- More than one account
- OTHER:

386 G11Q117

If more than one account what is the maximum?

PFMI: Q.11.5.1

AGC: 41b

388 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

PFMI: Q.11.5.2

AGC: 42

- Yes
- No
- Not applicable
- OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

*PFMI: Q.11.5.2*

*AGC: 42a*

- Permitted
- Required

390 G11Q121

How does segregation occur?

*PFMI: Q.11.5.2*

*AGC: 42b, 42c*

- By separately designated participant accounts.
- By sub-accounts within a single participant account.
- By separately designated beneficial owner accounts.
- OTHER:

391 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

*PFMI: Q.11.5.2*

*AGC: 43, 43b*

- Not applicable
- No
- Yes

392 G11Q123

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

*PFMI: Q.11.5.2**AGC: 43a*

- Yes
- No

394 G11Q126

Please indicate services you provide.

*PFMI: Q.11.6.1**AGC: 35*

- Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Not applicable
- OTHER: CBL's Vestima platform delivers a suite of investment fund services supporting the cross-border distribution needs of the investment fund industry around the globe. It provides a gateway to global funds solutions ranging from order routing, centralised delivery versus payment (DVP) settlement, safekeeping and asset servicing. This allows customers to benefit from a streamlined process regardless of the variety of markets and investment funds involved. Vestima provides a single entry point and standardised process for all fund transactions - from mutual funds to exchange-traded funds (ETFs) and hedge funds – and one fully- integrated set of reports and connectivity media. Vestima supports the ISO 20022 messaging format. With more than 190,000 investment funds from 43 jurisdictions, Vestima is the world's largest cross-border fund processing platform. For further information, please refer to the following link: <https://www.clearstream.com/clearstream-en/products-and-services/investment-funds-services/vestima/market-coverage/fund-markets-covered-1276340> Customers of our Vestima platform realise efficiency gains through automation. Operational efficiency is significantly increased through DVP settlement, the synchronous exchange of cash and investment fund shares. Automation is a powerful tool in the investment funds sector where many companies still rely on faxes and phone calls. With the

acquisition of Citco Global Securities Services (CGSS) in October 2014, CBL expanded into the hedge fund execution and custody services. This additional business alongside the existing highly automated mutual fund services at CBL provides clients with the perfect 'one-stop shop' solution for all fund types. The recent IFS acquisition, Swisscanto Fund Centre Ltd., allows Clearstream to offer new "Distribution Intermediation" services. Following the acquisition of Fondcenter from UBS, The newly-combined company will become the centre of excellence for fund distribution services within Deutsche Börse Group and will significantly enhance Clearstream's existing Fund Desk business. In 2012, CBL co-founded REGIS-TR S.A., a joint venture with the Spanish central securities depository Iberclear (CBL: 50%, Iberclear 50%), to act as a central trade repository for derivatives transactions across multiple product classes and jurisdictions; helping participants meet their regulatory reporting obligations. REGIS-TR Trade repository services have been created to meet the requirements of the EU regulators who are looking to increase transparency in the OTC derivatives market by forcing market participants into reporting their derivatives trades. CBL aims at expanding its business in different dimensions by allowing CBL to access a new asset class (OTC derivatives) leveraging the existing Clearstream/ DBAG value chain, including the OTC CCP of Eurex Clearing AG.

395 G11Q127

Automatic securities lending facility is provided for:

*PFMI: Q.11.6.1*

*AGC: 35a*

- Brokers
- Banks
- Other financial institutions
- OTHER: Any CBL customer can benefit, upon subscription, from existing securities financing facilities such as ASL and ASLplus.

396 G11Q128

If collateral handling, please provide details

*PFMI: Q.11.6.1*

*AGC: 35c*

CBL provides global securities financing services which are bundled under the Global Liquidity Hub. In addition to securities lending and borrowing it contains collateral management in cash, fixed income and equities. The Global Liquidity Hub's sophisticated collateral management system allows a high degree of flexibility, enabling a broad range of participants to implement individual service requirements.

CBL is constantly striving to extend the Global Liquidity Hub's reach through partnerships with electronic trading platforms, central counterparties (CCPs), central securities depositories (CSDs) and agent banks, so that customers can cover all their exposures from CBL. The Global Liquidity Hub manages collateral to cover all types of exposures in real time, across currencies, asset classes and time zones. Outsourcing collateral management to CBL as a neutral agent enables customers to focus on their core business, while benefiting from asset optimisation and full regulatory compliance.

CBL's ICSD customers can benefit from the full suite of Global Liquidity Hub services to make

the most of their assets.

Triparty collateral services (CmaX)

- Triparty Collateral Management Service

Collateral refers to assets - cash or securities - pledged to back up a credit advance. Since financial transactions of almost any kind require some form of collateral, efficient collateral management has become essential for every customer. CBL ensures that customers make the most efficient use of the collateral they hold through the Triparty Collateral Management Service. This service frees customers from collateral management and administrative tasks from the moment a transaction takes place through to final settlement. CBL monitors the credit exposure and collateral coverage throughout the duration of a deal. CBL marks positions to market daily, calls for margin and provides comprehensive transaction and settlement reports every day.

- Triparty Repo Service

Multi-currency repurchase agreements, known as "repos", are short-term money market instruments in which sellers ("collateral givers") offer fixed income financial instruments, for example, bonds, as collateral in exchange for a cash loan from buyers ("collateral receivers"). The Triparty Repo Service offered by CBL is designed to simplify the process of administering multi-currency repurchase agreements for both collateral giver and collateral receiver, and to reduce the operational risks associated with some types of repurchase agreements by offering a comprehensive delivery versus payment and securities safekeeping service. Collateral received in connection with a triparty repo agreement is monitored, reviewed and marked to market on a daily basis to ensure that collateral margin requirements are maintained.

- Triparty Securities Lending Service

CBL offers its Triparty Securities Lending Service for the settlement, valuation and collateralisation of bilateral securities lending transactions.

- Collateral pledge to central banks

CBL acts as an intermediary for international customers, allowing them to pledge assets in favour of various central banks mainly Banque centrale du Luxembourg, Deutsche Bundesbank and U.S. Federal Reserve.

- CCP margining

Regulators are pushing for an increasing number of trades to be cleared by CCPs. While this has the benefit of reducing counterparty risk, it also creates additional complexity, as each CCP has different clearing requirements. As a result, customers have to deal with a multitude of operational frameworks and collateral profiles.

As an experienced triparty collateral agent, CBL helps customers to make the most of their assets through an efficient use of collateral, thereby making expensive cash margins redundant. Thanks to partnerships with selected CCPs such as CME Clearing, Eurex Clearing, ICE Clear Europe, LCH Clearent and Oslo Clearing ASA, CBL customers who are also clearing members can use the Global Liquidity Hub's full suite of automatic allocation, optimisation and substitution services for their exposures.

This margining service is part of CBL's wider efforts to give customers the best possible access to collateral locations around the world: both through strategic partnerships and by linking to globally fragmented exposure locations such as CCPs. Customers can use the Global Liquidity Hub to cover multiple exposure types: bilateral, central bank and CCP margining.

OTC collateral services

- Bilateral collateral management solutions

OTC Collateral enables customers to cover all their derivative exposures from a single collateral pool out of the Global Liquidity Hub. The service covers all aspects of bilateral collateral management from CSA review and administration, mark-to-market, margining, dispute management and portfolio reconciliation to payment/settlement follow-up and reporting.

- Full triparty reuse

The collateral received from bilateral transactions under the OTC Collateral service can be readily reused within the triparty environment of the Global Liquidity Hub. The full range of triparty products is available for reuse, including triparty repo, GC Pooling, reinvestment in money market funds for cash collateral and collateral transformation. Our collateral transformation services include OTC and centrally cleared repos, securities lending and pledges to central bank.

397 G11Q129

Other, please explain:

*PFMI: Q.11.6.1*

*AGC: 35d*

CBL's Vestima platform delivers a suite of investment fund services supporting the cross-border distribution needs of the investment fund industry around the globe. It provides a gateway to global funds solutions ranging from order routing, centralised delivery versus payment (DVP) settlement, safekeeping and asset servicing. This allows customers to benefit from a streamlined process regardless of the variety of markets and investment funds involved.

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With more than 150,000 investment funds from over 40 jurisdictions, Vestima is the world's largest cross-border fund processing platform. For further information, please refer to the following link:

<https://www.clearstream.com/clearstream-en/products-and-services/investment-funds-services/vestima/market-coverage/fund-markets-covered-1276340>

Customers of our Vestima platform realise efficiency gains through automation. Operational efficiency is significantly increased through DVP settlement, the synchronous exchange of cash and investment fund shares. Automation is a powerful tool in the investment funds sector where many companies still rely on faxes and phone calls.

With the acquisition of Citco Global Securities Services (CGSS) in October 2014, CBL expanded into the hedge fund execution and custody services. This additional business alongside the existing highly automated mutual fund services at CBL provides clients with the perfect 'one-stop shop' solution for all fund types. The recent IFS acquisition, Swisscanto Fund Centre Ltd., allows Clearstream to offer new "Distribution Intermediation" services. Following the acquisition of Fondcenter from UBS, The newly-combined company will become the centre of excellence for fund distribution services within Deutsche Börse Group and will significantly enhance Clearstream's existing Fund Desk business.

