

# Final Report

**Draft RTS on the Substantial Importance of CSDs under Article 24a(13) of CSDR**

## Table of Contents

Table of Contents .....	2
1 Legislative References .....	4
2 List of acronyms.....	5
3 Introduction .....	6
4 Legal mandate .....	6
5 ESMA's Assessment and Proposals .....	9
5.1 Interplay with the previous framework.....	9
5.2 ESMA proposal regarding the criteria and related indicators for the RTS on the substantial importance of CSDs .....	10
5.3 Process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, leading to the establishment of colleges of supervisors pursuant to Article 24a of CSDR .....	12
5.3.1 General process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State .....	12
5.3.2 One-off initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State .....	13
5.4 Assessment of the 'substantial importance' of notary services and/or central maintenance services: issuers' perspective.....	15
5.4.1 Scope of financial instruments to be included .....	15
5.4.2 Criteria to assess the substantial importance of notary services and/or central maintenance services from the issuers' perspective.....	15
5.5 Assessment of the 'substantial importance' of central maintenance services: participants' perspective .....	16
5.5.1 Scope of financial instruments to be included .....	16
5.5.2 Central maintenance versus maintenance .....	16
5.5.3 Collateral management services .....	16
5.5.4 Criteria to assess the substantial importance of central maintenance services.....	17
5.6 Assessment of the 'substantial importance' of settlement services .....	17
5.6.1 Consideration of settlement services from the perspective of the Issuers .....	17
5.6.2 Consideration of settlement services from the perspective of participants to a CSD .....	17
5.6.3 Law governing the securities settlement system operated by a CSD .....	18
5.6.4 Criteria to assess the substantial importance of the settlement services.....	18
5.7 Market consolidation affecting host Member States.....	19
5.7.1 Reflections on how to apply/adapt the above criteria for assessing the substantial importance where a host Member State no longer has a 'local' CSD.....	19
5.7.2 Criteria to assess substantial importance in the event of market consolidation.....	20

5.7.3	Establishing branches into host Member States - Reflections on how to apply/adapt the criteria above for assessing the substantial importance in the context of branching .....	20
5.8	Additional considerations.....	20
5.8.1	Specialisation of a CSD in a specific type of financial instrument and/or in a specific type of securities transaction .....	20
5.8.2	Scope of the securities markets .....	21
5.9	Summary of the proposed indicators.....	21
5.10	Final considerations regarding the proposed thresholds .....	23
6	Relevant stakeholders .....	26
7	Annexes.....	27
7.1	Annex I – SMSG Advice .....	27
7.2	Annex II – Legislative mandate to develop draft regulatory technical standards .....	29
7.3	Annex III – Cost benefit analysis .....	30
7.3.1	The level of the thresholds used to determine a CSD’s substantial importance .....	30
7.3.2	Frequency of assessments of substantial importance .....	32
7.3.3	Combining the proposed indicators as part of the assessment .....	35
7.3.4	Assessment of the ‘substantial importance’ of notary services and/or central maintenance services: issuers’ perspective .....	36
7.3.5	Assessment of the ‘substantial importance’ of central maintenance services: participants’ perspective .....	39
7.3.6	Assessment of the ‘substantial importance’ of settlement services .....	42
7.3.7	Law Governing the Securities Settlement System operated by a CSD .....	45
7.3.8	Specialisation of a CSD in a specific type of financial instrument and/or in a specific type of securities transaction .....	47
7.3.9	The approach with regard to collateral management services.....	50
7.3.10	The approach with regard to branches of a CSD established in host Member States	53
7.3.11	Process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State	55
	Annex IV – Draft Regulatory Technical Standards.....	59
	Annex V – Scenarios regarding the level of the thresholds for the indicators.....	67

## 1 Legislative References

<b>CSDR</b>	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012
<b>CSDR Refit</b>	Regulation (EU) No 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012
<b>Commission Delegated Regulation (EU) 2017/389</b>	Commission Delegated Regulation (EU) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States
<b>ESMAR</b>	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC
<b>MiFIR</b>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

## 2 List of acronyms

CSD	Central Securities Depository
ESMA	European Securities and Markets Authority
EC	European Commission
EEA	European Economic Area
EU	European Union
FoP	Free of Payment
RTS	Regulatory Technical Standards
SSS	Securities Settlement System

### 3 Introduction

1. One of the objectives of [CSDR](#) (Regulation (EU) No 909/2014)<sup>1</sup> is to create an internal market for CSD services. To achieve this objective, Article 23 of CSDR allows any CSD duly authorized under the CSDR rules to provide its services in any Member State of the Union (passporting rights).
2. In this respect, Article 24 of CSDR provides for various cooperation and exchange of information measures between home and host Member States' competent authorities (NCAs) where a CSD provides its services cross-border. The former paragraph 4 of Article 24 specified that home and host competent authorities should establish formal cooperation arrangements for the supervision of a CSD where the activities of such CSD have become "*of substantial importance for the functioning of the securities markets and the protection of the investors*" in the host Member State. According to the same paragraph, where a CSD has become of substantial importance for the functioning of the securities markets and the protection of the investors in more than one host Member State, the home Member State may decide that such cooperation arrangements are to include a college of supervisors.
3. However, the option to set up colleges has only been used in one case so far. For this reason and in order to ensure the effective and efficient coordination of the supervision by competent authorities, paragraph 4 of Article 24 has been deleted and a new Article 24a was introduced by [CSDR Refit](#) (Regulation (EU) No 2023/2845)<sup>2</sup> specifying new requirements to set up mandatory colleges, with the aim of ensuring an effective and efficient coordination of supervision by competent authorities (please see the relevant provisions in the following Section).
4. According to the new mandate set out in Article 24a(13) of CSDR, as amended by CSDR Refit, ESMA shall develop draft regulatory technical standards (RTS) specifying the criteria under which the activities of a CSD in a host Member State could be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State. ESMA shall submit those draft RTS to the Commission by 17 January 2025.
5. Given that the draft RTS has implications for the establishment of supervisory colleges, and thus for the concerned authorities, ESMA has considered that a public consultation was not needed. However, the ESMA Securities and Markets Stakeholder Group (SMSG) has been asked for its advice as per standard practice.

