

Submission Date

28/03/2023

ESMA_QA_714

Status: Answer Published

Additional Information

Level 1 Regulation

Central Securities Depositories Regulation (CSDR) Regulation (EU) No 909/2014- PTR-CSDR

Topic

Internalised settlement - Scope

Additional Legal Reference

Article 9

Subject Matter

Change of beneficial ownership

Question

Should changes in the beneficial ownership on a client account (irrespective of how this is done from a technical perspective) be reported under Article 9 of CSDR?

ESMA Answer

28-03-2023

Original language

Yes. Article 9(1) of CSDR provides that settlement internalisers shall report to the competent authorities of their place of establishment on a quarterly basis the aggregated volume and value of all securities transactions that they settle outside securities settlement systems. Article 2(1), point (11) of CSDR defines settlement internalisers as any institution which executes transfer orders on behalf of clients or on its own account other than through a securities settlement system. Point (9) of this same Article defines transfer orders by referring to the second indent of point (i) of Article 2 of Directive 98/26/EC on settlement finality in payment and securities settlement systems (SFD). Point (i) of Article 2 of SFD clarifies that an instruction by a participant to transfer the title to, or interest in, a security or 2 B. Question related to Delegated Regulation (EU) No 153/2013 Question 2 (FISMA/3350) ESA ESMA Question ID ESMA_QA_2010 Status Submitted Legal act Regulation (EU) 648/2012 (EMIR) Topic CCP margin requirements Article 41 Paragraph Subparagraph COM Delegated or Implementing Acts/RTS/ITS/GLs Commission Delegated Regulation (EU) 153/2013 Article/Paragraph 24(1) Question We would appreciate to clarify the two issues referred below in the context of the calibration of the confidence interval for CCP margin requirements. Q1. Article 24(1) of Commission Delegated Regulation (EU) No 153/2013 (RTS on CCP requirements) sets out the minimum confidence intervals for the calculation of the initial margins of a CCP to 99,5% for OTC derivatives and 99% for financial instruments other than OTC derivatives. Can a CCP rely on the back testing performance of its margin model as sole proof of compliance with Article 41 of EMIR and Article 24 of the RTS on CCP requirements? Q2. If a margin model has several components, does each component need to be calibrated to the confidence interval set out under Article 24 of the RTS on CCP

requirements? Answer A1. No. Article 41 of EMIR, and the related Article 24 of the RTS on CCP requirements, contain several requirements on CCPs, including to impose, call and collect margins, to specify what the margin requirements shall cover, as well as to list what the adopted models and parameters shall capture. Pursuant to Article 41 of EMIR and Article 24 of the RTS on CCP requirements, the CCP must calculate forward-looking initial margin requirements using a margin model designed to anticipate potential future exposure ex-ante to meet at least the required confidence interval. securities by means of a book entry on a register, or otherwise, is a transfer order. Consequently, any change in the beneficial ownership on a client account that entails a transfer of the title to, or interest in, a security or securities should be reported under Article 9 of CSDR when effected outside a securities settlement systems.

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