In 2012, CBL co-founded REGIS-TR S.A., a joint venture with the Spanish central securities depository Iberclear (CBL: 50%, Iberclear 50%), to act as a central trade repository for derivatives transactions across multiple product classes and jurisdictions; helping participants meet their regulatory reporting obligations. REGIS-TR Trade repository services have been created to meet the requirements of the EU regulators who are looking to increase transparency in the OTC derivatives market by forcing market participants into reporting their

derivatives trades. CBL aims at expanding its business in different dimensions by allowing CBL to access a new asset class (OTC derivatives) leveraging the existing Clearstream/ DBAG value chain, including the OTC CCP of Eurex Clearing AG.

398 G11Q130

What procedures are in place for the processing of corporate action entitlements?

*PFMI: Q.11.6.1*

*AGC: 36*

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the securities account upon actual receipt by the CSD.
- Corporate action entitlements are handled by an entity separate from the CSD.
- Not applicable
- OTHER:

399 G11Q131

Credited to the securities account:

*PFMI: Q.11.6.1*

*AGC: 36a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

400 G11Q132

Name of entity:

*PFMI: Q.11.6.1*

*AGC: 36c*

401 G11Q133

What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1*

*AGC: 37, 37d.*



- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the cash account upon actual receipt by the CSD.
- Income and dividend collection is handled by an entity separate from the CSD.
- Not applicable
- OTHER:

402 G11Q134  
Credited to the cash account:

*PFMI: Q.11.6.1*  
*AGC: 37a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

403 G11Q135  
Name of entity:

*PFMI: Q.11.6.1*  
*AGC: 37c*

### Exchange-of-value settlement systems (PFMI Principle 12)

408 G12Q003  
Does the CSD guaranty settlement?

*PFMI: Q.12.1.1*  
*AGC: 66u.*

- Not applicable
- Yes
- No
- Other: CBL operates a real-time processing that begins after the scheduled start of the settlement cycles at 21:30 in the evening of the business day preceding settlement date, and runs continuously until 20:05 on settlement date. It is followed by the end of day processing,

which is scheduled to be completed by 20:35. Settlement is effected on an actual rather than contractual basis. In order to ensure the highest settlement efficiency possible, CBL offers comprehensive pre-matching information, integrated securities lending and credit facilities as well as proactive account monitoring service.

409 G12Q004

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

*PFMI: Q.12.1.1*

*AGC: 66v.*

411 G12Q006

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

*PFMI: Q.12.1.2*

*AGC: 48*

- Model1
- Model2
- Model3
- Not applicable
- OTHER:

412 G12Q007

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

*PFMI: Q.12.1.3*

*AGC: 48a*

The CBL settlement model does not vary from the Model 1 BIS model.

415 G12Q010

Are the cash and security movements simultaneous?

*PFMI: Q.12.1.3*

*AGC: 49*

- Not applicable

- No
- Yes

416 G12Q011

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

*PFMI: Q.12.1.3*

*AGC: 49a*

- 2 days
- Overnight
- 5 hours
- 4 hours
- 3 hours
- 2 hours
- 1 hour

### Participant default rules and procedures (PFMI Principle 13)

421 G13Q004

During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

*PFMI: Q.13.1.2*

*AGC: 77*

- Not applicable
- No
- Yes

422 G13Q005

How was the situation resolved? Or if you answered "Other," then please explain:

*PFMI: Q.13.1.2*

*AGC: 77a*

423 G13Q006

Does the stock exchange have default protections that extend to the CSD, such as the following?

*PFMI: Q.13.1.2**AGC: 80*

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- No
- Not applicable
- OTHER:

424 G13Q007

Please explain:

*PFMI: Q.13.1.2**AGC: 80a*

n/a

427 G13Q010

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

*PFMI: Q.13.1.4**AGC: 76, 76d*

- CSD insurance covers the loss
- The CSD guaranty fund covers the loss
- Loss is shared among participants
- Not applicable
- OTHER: Clearstream has the status of a payment and securities settlement system ('SSS') and as such Clearstream has to comply with the strictest standards for managing and mitigating custody risk. The counterparty risk is addressed by: • Legal provisions on finality (once a transaction is final, bankruptcy of counterpart does not impact transaction). • The DVP model, where securities and cash are effectively exchanged between the counterparties, minimising the settlement risk. • To reduce settlement failure, Clearstream offers securities lending, enhancing settlement efficiency through automated loans to prevent failures. The assessment of the credit risk depends on the underlying agreement between participants and

is addressed by the securities being pledged as collateral. Clearstream meets all standards to use the 'Advanced Measurement Approach' of Basel II for the regulatory capital charge for operational risk. Furthermore, please refer to the description of our default management processes which is published at the following link: <https://www.clearstream.com/clearstream-en/strategy-and-initiatives/asset-safety/clearstream-default-management/clearstream-default-management-1274008>

428 G13Q011

Please explain the process:

*PFMI: Q.13.1.4*

*AGC: 76a*

429 G13Q012

Please explain the process of how the loss is shared:

*PFMI: Q.13.1.4*

*AGC: 76b*

- Limited to participants with transactions with failing counterparty
- Pro-rata based on participant's volume
- Equally, among participants

430 G13Q013

Please explain:

*PFMI: Q.13.1.4*

*AGC: 76d*

Clearstream has the status of a payment and securities settlement system ('SSS') and as such Clearstream has to comply with the strictest standards for managing and mitigating custody risk.

The counterparty risk is addressed by:

- Legal provisions on finality (once a transaction is final, bankruptcy of counterpart does not impact transaction).
- The DVP model, where securities and cash are effectively exchanged between the counterparties, minimising the settlement risk.
- To reduce settlement failure, Clearstream offers securities lending, enhancing settlement efficiency through automated loans to prevent failures.

The assessment of the credit risk depends on the underlying agreement between participants and is addressed by the securities being pledged as collateral. Clearstream meets all standards to use the 'Advanced Measurement Approach' of Basel II for the regulatory capital charge for operational risk.

Furthermore, please refer to the description of our default management processes which is published at the following link: <https://www.clearstream.com/clearstream-en/strategy-and-initiatives/asset-safety/clearstream-default-management/clearstream->

default-management-1274008

**General business risk (PFMI Principle 15)**

440 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.3*

*AGC: 15*

Yes

No

441 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

*PFMI: n/a*

*AGC: 15a.*

CBL's external auditor is KPMG Audit, Société Coopérative.

442 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: n/a*

*AGC: 15b.*

443 G14Q005

Please list the period that the audit covered:

*PFMI: n/a*

*AGC: 15c.*

Start date: 01/01/2019

End date: 31/12/2019

444 G14Q006

How frequently does the financial audit occur?

*PFMI: n/a*

*AGC: 15d.*

- Less than annually
- Annually
- Two or more times a year

445 G14Q007

If less than annually, please explain:

*PFMI: n/a*

*AGC: 15e.*

446 G14Q008

Please select the statement that most accurately characterizes the results of the last financial audit:

*PFMI: n/a*

*AGC: 15g.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

447 G14Q009

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: n/a*

*AGC: 15h.*

448 G14Q010

Has there been any material loss by the CSD during the past three years?

*PFMI: n/a*

*AGC: 86*

- Not applicable
- No
- Yes

449 G14Q011

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

*PFMI: n/a*

*AGC: 86a.*

450 G14Q012

Has the CSD been subject to any litigation involving a participant during the past three years?

*PFMI: n/a*

*AGC: 87*

- Not applicable
- No
- Yes

451 G14Q013

Please explain the circumstances and resolution:

*PFMI: n/a*

*AGC: 87a.*

452 G14Q014

Has the CSD realized revenues sufficient to cover expenses during the past three years?

*PFMI: n/a*

*AGC: 88, 88a*

- Not applicable
- None of the last three years
- Yes for one of the last three years
- Yes for two of the last three years
- Yes for all three years

453 G14Q015

Has any participant suffered any losses in the past three years due to the CSD's performance?



PFMI: n/a  
AGC: 30, 30m

- Not applicable
- No
- Yes

454 G14Q016

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

PFMI: n/a  
AGC: 30a, 30j

- Corporate Action
- Settlement Process - Securities
- Settlement Process - Cash
- System Outage
- OTHER:

455 G14Q017

Corporate Action. Please specify number of instances:

PFMI: n/a  
AGC: 30b.

456 G14Q018

Corporate Action. Please specify total loss in USD:

PFMI: n/a  
AGC: 30c.

457 G14Q019

Settlement Process - Securities. Please specify number of instances:

PFMI: n/a  
AGC: 30d.

458 G14Q020

Settlement Process - Securities. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30e.*

459 G14Q021

Settlement Process - Cash. Please specify number of instances:

*PFMI: n/a*

*AGC: 30f.*

460 G14Q022

Settlement Process - Cash. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30g.*

461 G14Q023

System Outage. Please specify number of instances:

*PFMI: n/a*

*AGC: 30h.*

462 G14Q024

System Outage. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30i.*

463 G14Q025

For Other, please specify number of instances:

*PFMI: n/a*

*AGC: 30k.*

464 G14Q026

For Other, please specify total loss in USD:

*PFMI: n/a*

*AGC: 30l.*

468 G14Q030

Does the CSD maintain a reserve for operating losses?