### 4 Legal mandate

6. The text below provides an abstract of the new Article 24a and the relevant transitional provisions of Article 69 of CSDR, as amended by CSDR Refit, as well as the relevant Recitals of CSDR Refit:

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<sup>1</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1)

<sup>2</sup> Regulation (EU) No 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012 (OJ L 230, 13.9.2018, p. 1)

### **Recital 26 of CSDR Refit**

*Regulation (EU) No 909/2014 requires the cooperation of authorities that have an interest in the operations of CSDs that offer services in relation to financial instruments constituted under the laws of more than one Member State. Nonetheless, the supervisory arrangements remain fragmented and can lead to differences in the allocation and nature of supervisory powers depending on the CSD concerned. Such fragmentation creates barriers to the cross-border provision of CSD services in the Union, perpetuates the remaining inefficiencies in the Union settlement market and has a negative impact on the stability of Union financial markets. While Regulation (EU) No 909/2014 provides for the possibility of setting up colleges, that option has rarely been used. In order to ensure the effective and efficient coordination of the supervision by competent authorities, the setting up of colleges should become mandatory under certain conditions. A college of supervisors should be established for CSDs the activities of which are considered to be of substantial importance for the functioning of the securities markets and the protection of investors in at least two host Member States. A college set up under this Regulation should not prevent or replace other forms of cooperation between competent authorities. ESMA should develop draft regulatory technical standards to specify the criteria on the basis of which it can be determined whether the activities are of substantial importance. Members of a college should have the possibility of requesting the adoption by the college of a non-binding opinion concerning issues identified during the review and evaluation of a CSD or during the review and evaluation of providers of banking-type ancillary services, or concerning issues that relate to the extension or outsourcing of activities and services provided by the CSD, or concerning any potential breach of the requirements of Regulation (EU) No 909/2014 arising from the provision of services in a host Member State. Non-binding opinions should be adopted by a simple majority vote.*

### **Recital 44 of CSDR Refit**

*The Commission should be empowered to adopt, in accordance with Article 290 TFEU and with Articles 10 to 14 of Regulation (EU) No 1093/2010 and of Regulation (EU) No 1095/2010, regulatory technical standards developed by EBA and by ESMA with regard to: [...] the conditions for the activities of a CSD to be considered of substantial importance; [...]*

### **Article 24a of CSDR, as amended by CSDR Refit**

*1. The competent authority of the home Member State shall establish a college of supervisors to carry out the tasks referred to in paragraph 8 in relation to a CSD whose activities are considered of substantial importance for the functioning of securities markets and the protection of investors in at least two host Member States. [...]*

*13. ESMA shall develop draft regulatory technical standards specifying the criteria under which the activities of a CSD in a host Member State could be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State.*

*ESMA shall submit those draft regulatory technical standards to the Commission by 17 January 2025.*

*Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.*

*Article 69 of CSDR, as amended by CSDR Refit*

*[...]*

*7. The competent authorities shall establish colleges pursuant to Article 24a within one month of the date of entry into force of the regulatory technical standards adopted under Article 24a(13).*



## 5 ESMA's Assessment and Proposals

### 5.1 Interplay with the previous framework

Name of the references	Sources (Links)	Description / most relevant articles or paragraphs
Commission Delegated Regulation (EU) 2017/389 on the operations of CSDs in host Member States	<a href="#">Delegated regulation - 2017/389 - EN - EUR-Lex (europa.eu)</a>	Articles 4 to 8 on the criteria for establishing the substantial importance of a CSD
Guidelines on the Process for the Calculation of the Indicators to Determine the Substantial Importance of a CSD for a Host Member State	<a href="#">esma70-708036281-67_csd_guidelines_on_substantial_importance_of_a_csd.pdf (europa.eu)</a>	Guidelines explaining the process for the collection, processing and aggregation of the data and information necessary for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State

7. Commission Delegated Regulation 2017/389<sup>3</sup> was published in the Official Journal of the European Union on 10 March 2017 and entered into application from 10 March 2019.
8. It was based on ESMA's Technical Advice aiming at assisting the EC in establishing the criteria under which the operations of a CSD in a host Member State could be considered "*of substantial importance for the functioning of the securities markets and the protection of the investors*" in that host Member State, in which case the competent authority of the home Member State and of the host Member State and the other relevant authorities of the home Member State and of the host Member State had to establish cooperation arrangements for the supervision of the activities of that CSD in the host Member State.
9. To that purpose, ESMA's advice focussed on the following three CSD core services:
  - a) initial recording of securities in a book-entry system ('notary service');
  - b) providing and maintaining securities accounts at the top tier level ('central maintenance service');
  - c) operating a securities settlement system ('settlement service').
10. Commission Delegated Regulation 2017/389 ensured that the criteria for assessing the importance of the operations of CSDs in host Member States took into account the size of the core services provided by CSDs to users from host Member States, including to issuers, participants in securities settlement systems or other holders of securities accounts maintained by CSDs.
11. As a result, the substantial importance of a CSD was based on the calculation of annual indicators, using the criteria defined in Articles 4 to 6 of Commission Delegated Regulation (EU) 2017/389,

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<sup>3</sup> [Delegated regulation - 2017/389 - EN - EUR-Lex \(europa.eu\)](#)

supplemented by the related ESMA Guidelines on the process for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State<sup>4</sup> (hereinafter the ESMA Guidelines on the substantial importance of CSDs). The Guidelines also included a [reporting template](#)<sup>5</sup>, which aimed at facilitating the reporting of data by CSDs to the competent authorities, and subsequently by the competent authorities to ESMA.

12. CSDR Refit deleted Article 24(7) of CSDR, which was the legal basis for the Level 2 provisions on measures for establishing the criteria under which the operations of a CSD in a host Member State could be considered of substantial importance for the functioning of the securities markets and the protection of the investors in that host Member State.
13. Given that the ESMA Guidelines on the substantial importance of CSDs refer to the Commission Delegated Regulation (EU) 2017/389, they may also be considered as no longer applicable.
14. Under the previous Article 24(4) of CSDR, the identification of the substantial importance of a CSD in one host Member State triggered the obligation for the concerned authorities to establish cooperation arrangements between them, and if in more than one Member State, to consider the establishment of a college of supervisors.
15. As CSDR Refit deleted Article 24(4) of CSDR, that can no longer be used as a legal basis for the conclusions of new cooperation arrangements.
16. According to Article 24a(1) of CSDR, as amended by CSDR Refit, the competent authority of the home Member State shall establish a college of supervisors to carry out the tasks referred to in paragraph 8 in relation to a CSD whose activities are considered of substantial importance for the functioning of securities markets and the protection of investors in at least two host Member States.
17. According to Article 24a(13) of CSDR, as amended by CSDR Refit, ESMA shall develop draft regulatory technical standards specifying the criteria under which the activities of a CSD in a host Member State could be considered of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State.
18. According to Article 69(7) of CSDR, as amended by CSDR Refit, the competent authorities shall establish colleges pursuant to Article 24a within one month of the date of entry into force of the regulatory technical standards adopted under Article 24a(13) of CSDR.
19. Despite Article 24(4) of CSDR being repealed, ESMA is of the view that nothing prevents NCAs from cooperating through existing arrangements (or through the conclusion of new cooperation arrangements, as necessary) on the basis of Article 14 of CSDR, as well as to exchange information about CSDs, where this is justified from the perspective of the application of Level 1 rules.
20. Therefore, existing cooperation arrangements established for the supervision of the activities of CSDs in host Member States can continue applying. Moreover, a college set up under the new regime should not prevent other forms of cooperation between competent authorities.

## **5.2 ESMA proposal regarding the criteria and related indicators for the RTS on the substantial importance of CSDs**

21. As a general principle, the criteria and related indicators, the respective thresholds and the frequency for assessments should be defined in a way to: (i) capture CSDs of substantial importance with respect to core services offered in host Member States, (ii) allow for a practical and

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<sup>4</sup> [esma70-708036281-67\\_csdr\\_guidelines\\_on\\_substantial\\_importance\\_of\\_a\\_csd.pdf\(europa.eu\)](#)

<sup>5</sup> [esma70-155-11765\\_csdr\\_substantial\\_importance\\_indicators\\_template.xlsx](#)

straightforward indicator-based framework to be regularly assessed by competent authorities and (iii) avoid the creation of colleges of supervisors where there is no excessive risk, while ultimately ensuring an efficient and effective supervision/oversight of CSDs/SSSs.

22. Each criterion and related indicator is linked to a core service and is to be looked at separately. If the result of the calculation in any of the indicators is above the predefined threshold, this will indicate that the measured activity of a home CSD is substantially important in the host Member State.
23. The determination of the thresholds is of the utmost importance and they should be defined in a way as to solely capture CSDs of substantial importance for the host Member State, to avoid the establishment of colleges of supervisors where there is no justified need in terms of efficient and effective supervision/oversight of CSDs/SSSs.
24. Where referred to in the proposed criteria and related indicators, **the calculation of the market value** should be based on the following, as verified during the preceding year:
  - (a) for financial instruments admitted to trading on an EU trading venue, the value determined on the basis of the reference price of the trading venue where the financial instruments were first admitted to trading, or of the most relevant market in terms of liquidity, as follows:
    - i. for the financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014 [shares, depositary receipts, ETFs, certificates and other similar financial instruments], the most relevant market in terms of liquidity as referred to in Article 4(6)(b) of Regulation (EU) No 600/2014;
    - ii. for other financial instruments than those referred to in point i), the trading venue with the highest turnover within the EU for the specific financial instrument;
  - (b) for other financial instruments than those referred to in point a), the value determined on the basis of the reference price calculated using a pre-determined methodology referring as much as possible to criteria related to the market data such as market prices available across trading venues or investment firms.
25. The competent authority of the host Member State should apply such criteria and assess the substantial importance of CSDs every year. This frequency is being proposed for practical reasons, given that the data required for the calculation of the indicators for the assessment of the criteria is quite extensive and involves aggregation at EU level. As such, ESMA expects that once established, the composition of a college is being reviewed on an annual basis, in line with the annual assessment of the criteria.
26. In order to calculate the relevant indicators for the assessment of the criteria specified in the draft RTS on the substantial importance of CSDs, competent authorities need to use aggregated data at EU level. Such data should be consistent and aggregated at EU level. Hence, ESMA considers it is necessary to clarify the process for the collection, processing and aggregation of the data and information that is necessary for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.
27. However, individual competent authorities may face challenges in collecting and aggregating all the relevant data from CSDs across the EU. In addition, such an approach may lead to duplication of efforts for the competent authorities and may generate risks connected to the use of inconsistent data.
28. To avoid such risks, having regard to ESMA's role to build a common supervisory culture and consistent, efficient and effective supervisory practices, ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs. Competent authorities

should perform the calculations for the indicators based on the data centralised and aggregated by ESMA.