PFMI: Q.15.2.1

AGC: 89, 89b

- Not applicable
- No
- Yes

471 G14Q033

Please describe and indicate reserve (for operating losses) amount:

PFMI: Q.15.2.2

AGC: 89a.

For a detailed description please refer to the Deutsche Börse Group Annual Report 2019, available at <https://www.clearstream.com/clearstream-en/about-clearstream/reports-and-ratings/annual-reports>

**Custody risk (PFMI Principle 16)**

485 G15Q003

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

PFMI: Q.16.1.1

AGC: 29, 29i

- Yes
- No
- Not applicable
- OTHER:

486 G15Q004

If third parties are employed, please indicate which services they supply:

PFMI: Q.16.1.1

AGC: 29a.

CBL is the primary settlement location for Eurobonds whereby the safekeeping and custody related activities are delegated to a network of 'common depositories'. In addition, CBL serves 58 domestic markets, for which it uses a network of sub-custodians as well as CSDs directly. A list of

sub-custodians is available at the following link:  
<https://www.clearstream.com/clearstream-en/products-and-services/market-coverage/depository-listings-1291442>

487 G15Q005

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

*PFMI: Q.16.1.1*

*AGC: 29b.*

- Yes
- No

488 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1*

*AGC: 29c, 29e.*

- regardless of whether such loss was caused by any action or inaction of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
- if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- if the loss was caused by the willful default or other willful conduct on the part of the agent
- OTHER: Clearstream performs its duties with the utmost care and holds its sub-depositaries to the same high standards. However, Clearstream's liability is restricted to those cases where we have acted with negligence or willful misconduct, in accordance with our GTCs, available on our website at the following link: <https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions>

489 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

*PFMI: Q.16.1.1*

*AGC: 29d, 29h.*

- without limit
- which are not consequential losses
- subject to a monetary limit not based on insurance limits

subject to a monetary limit based on insurance limits

OTHER:

490 G15Q008

Please specify limit:

*PFMI: Q.16.1.1*

*AGC: 29f.*

491 G15Q009

Please specify limit:

*PFMI: Q.16.1.1*

*AGC: 29g.*

496 G15Q014

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

*PFMI: Q.16.3.1*

*AGC: 62*

As part of the Deutsche Börse Group, CBL offers the quality of an organisation with a sound financial standing and excellent credit ratings. Our custody services combine secure and reliable asset safekeeping with industry leading event management support. CBL provides custody services for Eurobonds and securities instruments in 58 domestic markets around the world. These services include the distribution and settlement of New Issues, Income and Redemption payments and Corporate Actions. The service range is complemented by comprehensive Tax and Proxy Voting services. CBL has continuously increased the quality and the degree of standardisation of these processes, investing to further improve straight-through processing rates and reduce the burden on the back-offices of its customers and to offer a service level that is very close to what is available in the local market. Customer benefit from:

- Comprehensive new issues services;
- Timely and accurate income and redemption payments;
- Proactive tax services for both relief at source and reclaims;
- Efficient corporate action notification and processing;
- Flexible proxy voting service;
- Full SWIFT life cycle for income and corporate actions;
- Leading connectivity suite, supporting exception management via online tools.

**Operational risk (PFMI Principle 17)**

514 G16Q011

Internal Audit. Is an internal audit undertaken in your CSD?

*PFMI: Q.17.2.3**AGC: 14* Yes No

515 G16Q012

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

*PFMI: Q.17.2.3**AGC: 14a.*

The role of CBL's internal audit department encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and the quality of performance.

The Chief Auditor and audit staff remain independent from any other group activities in order to allow them to carry out their work freely and objectively and render impartial and unbiased judgments. The Chief Auditor reports directly to the Executive Board. Internal Audit is authorised to have unrestricted access to all records, personnel and physical properties.

The professional standards of the department are primarily based on those set out by the Institute of Internal Auditors, the Information Systems Audit and Control Association and the Basel Committee for Banking Supervision as well as by the German Institute for Internal Auditing.

An Audit Universe of all auditable units, processes and IT systems has been set up by Internal Audit and is reviewed annually. A three-year rotational plan is prepared, based on a risk analysis of the audit universe, from which the detailed plan for the coming year is determined. The three-year rolling plan and detailed annual plan are both approved by the Executive Board.

516 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

*PFMI: Q.17.2.3**AGC: 14b.*

Start date: 01/01/2020

End date: 31/12/2020

Audit date: 31/10/2020

517 G16Q014

How frequently does the internal audit occur?

*PFMI: Q.17.2.3**AGC: 14c.*

- Less than annually
- Annually
- Two or more times a year

518 G16Q015

If less than annually, please explain:

*PFMI: Q.17.2.3**AGC: 14d.*

519 G16Q016

Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3**AGC: 14e.*

- Yes
- No

520 G16Q017

Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3**AGC: 14f.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

521 G16Q018

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3*  
*AGC: 14g.*

523 G16Q020  
Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4*  
*AGC: 16*

Yes

No

524 G16Q021  
If yes, please state the name(s) of the entity(ies) who perform the operational audit.

*PFMI: Q.17.2.4*  
*AGC: 16a.*

CBL's external auditor for operational audit is Deloitte, Luxembourg.

525 G16Q022  
Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: Q.17.2.4*  
*AGC: 16b.*

30/09/2019

526 G16Q023  
Please list the period that the audit covered:

*PFMI: Q.17.2.4*  
*AGC: 16c.*

Start date: 01/10/2018  
End date: 30/09/2019

527 G16Q024  
How frequently does the operational audit occur?

*PFMI: Q.17.2.4*  
*AGC: 16d.*



- Less than annually
- Annually
- Two or more times a year

528 G16Q025

If less than annually, please explain:

*PFMI: Q.17.2.4*

*AGC: 16e.*

529 G16Q026

Please select the statement that most accurately characterizes the results of the last operational audit:

*PFMI: Q.17.2.4*

*AGC: 16g.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

530 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.4*

*AGC: 16h.*

537 G16Q034

How is access to the physical building controlled?

*PFMI: Q.17.5.1*

*AGC: 74*

- By guards
- By electronic keys
- personal ID card
- By alarm system

OTHER: System (SMS) is connected to the fire central and its fire detectors. Furthermore, the SMS is connected to an intrusion alert system. A surveillance of technical installations (temperature etc.) is also installed. 5 security guards are on duty during the day and 3 during the night. Visitors are required to sign in at reception providing valid proof of identity. The building is therefore restricted to authorised personnel and accompanied visitors. All staff are issued with picture ID cards that must be used to gain entrance. Approximately 100 cameras are installed in and outside the building. Access for technicians and visitors is only granted after written authorisation from the person, responsible for his/her area. Access to the Data Center is controlled with card readers and biometric reader.

538 G16Q035

Please explain:

*PFMI: Q.17.5.1*

*AGC: 74a.*

System (SMS) is connected to the fire central and its fire detectors. Furthermore, the SMS is connected to an intrusion alert system. A surveillance of technical installations (temperature etc.) is also installed. 5 security guards are on duty during the day and 3 during the night. Visitors are required to sign in at reception providing valid proof of identity. The building is therefore restricted to authorised personnel and accompanied visitors.

All staff are issued with picture ID cards that must be used to gain entrance. Approximately 100 cameras are installed in and outside the building. Access for technicians and visitors is only granted after written authorisation from the person, responsible for his/her area. Access to the Data Center is controlled with card readers and biometric reader.

541 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

*PFMI: Q.17.5.3*

*AGC: 71 71a.*

Not applicable

No

Yes

Other: Customers access their account using one of the connectivity media described previously. These media have different security protocols. Xact Web Portal, CreationOnline and Xact File Transfer use cryptographic challenge-response authentication mechanisms. The cryptographic keys depend on the choice of the customer and are either smart card based protected by PIN or file-based and protected by password. Xact File Transfer via SWIFT and Xact via SWIFT follows the SWIFT security model.

542 G16Q039

Does each user have a unique user ID?

*PFMI: Q.17.5.3*

*AGC: 71c.*

- Not applicable
- No
- Yes

543 G16Q040  
Are passwords regularly changed?

*PFMI: Q.17.5.3*  
*AGC: 71e.*

- Not applicable
- No
- Yes
- Other: For Xact Web Portal, CreationOnline and Xact File Transfer, a set of passwords will be communicated to the customer upon set-up. Thereafter access rights and password protocols will be defined and managed by the administrator at the customer institution.

544 G16Q041  
How often?

*PFMI: Q.17.5.3*  
*AGC: 71f.*

545 G16Q042  
Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3*  
*AGC: 71h.*

- Not applicable
- No
- Yes
- Other: For the Xact Web Portal, user accounts are locked after 10 failed logon attempts. The account is suspended until a local administrator resets the user's password. For CreationOnline after 3 failed logon attempts due to wrong password the session is temporarily locked. After a couple of minutes the user can login again. In case the OU is secured with an additional PIN after 3 failed logon attempts due to wrong PIN the user is

suspended and the local administrator must recreate the users certificate and password. In case the OU is secured with smartcard, after 15 failed logon attempts due to wrong smartcard password the smartcard is locked and the local administrator must recreate the users certificate and password.