29. Even though the indicators will not be calculated for central banks acting as CSDs (given that they are exempted from certain CSDR requirements under Article 1(4) of CSDR), ESMA encourages central banks acting as CSDs to send, on a voluntary basis, the relevant data which will be used to determine the values for the denominators, in order to have a full picture of the activity at EU level for the respective indicators.
30. Having regard to Article 69(7) of CSDR on the one-month deadline for the establishment of colleges as of the date of entry into force of the RTS on substantial importance, ESMA believes it is important to describe, in addition to the general process to be used for the data collection and calculation of the indicators, an initial process to be used for the first time (please see Section 3.3 for more details).
31. Last but not least, ESMA considers that sufficient time should be given to the concerned CSDs to take the necessary measures to be able to report the data based on the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients, to the extent the information is known to the CSDs. Therefore, CSDs should not be required to report such data for the initial process to determine the substantial importance of a CSD for a host Member State. However, the concerned CSDs should report the respective data for the initial process if the data is already available to them.

### **5.3 Process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, leading to the establishment of colleges of supervisors pursuant to Article 24a of CSDR**

#### **5.3.1 General process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State**

32. As mentioned above, ESMA believes it is necessary to clarify the process for the collection, processing and aggregation of the data and the information necessary for the calculation of the indicators based on the criteria to determine the substantial importance of a CSD for a host Member State.

<b>General process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State</b>
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<ol style="list-style-type: none"><li>1. After reviewing the data and the information received from CSDs by 31 January of each year (covering the data for the previous calendar year), which is necessary for the calculation of the indicators for the assessment of the criteria specified in the RTS on substantial importance, the competent authorities shall transmit such data and information to ESMA by 25 February of the same year.</li></ol>
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<ol style="list-style-type: none"><li>2. Each competent authority shall perform the calculation of the indicators for the assessment of the criteria specified in the RTS on substantial importance, as applicable, in respect of each CSD for</li></ol>
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which it is the home Member State competent authority, upon receipt of the following data from ESMA transmitted to the competent authorities by 31 March of each year:

- a) all data and information received by ESMA from the individual competent authorities;
- b) data aggregating the values for the denominators of the indicators for the assessment of the criteria specified in the RTS on substantial importance, as applicable.

3. Competent authorities shall send ESMA the results of the calculation regarding the indicators for the assessment of the criteria specified in the RTS on substantial importance, as applicable, by 15 April of each year, to enable ESMA to share this information with all the competent authorities by 30 April of each year.

### **5.3.2 One-off initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State**

5.3.2.1 Informal process in preparation for the official initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, leading to the first establishment of colleges pursuant to Article 24a of CSDR

33. In order to allow sufficient time for the collection of data, for conducting data quality checks and for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, it is important that CSDs should endeavour to report the necessary data for the first assessment (covering data for the previous year) ahead of the entry into force of the RTS on the substantial importance of CSDs. The official data should then be reported (or confirmed) immediately after the entry into force of the RTS, so that the official calculations can be conducted. This takes into account Article 69(7) of CSDR, according to which the competent authorities shall establish colleges pursuant to Article 24a of CSDR within one month of the date of entry into force of the RTS adopted under Article 24a(13) of CSDR.

34. Having regard to the above, ESMA encourages NCAs, CSDs (including central banks acting as CSDs) to follow the preparatory steps below, which should help with the smooth transition to the reporting of the necessary data for the first assessment of the criteria specified in the draft RTS on substantial importance of CSDs:

#### **Informal process in preparation for the official initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, covering data for the reporting period 1 January 2024 – 31 December 2024:**

1. Competent authorities should transmit to ESMA the data and information received from CSDs by 11 April 2025, to enable ESMA to send to the competent authorities the aggregated data, as well as the individual data received from each competent authority, by 25 April 2025.

2. Competent authorities should conduct data quality checks (in respect of each CSD for which they are the home Member State competent authority) and should ask the CSDs to send the updated data if needed, so that the competent authorities could send the respective data to ESMA by 16 May 2025.
3. ESMA should calculate the preliminary results of the indicators and share them with the competent authorities by 23 May 2025.
4. Competent authorities should send comments to ESMA on the preliminary results by 30 May 2025.
5. ESMA should confirm the final preliminary results by 6 June 2025.
6. The official data should then be reported/confirmed by CSDs to competent authorities and by competent authorities to ESMA in line with the official initial process described in section 3.2.2.2 below.

5.3.2.2 Official initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, leading to the first establishment of colleges pursuant to Article 24a of CSDR

35. Having regard to Article 69(7) of CSDR on the one-month deadline for the establishment of colleges as of the date of entry into force of the RTS on substantial importance and to ensure a smooth transition to the reporting of the necessary data, ESMA believes it is important to describe, in addition to the general process to be used for the data collection and calculation of the indicators for the assessment of the criteria specified in the RTS, an initial process to be used for the first time.