546 G16Q043  
How many?

*PFMI: Q.17.5.3*  
*AGC: 71i.*

550 G16Q047

How quickly can the main system be reactivated in the event of an outage?

*PFMI: Q.17.6.2*  
*AGC: 82*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

553 G16Q050

Will the CSD publicly announce any system interruption?

*PFMI: Q.17.6.4*  
*AGC: 84*

- Not applicable
- No
- Yes

554 G16Q051

To whom will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*  
*AGC: 84a.*

- To the CSD regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet
- In the press
- OTHER:

555 G16Q052

If so, please list webpage address:

*PFMI: Q.17.6.4*

*AGC: 84b.*

www.clearstream.com

556 G16Q053

If so, please list all publications:

*PFMI: Q.17.6.4*

*AGC: 84c.*

557 G16Q054

Please explain:

*PFMI: Q.17.6.4*

*AGC: 84d.*

558 G16Q055

How will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*

*AGC: 84e.*

- By e-mail
- By telephone
- Public announcement
- Press release
- OTHER: Information on incidents/crises and a related action taken by CBL is made available to customers via the regular communication channels: direct contact via Client

Services and the relationship management teams, Xact Web Portal and CreationOnline alerts, website and e-mail.

559 G16Q056

Please explain:

*PFMI: Q.17.6.4*

*AGC: 84f.*

561 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

*PFMI: Q.17.6.5*

*AGC: 83*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours
- Other: CBL maintains a simultaneous working back-up system. Therefore the back-up system is performing all the time.

565 G16Q062

**BUSINESS RECOVERY PLAN.** This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

*PFMI: Q.17.6.8*

*AGC: 81*

- Yes
- No

566 G16Q063

Does your Business Recovery Plan include:

*PFMI: Q.17.6.8*

AGC: 81a, 81h.

- ✓ Back-up of all computer files
- ✓ Off-site data storage
- ✓ Back-up files stored and locked
- ✓ Off-site operations facility
- ✓ OTHER: CBL has a formal and comprehensive Business Continuity Management (BCM) process in place, as the unavailability of core processes and resources represents a substantial risk for CBL, and a potential systemic risk to the markets as a whole. The BCM process was modified to react on the increasing risk resulting from the recent pandemic. Thus BCM arrangements implemented at CBL address not only the unavailability of systems, workspace and suppliers, but also the loss of significant numbers of staff in order to ensure the continuity of the most critical operations even in cases of catastrophe scenarios. The organisational roles and responsibilities, and the guiding principles to ensure operational resilience, are documented in a formal BCM policy. Exclusively-dedicated work facilities provide backup office space for mission critical staff in the event an office location becomes unavailable. These backup facilities are fully-equipped (SWIFT, PCs, printers, fax, and telephones) and networked to both the primary and secondary data centres, and are operational at all times. The backup office facility is located approximately 10 km from the primary location. 250 desks are available. Staff members are informed to report to the backup facility according to a formalised crisis management process. Incident Managers are appointed as the unique points of contact in their respective business areas to ensure the proper escalation up to the Executive Board and cascading of the necessary information to the relevant staff. Mission critical units maintain a Unit Recovery Plan (URP) to document their business recovery requirements and action plan to ensure the continuation of the mission critical activities. Each mission critical unit has appointed a coordinator for the maintenance of its URP. URPs are reviewed at least on a 6-monthly basis (or ad hoc if required) and quality checks are performed by Group Risk Management according to established maintenance guidelines. Staff phone numbers are reviewed at a minimum as part of the 6-monthly review of the Unit Recovery Plans or ad hoc as required. Access to the backup building is restricted to authorised staff only via an electronic access control systems and on-site manned guarding.

567 G16Q064

Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

PFMI: Q.17.6.8

AGC: 81b.

The most recent tests were conducted on the following dates:

- Workspace unavailability (relocation exercise of staff in combination with all mission critical activities performed out of secondary location for several business days; unannounced): October 2019
- Staff unavailability (mission critical activities performed by dispersed operations staff and via business transfer to remote units for several business days; unannounced): December 2019
- Systems unavailability (simulating the loss of one data centre including production processing on remaining site): October 2020

568 G16Q065

Please identify both the frequency and the last date of testing for the following third party:  
Stock exchange

*PFMI: Q.17.6.8*

*AGC: 81c.*

n/a

569 G16Q066

Please identify both the frequency and the last date of testing for the following third party:  
Central bank

*PFMI: Q.17.6.8*

*AGC: 81d.*

n/a

570 G16Q067

Please identify both the frequency and the last date of testing for the following third party:  
Local brokers

*PFMI: Q.17.6.8*

*AGC: 81e.*

n/a

571 G16Q068

Please identify both the frequency and the last date of testing for the following third party:  
Any other third party

*PFMI: Q.17.6.8*

*AGC: 81f.*

Customers are regularly invited to participate in CBL's BCM and disaster recovery tests to validate their own BCM arrangements. The most recent test was conducted in November 2019.

572 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

*PFMI: Q.17.6.8*

*AGC: 85*

Not applicable

No



- Yes
- Other: We invoked our COVID-19 business continuity plan in stages since the beginning of March 2020. We have moved to remote working to the maximum extent in Europe and in the United States. The transition has been achieved in an orderly fashion and over 95% of our employees were initially working remotely in those sites, (Luxembourg, Frankfurt, Prague, Cork, London, Zug, New York). In the Asia Pacific Region, 50% of our staff were working remotely. A stepwise and voluntary based return to the office locations is currently ongoing. Staff working from home do so on company owned devices via company a secured VPN connection and have received specific direction on the treatment of confidential data. We reviewed all services and processes in designing our COVID-19 business continuity plan with a focus on those functions that must be performed in a particular location. In most cases, we were able to redesign, test and implement modifications to the processes to enable fully remote operation. In other cases, specific contingency plans have been deployed, aimed principally at ensuring multi-location redundancy and aggressive protection of the staff and service providers concerned. We monitor our network of custodians, agent banks, cash correspondents, depositories and other critical service providers daily. Although most are operating in various stages of contingency, our network is currently functioning normally.

573 G16Q070

If yes, how much time was needed to implement the recovery plan?

*PFMI: Q.17.6.8*

*AGC: 85a.*

- Longer than 4 hours
- 2 - 4 hours
- 1 - 2 hours
- Less than 1 hour

574 G16Q071

How much time was needed to recover and restore business to normal operations?

*PFMI: Q.17.6.8*

*AGC: 85b.*

- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

575 G16Q072

What was the impact to the market?

*PFMI: Q.17.6.8**AGC: 85c, 85d.*

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER:

576 G16Q073

If no or other, please explain

*PFMI: Q.17.7.4**AGC: 40a.*

578 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

*PFMI: Q.17.7.1**AGC: 39*

- Yes
- No
- Not applicable

579 G16Q076

Please explain

*PFMI: Q.17.7.1*

*AGC: 39a*

Data and applications within CBL are protected by coherent security architecture. This architecture has been designed to meet the specific needs of CBL and combines a number of components in order to ensure true end-to-end security and defense in depth. The major components of this architecture are as follows:

- Perimeter defence components (Multilayered Firewalls and Network Intrusion Detection Systems (NIDS));
- Cryptographic protocols on exposed network segments;
- Cryptographically enabled applications;
- A Public Key Infrastructure (PKI) system, using hardware key storage, to support cryptographic services;
- A multitiered framework for handling viruses and malicious code;
- Secure mail and SPAM filtering software;
- Access control software;
- Host-based and network-based scanning software for detecting vulnerability;
- Privilege management software for controlling and monitoring the use of powerful accounts;
- Standard secure configurations for all major native operating systems;
- Extensive use of Oracle security mechanisms, such as password protected roles, to prevent access to data from unauthorised individuals or applications;
- Centralised logging and event management: collection/normalisation of event data, and correlation of impact of incidents based on criticality to business operations;
- Strong authentication: Two factor authentication, biometrics, network access control (NAC);
- Managed file transfer;
- Protection of Web Interfacing Systems against Cyber Threats (e.g. DDoS, Web defacement);
- Real-time database security and monitoring.

For its online access applications, CBL provides a security subsystem that has been designed with true end-to-end security in mind and based on sound architectural principles. This subsystem is deployed as a series of components designed to work together to deliver a number of security services, such as:

- Authentication
- Protection of confidentiality
- Protection of integrity (both session and data integrity)
- Non-repudiation

- Logging and audit trail.

CBL's ISAE 3402 report is audited annually by Deloitte. This report includes, among others, control objectives and descriptions of controls covering physical access, logical access, the integrity and security of data transmissions between CBL and its customers and the protection of data centre assets. In addition KPMG perform an annual audit and issue a Long Form Report for the CSSF, the Luxembourg supervisory body for financial institutions. The CBL Long Form Report includes a section on IT, which includes Information Security.