**Official initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State**

1. Within 3 business days from the date of entry into force of the RTS on substantial importance, competent authorities shall transmit to ESMA the data and information received from CSDs for the previous calendar year (from 1 January to 31 December), which is necessary for the calculation of the indicators for the assessment of the criteria specified in the RTS on substantial importance.
2. Each competent authority shall perform the calculation for the indicators for the assessment of the criteria specified in the RTS on substantial importance, as applicable, in respect of each CSD for which it is the home Member State competent authority, upon receipt of the following data and information from ESMA submitted to the competent authorities within two business days from the transmission of the data and information referred to in the paragraph above:
  - a) all data and information received by ESMA from the individual competent authorities;
  - b) data aggregating the values for the denominators of the indicators for the assessment of the criteria referred to in the RTS on substantial importance, as applicable.
3. Competent authorities shall send ESMA the results of the calculation regarding the indicators for the assessment of the criteria referred to in the RTS on substantial importance, as applicable, within six business days of the date of entry into force of the RTS on substantial importance, to enable

ESMA to share this information with all the competent authorities within seven business days from the date of entry into force of the RTS on substantial importance.

## 5.4 Assessment of the ‘substantial importance’ of notary services and/or central maintenance services: issuers’ perspective

### 5.4.1 Scope of financial instruments to be included

36. ESMA has considered whether the assessment should cover all financial instruments issued by host Member State issuers and concludes that, where possible, all instruments should be covered in order to include the full spectrum of issued securities.
37. ESMA has considered whether the assessment should capture the law that governs a financial instrument. Since issuers may opt to issue in a particular jurisdiction depending on their targeted investors and/or the type of instruments, it does not seem appropriate to focus on instruments that are governed by a certain law, as this may not capture the full extent of the notary and/or central maintenance services by a CSD in a host Member State.
38. In addition, since issuers may opt to issue securities in jurisdictions other than their principal place of incorporation, ESMA proposes the use of a criterion linked with the country where the issuer is incorporated.
39. Central maintenance services mirror to a large extent the issuance services, i.e. a CSD responsible for the issuance of a given security is also normally responsible for the maintenance of the relevant securities accounts at the top tier level. However, in order to cater for different models where the notary and central maintenance services are not both provided by a CSD, ESMA suggests that a joint indicator based on the issuers’ perspective should be used, referring to the home country of the issuer which has issued the security that is initially recorded and/or centrally maintained by the CSD.

### 5.4.2 Criteria to assess the substantial importance of notary services and/or central maintenance services from the issuers’ perspective

**Notary Service and Central Maintenance Service – Issuers’ Perspective Indicators - proposed threshold: 15%**

Numerator: Market value or, if not available, nominal value of the financial instruments issued by issuers from the host Member State initially recorded in or centrally maintained by the CSD of the home Member State.

Denominator: Total market value or, if not available, nominal value of the financial instruments issued by issuers from the host Member State initially recorded in or centrally maintained by all CSDs established in the European Union, including in or by central banks acting as CSDs.

## **5.5 Assessment of the ‘substantial importance’ of central maintenance services: participants’ perspective**

### **5.5.1 Scope of financial instruments to be included**

40. In addition to the joint criterion for the notary service and/or the central maintenance service based on the issuers’ perspective, ESMA proposes that the central maintenance service is also assessed using data from the participant angle. ESMA notes that the reference to the home country of the participant that holds the security at top tier level will not achieve a fully accurate representation of the investor side. Nevertheless, to the extent that a CSD does not have the necessary information on the indirect provision of central maintenance services (i.e. to indirect participants or to the end investors) and that it would be problematic to compute such a calculation, participants of the host Member State would be a proxy for investors and should help ensure there is consideration of the protection of investors in the host Member State.
41. ESMA proposes that CSDs should take into account the country of incorporation or residence, as applicable, of participants or other holders of securities accounts, including a participant’s clients, as follows: in order to have an indicator close to the end investors, they should use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients, to the extent the information is known to the CSDs; in the case of ‘omnibus client segregation accounts’, to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD, the CSDs should rely on the participants’ country of incorporation, given that a participant’s activity in host Member States may be of supervisory interest for their national competent authority.

### **5.5.2 Central maintenance versus maintenance**

42. ESMA notes that the core service according to Annex A of Regulation (EU) No 909/2014 is providing and maintaining securities accounts at the top tier level, which describes the central maintenance service provided by Issuer CSDs. Nonetheless, it has also considered the possibility of capturing maintenance (maintaining securities accounts not at top tier level) in addition to central maintenance, in order to also capture the Investor CSD activity. However, ESMA believes that this activity may partially be captured under the settlement indicator to the extent that securities are actively traded and settled. Therefore, ESMA proposes not to include this.

### **5.5.3 Collateral management services**

43. ESMA has considered whether, in addition to central maintenance services, it would be important to consider ancillary services that complement that service, such as collateral management services. The majority of the collateral management services would already be captured in the scope of the settlement services and therefore the substantial importance criteria for settlement services would reflect this. However, there would be instances where this service would not be covered by settlement service for example, where a pledge has been made. At the same time, collateral management services can also be provided by entities other than CSDs (such as custodians, investment firms, etc.).
44. Therefore, ESMA proposes not to include collateral management services.



## 5.5.4 Criteria to assess the substantial importance of central maintenance services

### **Central Maintenance – Participants’ Perspective Indicator - proposed threshold: 15%**

**Numerator:** Market value or, if not available, nominal value of securities centrally maintained by the CSD of the home Member State for participants and other holders of securities accounts of the host Member State.

**Denominator:** Total market value or, if not available, nominal value of securities centrally maintained by all CSDs established in the European Union, including by central banks acting as CSDs, for participants and other holders of securities accounts of the host Member State.