583 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

*PFMI: Q.17.7.4*

*AGC: 40*

- Yes
- No
- Not applicable
- Other

#### Access and participation requirements (PFMI Principle 18)

587 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

*PFMI: Q.18.1.1*

*AGC: 19*

- Not applicable
- No
- Yes

591 G17Q007

What governs the relationship between the CSD and the participants?

*PFMI: Q.18.2.2*

*AGC: 20*

- Relevant law and regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- Not applicable
- OTHER:

592 G17Q008  
Please explain:

*PFMI: Q.18.2.2*  
*AGC: 20a*

594 G17Q010  
PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

*PFMI: Q.18.2.3*  
*AGC: 17, 17q*

- Banks
- Brokers
- Individuals
- Foreign Institutions
- Not applicable
- OTHER: Selected corporates including, insurance companies, pension funds, multilateral and supranational institutions and government bodies have been admitted on a case by case basis, often to participate in CBL's Global Securities Financing services - notably Triparty Repo.

595 G17Q011  
How many Bank participants are there currently? (then please answer 17b)

*PFMI: Q.18.2.3*  
*AGC: 17a.*

CBL maintains relationships with around 2,500 financial institutions in over 110 countries around the world. CBL's core franchise is composed of banks including local, regional and global custodians, central banks and universal banks.

596 G17Q012

Please select the features included in the eligibility requirements for Banks.

*PFMI: Q.18.2.3*

*AGC: 17b, 17d*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: For potential new customers, Clearstream Banking performs KYC and due diligence checks. This involves meeting the prospective customer face to face, defining the purpose and expected profile of the relationship, understanding the ownership and management structure and also understanding the ultimate controlling entity/entities of the customer. Documentary evidence is required as indicated on our website. Taking on a new customer involves the following functions in the decision-making process: - Relationship Management. - Compliance. - Credit. - Account administration. Ultimate approval of a customer resides with the Executive Board. Customers are subject to continuous monitoring by both the Compliance and Relationship Management functions, as well as regular KYC reviews.

597 G17Q013

Please explain:

*PFMI: Q.18.2.3*

*AGC: 17d.*

For potential new customers, Clearstream Banking performs KYC and due diligence checks. This involves meeting the prospective customer face to face, defining the purpose and expected profile of the relationship, understanding the ownership and management structure and also understanding the ultimate controlling entity/entities of the customer.

Documentary evidence is required as indicated on our website.

Taking on a new customer involves the following functions in the decision-making process:

- Relationship Management.
- Compliance.
- Credit.
- Account administration.

Ultimate approval of a customer resides with the Executive Board.

Customers are subject to continuous monitoring by both the Compliance and Relationship Management functions, as well as regular KYC reviews.

598 G17Q014

How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3*  
*AGC: 17e.*

Please refer to our answer to question 17a.

599 G17Q015

Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3*  
*AGC: 17f, 17h*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please refer to our answer to question 17d.

600 G17Q016

How many Individual participants are there currently? (then please answer 17j)

*PFMI: Q.18.2.3*  
*AGC: 17i.*

601 G17Q017

Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3*  
*AGC: 17j.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

602 G17Q018

How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3*  
*AGC: 17m.*

CBL regards all of its customers as foreign customers. Please refer to our answer to question 17a.

603 G17Q019

Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3*

*AGC: 17n, 17p.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please refer to our answer to question 17d.

604 G17Q020

If you have selected "Other entities" above, please explain:

*PFMI: Q.18.2.3*

*AGC: 17q.*

Selected corporates including, insurance companies, pension funds, multilateral and supranational institutions and government bodies have been admitted on a case by case basis, often to participate in CBL's Global Securities Financing services - notably Triparty Repo.

605 G17Q021

Indicate how many "Other entities" are currently participants?

*PFMI: Q.18.2.3*

*AGC: 17r.*

Please refer to our answer to question 17a.

606 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

*PFMI: Q.18.2.3*

*AGC: 17s, 17u*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Please refer to our answer to question 17d.

609 G17Q025



Where can a description of the specific eligibility requirements for Bank participants be found?

*PFMI: Q.18.2.5*

*AGC: 17c.*

Please refer to the "Becoming a Clearstream customer" page of our website  
<https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstream-customer/becoming-a-clearstream-customer-1277376>

610 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

*PFMI: Q.18.2.5*

*AGC: 17g.*

Please refer to our answer to question 17c.

611 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

*PFMI: Q.18.2.5*

*AGC: 17k.*

612 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

*PFMI: Q.18.2.5*

*AGC: 17o.*

Please refer to our answer to question 17c.

613 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

*PFMI: Q.18.2.5*

*AGC: 17t.*

Please refer to our answer to question 17c.

614 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

*PFMI: Q.18.2.5*

*AGC: 22*

- By e-mail
- By telephone
- By public announcement
- By press release
- Not applicable
- OTHER: Changes to the General Terms and Conditions as well as the governing documents are notified to customers via registered mail. Changes to the operational procedures are announced by e-mail (upon subscription). All changes to operational procedures are published on CBL's website - [www.clearstream.com](http://www.clearstream.com).

615 G17Q031

Please explain:

*PFMI: Q.18.2.5*

*AGC: 22a.*

Changes to the General Terms and Conditions as well as the governing documents are notified to customers via registered mail. Changes to the operational procedures are announced by e-mail (upon subscription). All changes to operational procedures are published on CBL's website - [www.clearstream.com](http://www.clearstream.com).

617 G17Q033

Who enforces compliance with the CSD's conditions of participation?

*PFMI: Q.18.3.1*

*AGC: 23*

- The CSD
- The exchange
- The CSD's regulator
- Not applicable
- OTHER:

618 G17Q034

Please explain:

*PFMI: Q.18.3.1*

*AGC: 23a*

619 G17Q035

Does the CSD have forms of oversight management for assessing and monitoring of the following?

*PFMI: Q.18.3.1*

*AGC: 79*

- Participant eligibility requirements
- Participant volumes
- Participant financial strength
- Other loss or default protections the CSD maintains
- Collateral requirements for participants
- Debit caps for participants
- Settlement controls that minimize or eliminate the risk of default by a participant
- Blocking of securities movement before receipt of payment
- Blocking payment until securities are moved
- Not applicable
- OTHER:

620 G17Q036

Please explain other loss or default protections:

*PFMI: Q.18.3.1*

*AGC: 79a*

621 G17Q037

Please explain the requirements:

*PFMI: Q.18.3.1*

*AGC: 79b*

All securities proposed for collateral are reviewed for eligibility in terms of issues, liquidity and market risk. Positions pledged as collateral are reviewed in accordance with fluctuations in market values. Pledged collateral is also monitored to identify whether the securities pledged are required to execute forthcoming deliveries. If this is the case, alternative collateral is sought in order to release the pledged securities for settlement.

622 G17Q038

Please explain how these debit caps work:

*PFMI: Q.18.3.1*

*AGC: 79c*

CBL has fully automated monitoring systems to ensure secured credit lines do not exceed established limits. CBL makes available discretionary secured credit to qualified customers for intraday usage. Intraday credit lines are solely for the purpose of facilitation of securities settlements.

623 G17Q039

What type or types of settlement controls

*PFMI: Q.18.3.1*

*AGC: 79d.*

- Blocking or freezing of securities positions
- Controlling DVP settlement
- Simultaneous DVP
- OTHER:

624 G17Q040

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79e.*

625 G17Q041

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79f.*

626 G17Q042

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79g.*

CBL is a Model 1 DvP system, ensuring simultaneous final settlement of securities and funds transfers on a gross (trade-by-trade) basis. Fund transfers and securities transfers are both processed by CBL's Creation settlement platform when customers give instructions to deliver or receive securities against payment, each securities transfer is linked to the specific payment.

Transactions between customers settle by simultaneous book entry debits and credits in their respective securities and/or cash accounts. These book entries are effected after completion of a processing run which considers customers' instructions transaction by transaction in a reiterative process to determine which of the transactions can settle in such a way as to optimise settlement while remaining within pre-defined limits.

627 G17Q043

Please identify and explain:

*PFMI: Q.18.3.1*  
*AGC: 79h*

628 G17Q044

Please explain briefly how these work:

*PFMI: Q.18.3.1*  
*AGC: 79i*

631 G17Q047

What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3*  
*AGC: 24*

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER:

632 G17Q048

Please explain:

*PFMI: Q.18.3.3*  
*AGC: 24a*

633 G17Q049

Has there been any such enforcement actions in the last three years?

*PFMI: Q.18.3.3*  
*AGC: 25*

- Yes
- No

634 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

*PFMI: Q.18.3.3*

*AGC: 25a.*

### Tiered participation (PFMI Principle 19)

#### Links (PFMI Principle 20)

651 G19Q004

Please list all depositories or settlement systems to which you have an electronic link.

*PFMI: Q.20.1.2*

*AGC: 38*

Please find a list of depositories to which CBL maintains electronic links available at the following link: <https://www.clearstream.com/clearstream-en/products-and-services/market-coverage/depository-listings-1291442>

In addition, CBL has established a link to Euroclear Bank (the "Bridge"), an electronic communications platform that facilitates the efficient settlement of securities transactions between counterparties in CBL and Euroclear Bank. Transactions between a CBL customer and counterparties in Euroclear Bank settle across the Bridge.