*Note: To the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, the CSDs shall rely on the participants’ country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.*

## 5.6 Assessment of the ‘substantial importance’ of settlement services

### 5.6.1 Consideration of settlement services from the perspective of the Issuers

45. ESMA has considered whether the settlement services should be assessed from the perspective of the issuers. The settlement activities of a CSD from a home Member State may be of substantial importance for the functioning of the securities markets in another Member State if the CSD from the home Member State settles a significant number of securities issued by issuers from the host Member State. In such a case if the settlement is not functioning smoothly or the CSD is not properly supervised, the confidence and the efficiency of the securities market of the host Member State would be at risk.
46. This indicator has the additional advantage of covering not only issuer CSD activities, but also investor CSD activities better than the participants’ perspective indicator mentioned below, because a CSD can be an investor CSD without necessarily having any relationship with participants from another Member State. This may happen when a CSD from a home Member State (investor CSD) has a link with a CSD from the host Member State (issuer CSD). In this case, the investor CSD is not providing any settlement services to other participants in the SSS of the issuer CSD (the activity of the investor CSD is not covered by the participants’ perspective indicator mentioned below); nevertheless, the investor CSD settles the securities issued by the issuer CSD.

### 5.6.2 Consideration of settlement services from the perspective of participants to a CSD

47. ESMA has considered whether the settlement services should be assessed from the perspective of the participants in a securities settlement system operated by a CSD. It is ESMA’s view that this

approach would allow for the investor CSD activity to be captured and would therefore provide an accurate representation of whether the activity is substantially important.

48. To the extent that a CSD does not have the necessary information on the indirect provision of settlement services (i.e. to indirect participants or to the end investors) and that it would be problematic to compute such a calculation, participants of the host Member State would be a proxy for investors and should help ensure there is consideration of the protection of investors in the host Member State.
49. In addition, ESMA proposes that CSDs should take into account the country of incorporation or residence, as applicable, of participants or other holders of securities accounts, including a participant's clients, as follows: in order to have an indicator close to the end investors, they should use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients, to the extent the information is known to the CSDs; in the case of 'omnibus client segregation accounts', to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD, the CSDs should rely on the participants' country of incorporation, given that a participant's activity in host Member States may be of supervisory interest for their national competent authority.

### 5.6.3 Law governing the securities settlement system operated by a CSD

50. ESMA believes that if a CSD operates a securities settlement system governed by the law of a host Member State, that CSD should be considered as substantially important for the functioning of the securities markets and the protection of the investors in that host Member State.

### 5.6.4 Criteria to assess the substantial importance of the settlement services

#### **1. Settlement Service – Issuers' Perspective Indicator - proposed threshold: 15%**

Numerator: Value of the settlement instructions that have a cash leg plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State in relation to transactions in securities issued by issuers from the host Member State.

Denominator: Total value of the settlement instructions that have a cash leg plus the total market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by all CSDs established in the European Union, including by central banks acting as CSDs, in relation to transactions in securities issued by issuers from the host Member State.

#### **2. Settlement Service – Participants' Perspective Indicator - proposed threshold: 15%**

Numerator: Value of the settlement instructions that have a cash leg plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State from participants as well as for other holders of securities accounts of the host Member State.

Denominator: Total value of the settlement instructions that have a cash leg plus the total market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by all CSDs established in the European Union, including by

central banks acting as CSDs, from participants as well as for other holders of securities accounts of the host Member State.

*Note: To the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients. In the case of 'omnibus client segregation accounts', the CSDs shall rely on the participants' country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.*

### **3. Settlement Service – Law Governing the Securities Settlement System Indicator**

If a CSD operates a securities settlement system governed by the law of another Member State, that CSD is considered as substantially important for the functioning of the securities markets and the protection of the investors in that host Member State.

## **5.7 Market consolidation affecting host Member States**

### **5.7.1 Reflections on how to apply/adapt the above criteria for assessing the substantial importance where a host Member State no longer has a 'local' CSD**

51. In the event where a host Member State's "local" CSD is subject to market consolidation (e.g. through mergers, takeovers, or other types of business transfers), the respective core CSD services will be provided by one or more CSDs of (an)other country/countries. This would result in two scenarios:

- (a) the core services of the local CSD are predominantly taken over by one (or a limited number of) other CSD(s), e.g. through a merger, take-over. In this case the criteria for assessing substantial importance of the core services would duly show that, as a result of the acquisition, the other CSD(s) has/have become of substantial importance for the functioning of the securities markets and the protection of the investors in that host Member State (i.e. where the "local" CSD was established). The host Member State will substantially rely on the activities of such CSD(s) and thus a cooperation arrangement between the home and host Member States' competent authorities is warranted.
- (b) The core services of the local CSD are transferred to a number of other CSD(s) or custodians (e.g. activities are partly or fully transferred by the respective participants/issuers to a high number of other CSDs or custodians, e.g. because of increased competition). In this case the criteria for assessing substantial importance for the CSDs to which the core services have been transferred may not (at least for an individual CSD) exceed the suggested thresholds, as each of these CSDs would not necessarily be of substantial importance for the functioning of the securities markets and the protection of the investors in that host Member State. In this situation, the activities, and thus the risks for the host securities markets and investors, would not be concentrated in a specific CSD but spread among a number of CSDs or custodians. The host securities markets would thus not substantially rely on a specific CSD and alternative CSDs would be available should one of the CSDs/custodians stop offering services in that host Member State. In such cases, the information exchange foreseen in the CSDR would provide the host authorities with

adequate information on the activities of the respective CSDs in the host Member State and specific cooperation arrangements are not warranted. Therefore, no specific criteria would be required.