### Efficiency and effectiveness (PFMI Principle 21)

#### Communication (PFMI Principle 22)

676 G21Q003

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

*PFMI: Q.22.1.1*

*AGC: 69*

By direct electronic link

By receipt of physical account holding statements

Not applicable

OTHER: Customers can choose from a wide range of reports. Reporting profiles can be tailored to meet specific customer business requirements. Customers can choose to receive/retrieve reports by more than one communication media, and can select versions of reports to receive/retrieve according to the frequency with which updated information on transaction status and positions are needed. A key component in our communications

strategy is a commitment to support all SWIFT and ISO message standards that are applicable to our particular business environment and to use them in industry-standard ways. To this end, we work closely with both SWIFT and ISO, making active contributions to message development, to ensure that your needs are met. CBL provides a series of communications media under Xact. The suite of products provides real-time access to enhanced information provision, instruction input, position and transaction reporting and offers a choice of web browser (Xact Web Portal and CreationOnline), file transfer (Xact File Transer) and SWIFT access (Xact via SWIFT). All connectivity channels are fast, efficient and ISO 15022 compliant. The Xact Web Portal is specifically designed to serve as one connectivity channel for both the ICSD and the CSD activities. When saving Part 2 of the Survey please indicate the status as either In Progress or Complete. Part 2 Status: Complete

677 G21Q004

Please explain:

*PFMI: Q.22.1.1*

*AGC: 69a.*

Customers can choose from a wide range of reports. Reporting profiles can be tailored to meet specific customer business requirements. Customers can choose to receive/retrieve reports by more than one communication media, and can select versions of reports to receive/retrieve according to the frequency with which updated information on transaction status and positions are needed. A key component in our communications strategy is a commitment to support all SWIFT and ISO message standards that are applicable to our particular business environment and to use them in industry-standard ways. To this end, we work closely with both SWIFT and ISO, making active contributions to message development, to ensure that your needs are met. CBL provides a series of communications media under Xact. The suite of products provides real-time access to enhanced information provision, instruction input, position and transaction reporting and offers a choice of web browser (Xact Web Portal and CreationOnline), file transfer (Xact File Transer) and SWIFT access (Xact via SWIFT). All connectivity channels are fast, efficient and ISO 15022 compliant.

The Xact Web Portal is specifically designed to serve as one connectivity channel for both the ICSD and the CSD activities.

When saving Part 2 of the Survey please indicate the status as either In Progress or Complete.

Part 2 Status: Complete

678 G21Q005

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

*PFMI: Q.22.1.1*

*AGC: 70*

Not applicable

- No
- Yes

679 G21Q006

How is access given to participants?

*PFMI: Q.22.1.1*

*AGC: 70a.*

By direct electronic link

OTHER: CBL has built its own settlement and custody platform, Creation, which delivers a wide range of clearing and settlement services. It provides end-to-end processing by bringing together the three core functions of clearing and settlement, custody and reporting and is the processing hub for a high performance transaction settlement engine. ClearstreamXact (a suite of complementary connectivity media) allows customers to take full advantage of the Creation Platform. Connection can be made online via our Virtual Private Network (Xact Web Portal or CreationOnline), through a dedicated host to host file transfer system (Xact File Transfer) or via the SWIFT network (Xact via SWIFT). Via ClearstreamXact customers have online access to the latest available information as well as control over the scheduling of standardised reports. All of CBL's connectivity solutions are ISO 15022 compliant.

680 G21Q007

Please select type of electronic link:

*PFMI: Q.22.1.1*

*AGC: 70b.*

Dial-up modem

Secured, leased, dedicated telephone line

Internet

Fax

681 G21Q008

Please explain:

*PFMI: Q.22.1.1*

*AGC: 70c.*

CBL has built its own settlement and custody platform, Creation, which delivers a wide range of clearing and settlement services. It provides end-to-end processing by bringing together the three core functions of clearing and settlement, custody and reporting and is the processing hub for a high performance transaction settlement engine. ClearstreamXact (a suite of complementary connectivity media) allows customers to take full advantage of the Creation Platform. Connection can be made online via our Virtual Private Network (Xact Web Portal or CreationOnline), through a dedicated host to host file transfer system (Xact File Transfer) or via the SWIFT network (Xact via SWIFT). Via



ClearstreamXact customers have online access to the latest available information as well as control over the scheduling of standardised reports. All of CBL's connectivity solutions are ISO 15022 compliant.

682 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

*PFMI: Q.22.1.1*

*AGC: 72*

- Not applicable
- No
- Yes

683 G21Q010

Please explain:

*PFMI: Q.22.1.1*

*AGC: 72a*

Communication with other market entities is done via SWIFT as well as secured, leased and dedicated telephone lines. In some cases, there is a need to send original versions via paper.

684 G21Q011

How does the CSD communicate with Stock Exchanges?

*PFMI: Q.22.1.1*

*AGC: 73 73a*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

685 G21Q012

How does the CSD communicate with Payment Systems?

*PFMI: Q.22.1.1**AGC: 73b*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q013

How does the CSD communicate with Clearing Houses?

*PFMI: Q.22.1.1**AGC: 73c*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q014

How does the CSD communicate with Registrars?

*PFMI: Q.22.1.1**AGC: 73d*

- Dial-up modem

- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

**Transparency and disclosure (PFMI Principle 23)**

712 G22Q020  
Capital. Are annual financial statements publicly disclosed?

*PFMI: Q.23.5.3*  
*AGC: 13*

- No
- Yes

713 G22Q021  
If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

*PFMI: Q.23.5.3*  
*AGC: 13a.*

- Yes
- No

714 G22Q022  
filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

*PFMI: Q.23.5.3*  
*AGC: 13b.*

cbl-annual-account-data 2019.pdf (1200KB)

CBL  
Annual  
Report

2019

1

715 G22Q023

filecount - If more than one document for 13b, please upload the additional document here:

*PFMI: Q.23.5.3**AGC: 13c.*

0

716 G22Q024

Please insert web link(s) for 13b here:

*PFMI: Q.23.5.3**AGC: 13d.*

The 2019 Annual Report of Deutsche Börse AG, CBL's ultimate holding company, and of and of CBL itself, are available at the following link:

<https://www.clearstream.com/clearstream-en/about-clearstream/reports-and-ratings/annual-reports>

717 G22Q025

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

*PFMI: Q.23.5.3**AGC: 13e.*

718 G22Q026

Reserves (then please answer 13g):

*PFMI: Q.23.5.3**AGC: 13f.*

719 G22Q027

Retained Earnings:

*PFMI: Q.23.5.3**AGC: 13g.*

721 G22Q029

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client

personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

*PFMI: Q.23.5.4*

*AGC: 100*

Yes

No

722 G22Q030

Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4*

*AGC: 15f*

Yes

No

723 G22Q031

Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4*

*AGC: 16f*

Yes

No

### Compliance with SEC Rule 17f-7

726 G23Q001

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

*PFMI: n/a*  
*AGC: 1*

- Yes
- No

727 G23Q002  
Please explain

*PFMI: n/a*  
*AGC: 1a*

728 G23Q003

Rule 17f-7 also requires that an Eligible Securities CSD “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.” Does your institution:

*PFMI: n/a*  
*AGC: 2*

- Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?
- Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
- Act in another capacity with respect to the handling of securities or equivalent book-entries?
- Not applicable
- OTHER:

729 G23Q004  
Please explain:

*PFMI: n/a*  
*AGC: 2a.*

730 G23Q005

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

*PFMI: n/a*  
*AGC: 2b.*

Clearstream Banking S.A. (CBL) is an International Central Securities Depository (ICSD) providing, as part of its core service offering, different types of settlement options,

depending on the selected settlement location of respective counterparties, to facilitate the settlement of transactions in global and international and domestic securities traded across borders. These services are carried out by means of a computer-based book-entry system in Luxembourg, operated by CBL's sister company Clearstream Services S.A. Over 850,000 securities are currently accepted by CBL for settlement. They include the following:

- Euro-instruments, including Eurobonds (straight, floating rate, convertible etc.);
- Foreign Bonds;
- Foreign-targeted bonds;
- Money market instruments, including short- and medium-term notes, commercial paper and certificates of deposit;
- Domestic bonds (government and corporate, including convertibles);
- Equities;
- Depository Receipts;
- Investment funds;
- Warrants;
- Asset-backed securities and other collateralised debt securities.

Additionally, for selected stock exchanges and instruments, transactions are routed to CBL automatically for further processing after trading on the exchange. CBL also accepts gold bullion traded on the Luxembourg Stock Exchange.

A list of eligible securities in the CBL system is available to logged in users of our website at <https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1->

[/referencedata](#)

731 G23Q006

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

*PFMI: n/a*  
*AGC: 8*

- A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- A membership organization which regulates the participation of its members in securities matters or other financial activities.
- OTHER:

732 G23Q007

Please explain:

*PFMI: n/a*

*AGC: 8a.*

733 G23Q008

Please provide the name of regulatory authority(ies) identified in question 8:

*PFMI: n/a*

*AGC: 9*

Commission de Surveillance du Secteur Financier (CSSF) and the Banque centrale du Luxembourg (BcL) .