### **5.7.2 Criteria to assess substantial importance in the event of market consolidation**

52. ESMA concludes that no additional criterion is necessary to assess substantial importance in the event of market consolidation. The proposed criteria to assess substantial importance of notary services, central maintenance services and settlement services are sufficient as they will take into account any major market consolidations in the host Member State and would capture any need to have dedicated co-operation arrangements with another competent authority.

### **5.7.3 Establishing branches into host Member States - Reflections on how to apply/adapt the criteria above for assessing the substantial importance in the context of branching**

53. Whilst establishing a branch in a host Member State and having a physical presence indicates the willingness of developing in a certain market, the activity of the CSD in a host Member State may not necessarily be of substantial importance despite the fact that a branch is established. There is no guarantee that having a branch will lead to significant activity. As a consequence, the establishment of a branch should not be a standalone criterion in demonstrating substantial importance. If the branch does generate significant activity of a CSD in the host Member State and it is substantially important, this will be adequately captured under one (or more) of the indicators relating to the core services.

54. ESMA concludes that the activity of branches based on the countries where they operate can be taken into account as part of the overall criteria for measuring the substantial importance of a CSD for a host Member State.

## **5.8 Additional considerations**

55. This section has the aim to draw the attention on certain aspects which have been taken into account when defining the criteria for the measurement of the substantial importance of a CSD for a host Member State.

### **5.8.1 Specialisation of a CSD in a specific type of financial instrument and/or in a specific type of securities transaction**

56. In case a CSD concentrates its activities on a specific type of financial instrument and/or specific type of securities transaction, the CSD may be of importance for this specific type of financial instrument and/or type of securities transaction at EU level as well as at national level.

57. However, the fact that a CSD may be of importance for a specific type of financial instrument and/or type of securities transaction with respect to the securities markets or investors of the host Member State would not automatically mean that the CSD is of substantial importance for securities markets or investors of the host Member State in general. For instance in case a CSD is specialised in the initial recording, central maintenance and/or settlement of one specific type of financial instrument and/or type of securities transaction but this type of financial instrument [and/or type of securities

transaction] only represents a minor part of the initial recording, central maintenance or settlement activity of that host Member State, that CSD should not be considered as substantially important for the securities market and/or investors of the host Member State.

58. Having this in mind and considering the need to ensure a practical and efficient framework in line with the general principles described above, it is proposed to evaluate the substantial importance of a CSD with respect to the functioning of the securities markets and protection of the investors of a host Member State on a global basis and thus not to split the above indicators per type of financial instrument or per type of transaction. Such a differentiation would significantly multiply the number of indicators that would need to be collected and regularly assessed by competent authorities and lead to a complex and unmanageable process.

### 5.8.2 Scope of the securities markets

59. ESMA notes that some of the considered services are not exclusively provided by CSDs but also by other entities and that for certain types of financial instruments and/or types of securities transactions, the entire services are, to a large extent, provided by entities other than CSDs. This has an impact on measuring the substantial importance of a CSD with respect to a specific securities market and as a consequence the reference to securities market as proposed in the indicators does not represent the entire securities market of the EU (i.e. the denominator does not represent the total activity in the securities market of a Member State). This is particularly the case for the settlement related indicators due to settlement internalisation.
60. Despite the above limitations, it is of the utmost importance that the indicators suggested in this draft RTS appropriately balance the need to keep the framework simple and manageable. Therefore, ESMA considers that the proposed indicators will allow for an appropriate assessment of the substantial importance of the CSDs established in the EU with respect to the securities market and investors of a specific host Member State.

## 5.9 Summary of the proposed indicators

61. The criteria by which the operations of a CSD in a host Member State could be considered of substantial importance for the functioning of the securities markets and the protection of the investors in that host Member State are:

### Notary Service

#### 1) Notary Service and Central Maintenance Service – Issuers’ Perspective Indicators - proposed threshold: 15%

Numerator: Market value or, if not available, nominal value of financial instruments issued by issuers from the host Member State initially recorded in or centrally maintained by the CSD of the home Member State.

Denominator: Total market value or, if not available, nominal value of financial instruments issued by issuers from the host Member State initially recorded in or centrally maintained by all CSDs established in the European Union, including in or by central banks acting as CSDs.

### Central Maintenance Service

## **2) Central Maintenance – Participants’ Perspective Indicator - proposed threshold: 15%**

Numerator: Market value or, if not available, nominal value of financial instruments centrally maintained by the CSD of the home Member State for participants and other holders of securities accounts of the host Member State.

Denominator: Total market value or, if not available, nominal value of financial instruments centrally maintained by all CSDs established in the European Union, including by central banks acting as CSDs, for participants and other holders of securities accounts of the host Member State.

*Note: To the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, the CSDs shall rely on the participants’ country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.*

### **Settlement Service**

## **3) Settlement Service – Issuers’ Perspective Indicator - proposed threshold: 15%**

Numerator: Value of the settlement instructions that have a cash leg plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State in relation to transactions in securities issued by issuers from the host Member State

Denominator: Total value of the settlement instructions that have a cash leg plus the total market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by all CSDs established in the European Union, including by central banks acting as CSDs, in relation to transactions in securities issued by issuers from the host Member State

## **4) Settlement Service – Participants’ Perspective Indicator - proposed threshold: 15%**

Numerator: Value of the settlement instructions that have a cash leg plus the market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by the CSD of the home Member State from participants as well as for other holders of securities accounts of the host Member State.

Denominator: Total value of the settlement instructions that have a cash leg plus the total market value of the FOP settlement instructions or, if not available, the nominal value of the FOP settlement instructions settled by all CSDs established in the European Union, including by central banks acting as CSDs, from participants as well as for other holders of securities accounts of the host Member State.