734 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

*PFMI: n/a*

*AGC: 10*

- Regulatory authorities?
- Independent accountants?
- OTHER:

735 G23Q010

Please explain:

*PFMI: n/a*

*AGC: 10a*



736 G23Q011

Name of Authority #1 (please answer 11a):

*PFMI: n/a**AGC: 11*

Commission de Surveillance du Secteur Financier (CSSF)

737 G23Q012

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

*PFMI: n/a**AGC: 11a.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

738 G23Q013

Please explain:

*PFMI: n/a**AGC: 11b.*

739 G23Q013A

Name of Authority #2:

740 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

*PFMI: n/a**AGC: 11c.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.

- Termination of CSD activities.
- OTHER: Non-compliance with the regulations of the Banque centrale du Luxembourg could result in losing the status of a Securities Settlement System (SSS).

741 G23Q015

Please explain:

*PFMI: n/a*

*AGC: 11d.*

Non-compliance with the regulations of the Banque centrale du Luxembourg could result in losing the status of a Securities Settlement System (SSS).

742 G23Q016

Has there been any use of such enforcement actions in the last three years?

*PFMI: n/a*

*AGC: 12*

- Yes
- No
- OTHER:

743 G23Q017

If yes, please explain:

*PFMI: n/a*

*AGC: 12a.*

744 G23Q018

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

*PFMI: n/a*

*AGC: 90*

- Not applicable
- No
- Yes

745 G23Q019

Please describe:

*PFMI: n/a**AGC: 90a.*

746 G23Q020

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

*PFMI: n/a**AGC: 90b.* No Yes

747 G23Q021

If yes, please describe:

*PFMI: n/a**AGC: 90c.*

748 G23Q022

If no, why not?

*PFMI: n/a**AGC: 90d.*

749 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

*PFMI: n/a**AGC: 21* Yes No Not applicable

750 G23Q024

If no, other or not applicable, please explain:

*PFMI: n/a*

*AGC: 21a.*

751 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

*PFMI: n/a*

*AGC: 21b, 21c.*

- Relevant Law and Regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

752 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

*PFMI: n/a*

*AGC: 21d*

For the relevant law and regulation - please refer to our answer to question 7) above.

CBL's governing documents are available at the following link:

<https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1->

The standard participation contract would equal the Customer and Account Application Forms. The established terms and conditions equals our General Terms and Conditions, while the CBL Customer Handbook would be equal to the rules of the depository.

753 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

*PFMI: n/a*

*AGC: 46*

No

Yes

754 G23Q029

If no or other, please explain

*PFMI: n/a*

*AGC: 46a.*

755 G23Q030

If yes, please indicate the scheduled frequency:

*PFMI: n/a*

*AGC: 46b, 46c.*

Daily

Weekly

Monthly

Quarterly

Annually

Upon request

OTHER: CBL's settlement and custody platform is operated in real-time. Therefore all related transaction information is available in real-time and/or at intervals defined by the customer. Customers can request a report in either of the following two modes: 1. Complete reports, showing all positions that are open on a customer's account and movements that have occurred since the last processing; or 2. Delta reports, showing all positions that have been affected by movements that have occurred since the last retrieval of the report. For a detailed description of CBL's reports and information services, please refer to Report Timings Matrix available at the following link: <https://www.clearstream.com/clearstream-en/products-and-services/connectivity-1-/report-timings-1313034>

756 G23Q031

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

*PFMI: Q.11.5.2*

*AGC: 53, 53a*

Yes

- No
- Not applicable
- OTHER:

### Relevant RSSS recommendations

#### Cyber Security

764 G25Q001

Does your organization have a documented cyber security policy in place?

*PFMI: n/a*

*AGC: 101*

- Yes
- No

This forms part of Clearstream's Information Security Policy (ISP). The ISP takes a risk-based approach to Information Security Management and covers organisational roles and responsibilities. It is implemented at DBAG level. In addition to the overarching ISP, security standards are published, covering a wide range of Information Security related topics, including:

- Access Control
- Acceptable Use Information Security Incident Management Standard
- Supplier Security Standard
- Etc.

The Information Security standards that describe the set of security controls representing an adequate protection for Clearstream are dependent on the information classification and are based on industry-level standards. When defining Information Security plans, controls due to any relevant legislative, regulatory, and contractual requirements must be evaluated and properly addressed.

The security processes in place, which cover amongst others user management, change management, etc., are based on industry-level standards and are regularly reviewed and certified by external auditors.

There are security tools in place which cover amongst others access control, intrusion prevention and detection, denial of service, etc., are based on industry-level standards.

In addition to the tests performed for instance before the implementation of new processes and tools, regular penetration tests are performed ensuring the effectiveness of the controls in place.

The respective Boards of DBAG entities approve the information security policies and standards, which are reviewed on an annual basis. The policies are made known to internal staff via the intranet and is shared with all relevant external parties. In order to ensure that

staff are aware and knowledgeable of Information Security policies, on a random basis employees need to confirm their knowledge of the ISP when they log into Clearstream's Office Automation environment.

Within the framework of DBAG's cyber security policy, both external and internal risks are taken into account. Clearstream considers the following three risk categories to be most serious:

- External Threat: Malicious software coming from links, attachments, downloads etc. compromising PCs and mobile devices. Potential impacts are: information leakage, data manipulation, unauthorised remote access and application outage to name just a few examples. In order to mitigate these risks, extensive preventive and detective measures are in place. For example, access control mechanisms, hardening and vulnerability management tools and procedures, real-time antivirus detection tools, etc.
- External Threat: Direct attacks on Internet facing servers. Potential impacts are that these servers are flooded and compromised, business applications become unavailable or business data is manipulated or disclosed. In order to mitigate these risks, Clearstream has a network intrusion prevention and detection system in place. Furthermore, a Computer Emergency Response Team (CERT) is performing regular vulnerability scans. A Host intrusion detection system and a security information and event management system (SIEM) is deployed to detect and alert on potential malicious activities.
- Internal Threats: Malicious and accidental acts which allow for the disclosure of confidential information, loss of information, phishing, identity theft and fraud, physical damage and the potential intrusion of outsiders. In order to mitigate these risks, IT administration activities are monitored through CybeArk ,logged and monitored by the security information and event management system (SIEM), to detect and alert on control bypasses. Users' access is based on a need-to-know basis and a range of access control mechanisms is in place. USB connectivity is restricted and a data loss/leakage protection (DLP) is deployed. Data encryption is performed using mutually authenticated TLS with AES-256 block encryption and the symmetric keys are stored in a Hardware Security Module.

Clearstream uses industry standards (e.g. ISO, NIST), consultancy and reports from major centres of expertise regarding cyber security as a point of orientation to identify best practices regarding cyber security. Clearstream also regularly participates in relevant IT and cyber security conferences, trainings and forums. Clearstream's risk analysis methodology is used to identify relevant controls, covering the specific risks of our activities, processes, applications, networks, infrastructure and operating environment.

Clearstream's cyber security policies take legal and regulatory requirements into account and are subject to peer review.

765 G25Q001A

filecount - If you answered Yes to the previous question, please provide a copy or overview

0

766 G25Q002

Please confirm that your staff receive relevant training about this policy.

PFMI: n/a

AGC: 102

Yes

No

All DBAG staff receives mandatory information security awareness training on a regular basis. Relevant recent awareness topics include:

- Phishing & Social Engineering
- Mobile Security
- Information Security
- Cyber Security
- Data Leakage Prevention

Human Resources constantly monitors the quality of internal and external training events and the relevant organisers.

767 G25Q003

Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

*PFMI: n/a*

AGC: 103

An Incident Management Process is established, and Incident Managers appointed as single point of contact in their respective business areas to ensure the coordinated handling of incidents and disruptions. They also ensure the proper communication and escalation up to the Executive Board and DBAG Executive Committee levels if required.

An alert system classifies incidents and crises according to colour codes relating to a respective level of business impact. The alert system ensures an adequate response to incidents and crises, including the potential activation of business continuity plans. The system also provides for the timely notification of relevant internal and external parties.

A dedicated Computer Emergency Response Team (CERT) is in place which includes security incident handling and forensics. The CERT is in charge of managing information security incidents. The Incident Management Process are involved by the CERT during the resolution of information security incidents if required.

Information on incidents and related actions taken by Clearstream is made available to customers via the regular communication channels: direct contact with Client Services and the relationship management teams, website and email, and Xact Web Portal / CreationOnline alerts. Such communication will happen as soon as the incident/crisis is known, and once related actions are defined.

768 G25Q004

In the last 12 months have there been any changes to the policy?



PFMI: n/a  
AGC: 104

- Yes
- No

769 G25Q005

Please advise how often you review the policy.

PFMI: n/a  
AGC: 105

- Annually
- Semi-annually
- Other

770 G25Q006

filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

PFMI: n/a  
AGC: 106

Clearstream Functional Org Chart October 2020.pdf (49KB)

Clearstream  
Organisation  
Chart 2020

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771 G25Q007

How does your organization identify which business functions carry a cyber risk

PFMI: n/a  
AGC: 107

This forms part of Clearstream's overall Information Security Policy (ISP). The ISP takes a risk-based approach to Information Security Management and covers organisational roles and responsibilities. It is implemented at Deutsche Börse Group (DBG) level. In addition to the overarching ISP, security standards and guidelines are published, covering a wide range of Information Security related topics.

The Information Security standards that describe the set of security controls representing an adequate protection for Clearstream are dependent on the information classification and are based on industry-level standards. When defining Information Security plans, controls due to any relevant legislative, regulatory, and contractual requirements must be evaluated and properly addressed.

The security processes in place, which cover amongst others user management, change management, etc., are based on industry-level standards and are regularly reviewed and certified by external auditors.

There are security tools in place which cover amongst others access control, intrusion prevention and detection, denial of service, etc., are based on industry-level standards and certifications.

In addition to the tests performed for instance before the implementation of new processes and tools, regular penetration tests are performed ensuring the effectiveness of the controls in place.

The respective Boards of DBAG entities approve the policy and standards, which are reviewed on an annual basis. The policy is made known to internal staff via the intranet and is shared with all relevant external parties. In order to ensure that staff are aware and knowledgeable of Information Security policies, on a random basis employees need to confirm their knowledge of the ISP when they log into Clearstream's Office Automation environment.

772 G25Q008

Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

*PFMI: n/a*

*AGC: 108*

Yes

No

Amongst other things, vulnerability management process and vulnerability scanning tools are running covering internal and internet-facing systems. Also, regular penetration tests performed ensuring the effectiveness of the controls in place.

773 G25Q009

What technological controls and protections are in place for your systems and networks?

*PFMI: n/a*

*AGC: 109*

Please refer to our answer to question 107.

DDoS protection.

Intrusion detection and prevention systems.

Encryption.

Access controls.

Etc.

All of these procedures and measures are in line with industry standards. Clearstream is audited annually by Deloitte in accordance with ISAE 3402 standards. The ISAE 3402 report

includes, among others, control objectives and descriptions of controls covering physical access, logical access, the integrity and security of data transmissions between Clearstream and its customers and the protection of data centre assets. In addition, KPMG perform an annual audit and issue a Long Form Report for the CSSF, the Luxembourg supervisory body for financial institutions. The Long Form Report includes a section on IT, which includes Information Security.

774 G25Q010

Does your organization use multi-factor authentication

*PFMI: n/a*

*AGC: 110*

Yes

No

Data encryption is performed using mutually authenticated TLS with AES-256 block encryption and the symmetric keys are stored in a Hardware Security Module.

The VPN is secured by IPSEC mutual authentication using certificates at the device level. Users additionally authenticate using a PIN protected one-time password device. A dedicated usage policy is in place for remote access. Data is prevented from being stored locally and cut/paste is disabled. Multi-layer malware detection is in place at Internet gateways, Thin client session services, data storage and mail gateways.

The access to the Xact Web Portal and CreationOnline applications is based on a strong authentication mechanism, which is based on user id and cryptographic certified keys stored either in a password protected P12 file or on a smartcard protected by a PIN.

775 G25Q011

Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

*PFMI: n/a*

*AGC: 111*

Yes

No

776 G25Q012

What measures does your organization have to ensure early detection of a cyber attack?

*PFMI: n/a*

*AGC: 112*

Please refer to our answers to questions 101 and 107.

Data and applications within Clearstream are protected by coherent security architecture. This architecture has been designed to meet the specific needs of Clearstream and combines a number of components in order to ensure true end-to-end security and defence in depth. The major components of this architecture are as follows:

- Perimeter defence components (Multi-layered Firewalls, network zoning and Network Intrusion Detection Systems (NIDS));
- Cryptographic protocols on exposed network segments;
- Cryptographically enabled applications;
- A Public Key Infrastructure (PKI) system, using hardware key storage, to support cryptographic services;
- A multitiered framework for handling viruses and malicious code;
- Secure mail and SPAM filtering software;
- Identity and Access Management Platform for the user lifecycle management;
- Host-based and network-based scanning software for detecting vulnerability;
- Privilege access management;
- Standard secure configurations for all major native operating systems;
- Extensive use of Oracle security mechanisms, such as password protected roles, to prevent access to data from unauthorised individuals or applications;
- Centralised Security information and event management (SIEM): collection/normalisation of event data, and correlation of impact of incidents based on criticality to business operations;
- Strong authentication: Two factor authentication, biometrics, network access control (NAC);
- Managed file transfer;
- Protection of Web Interfacing Systems against Cyber Threats (e.g. DDoS, Web defacement);
- Real-time database security and monitoring.

For its online access applications Xact Web Portal and CreationOnline, Clearstream provides a security subsystem that has been designed with true end-to-end security in mind and based on sound architectural principles. This subsystem is deployed as a series of components designed to work together to deliver a number of security services, such as:

- Authentication
- Protection of confidentiality
- Protection of integrity (both session and data integrity)
- Non-repudiation
- Logging and audit trail.

Real-time antivirus scanning is implemented. The antivirus scanning is done for all files with the default file extensions defined by the antivirus vendors/products. In case of infection detection, the antivirus software cleans, quarantines or deletes the responsible software. Notifications are automatically sent to a central location and to systems administrators.

The concept of defence-in-depth is implemented at the level of Deutsche Börse AG (DBAG). Consequently, DBAG does not rely solely on only one antivirus vendor/product.

- Sophos AV and McAfee VirusScan run on the e-mail gateways.
- ESET NOD32 runs on the Windows infrastructure and application servers.
- Sophos AV runs on the Windows file servers.
- McAfee VirusScan runs on the DBAG terminal servers, workstations and laptops as well as additional endpoint devices protection against targeted attacks
- Kaspersky AV is running on HTTP flow (Web Proxy AV)

Antivirus real-time scanning is implemented at the following points:

- Inbound and outbound e-mail are scanned on the e-mail gateways
- Terminal servers, workstations and laptops
- Windows servers: infrastructure, application and file servers

New virus signatures are automatically downloaded from antivirus vendors' web sites and automatically deployed to:

- Email gateways.
- Windows servers: infrastructure, file and application servers.
- Workstations when the end user logs on.
- Laptops when the end user connects to the DBAG network or when the end user request an update from the antivirus vendor's web site

The IT Security team assesses the patches released by the vendors. Regular deployment is done on all Windows servers. There is a process in place to facilitate emergency signature updates.

The Information Security Policy (ISP) prohibits users from disabling the antivirus products.

777 G25Q013

What is the agreed resumption time for critical operations following a cyber attack?

*PFMI: n/a*

*AGC: 113*

Clearstream's recovery time objective (RTO) is set at two hours. This includes resumption of systems and operations. Depending on the nature of the incident, recovery can be achieved quicker or may be influenced by factors not under Clearstream's control.

778 G25Q014

How would you advise clients of a successful cyber attack against your organization?

*PFMI: n/a*

AGC: 114

Information on incidents/crises and related actions taken by Clearstream is made available to customers via the regular communication channels: direct contact with Client Services and the relationship management teams, website and email, and Xact Web Portal/CreationOnline alerts. Such communication will happen as soon as the incident/crisis is known, and once related actions are defined.

Generally speaking, Clearstream would aim to inform customers affected by such an incident as soon as possible (within 72 hours). However, this might differ depending on the situation.

779 G25Q015

In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

PFMI: n/a

AGC: 115

Yes

No

780 G25Q016

Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

PFMI: n/a

AGC: 116

Vulnerability assessment

Scenario based penetration tests

Testing of incident response process and technical/business/operations (e.g. table-top exercise)

OTHER: Amongst other things, vulnerability management process and vulnerability scanning tools are running covering internal and internet-facing systems. Also, regular penetration tests performed ensuring the effectiveness of the controls in place. Code review and security tests are performed during the testing phase. Regular systems unavailability tests form part of Clearstream's BCM testing cycles.

781 G25Q017

For cloud technology and associated cyber security risks, do you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

*PFMI: n/a*  
*AGC: 117*

- Yes  
 No

This question is considered 'not applicable'. Cloud is currently not used for customer data.

782 G25Q018

Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

*PFMI: n/a*  
*AGC: 118*

- Yes  
 No

Such dark web searches for signs of a breach are conducted.

783 G25Q019

Is your organization aware of SWIFT's Customer Security Program (CSP)?

*PFMI: n/a*  
*AGC: 119*

- Yes  
 No

784 G25Q020

Does your organization ensure compliance with SWIFT's CSP controls?

*PFMI: n/a*  
*AGC: 120*

- Yes  
 No

Clearstream is compliant with all mandatory controls.

785 G25Q021

Does your organization respond to requests for your institution's attestations?

*PFMI: n/a*

*AGC: 121*

Yes

No

The documentation requested is considered confidential. We confirm that Clearstream is compliant with all mandatory controls of the SWIFT CSP.

786 G25Q022

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

*PFMI: n/a*

*AGC: 122*

Yes

No

Clearstream is using the AFME Questionnaire, as part of comprehensive due diligence exercises.

## Appendices