*Note: To the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, the CSDs shall rely on the participants’ country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.*

## **5) Settlement Service – Law Governing the Securities Settlement System Indicator**

If a CSD operates a securities settlement system governed by the law of another Member State, that CSD is considered as substantially important for the functioning of the securities markets and the protection of the investors in that host Member State.

## **5.10 Final considerations regarding the proposed thresholds**

62. Given the smooth functioning of the framework so far, to ensure continuity regarding the approach used to determine the substantial importance of CSDs adopted in the previous framework under Articles 4 to 6 of Commission Delegated Regulation (EU) 2017/389, and to achieve a good level of harmonisation and consistent application of CSDR, ESMA proposes using the same thresholds of 15% for the similar indicators for the purposes of the new mandate set out in CSDR Refit.
63. ESMA has considered the possibility to lower down the percentages to 10% and conducted an analysis based on data submitted by CSDs in 2023 and in 2024, looking at the possible outcomes of applying either a 15% or a 10% threshold. As expected, the outcomes in terms of the composition and number of supervisory colleges would increase when lowering the thresholds.
64. The results of the two approaches are presented in the tables below, while Annex V contains further details.
65. In line with the SMSG advice (included in Annex I), ESMA will monitor whether the thresholds remain adequate over time or may need to be reconsidered. In the latter case, upon its own initiative, ESMA may propose amendments to the RTS on the substantial importance of CSDs.

**Data submitted to ESMA in 2023 (covering 2022 data)**

CSD	Euroclear Bank - ICSD	Euroclear France	Clearstream Banking AG	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - ICSD	Verdipapirserntralen ASA (VPS)	Euroclear Sweden
Austria	1	0	0	0	0	1	0	0
Belgium	1	1	1	1	0	0	0	0
Bulgaria	1	0	0	0	0	1	0	0
Croatia	1	0	0	0	0	1	0	0
Cyprus	1	0	0	0	0	1	1	0
Czech Republic	0	0	0	0	0	0	0	0
Denmark	1	0	0	0	0	0	0	1
Estonia	1	0	0	0	1	1	0	0
Finland	1	0	0	0	0	1	1	1
France	1	1	0	1	0	1	0	0
Germany	1	0	1	0	0	1	0	0
Greece	1	0	0	0	0	0	0	0
Hungary	1	0	0	0	0	0	0	0
Iceland	1	0	0	0	1	1	0	0
Ireland	1	1	1	1	0	1	0	0
Italy	1	0	0	1	0	0	0	0
Latvia	1	0	0	0	1	1	0	0
Liechtenstein	1	0	1	0	0	1	0	0
Lithuania	1	0	0	0	1	1	0	0
Luxembourg	1	1	1	0	0	1	0	0
Malta	1	0	1	0	0	1	0	1
Netherlands	1	1	0	0	0	1	0	0
Norway	1	0	0	0	0	1	1	0
Poland	0	0	0	0	0	0	0	0
Portugal	1	0	0	0	0	1	0	0
Romania	1	0	0	0	0	1	0	0
Slovakia	1	0	1	0	0	1	0	0
Slovenia	1	0	1	0	0	1	0	0
Spain	1	0	0	0	0	1	0	0
Sweden	1	0	0	0	0	0	0	1
<b>Eligible CSD for Colleges of Supervisors</b>	YES	YES	YES	YES	YES	YES	YES	YES

**Legend:** The green fields refer to the Member States for which the CSD would be considered of substantial importance based on the 15% thresholds, while the blue fields refer to the additional Member States captured based on the 10% thresholds.



**Data submitted to ESMA in 2024 (covering 2023 data)**

CSD	Euroclear Bank - ICSD	Euroclear France	Clearstream Banking AG	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - ICSD	Verdipapirscentralen ASA (VPS)	Euroclear Sweden
Austria	1	0	1	0	0	1	0	0
Belgium	1	1	1	1	0	0	0	0
Bulgaria	1	0	0	0	0	1	0	0
Croatia	1	0	0	0	0	1	0	0
Cyprus	1	0	0	0	0	1	1	0
Czech Republic	0	0	0	0	0	1	0	0
Denmark	1	0	0	0	0	1	0	1
Estonia	1	0	0	0	1	1	0	0
Finland	1	0	0	0	0	1	1	1
France	1	1	1	1	0	1	0	0
Germany	1	1	1	0	0	1	0	0
Greece	1	0	0	0	0	0	0	0
Hungary	1	0	0	0	0	0	0	0
Iceland	1	0	0	0	1	1	0	0
Ireland	1	1	1	1	0	1	0	0
Italy	1	0	0	1	0	0	0	0
Latvia	1	0	0	0	1	1	0	0
Liechtenstein	1	0	1	0	0	1	0	0
Lithuania	1	0	0	0	1	1	0	0
Luxembourg	1	1	1	0	0	1	0	0
Malta	1	0	1	0	0	1	0	1
Netherlands	1	0	1	0	0	1	0	0
Norway	1	0	0	0	0	1	1	0
Poland	0	0	0	0	0	0	0	0
Portugal	1	0	0	0	0	1	0	0
Romania	1	0	0	0	0	1	0	0
Slovakia	1	0	0	0	0	1	0	0
Slovenia	1	0	1	0	0	1	0	0
Spain	1	0	1	0	0	0	0	0
Sweden	1	0	0	0	0	0	0	1
<b>Eligible CSD for Colleges of Supervisors</b>	YES	YES	YES	YES	YES	YES	YES	YES

**Legend:** The green fields refer to the Member States for which the CSD would be considered of substantial importance based on the 15% thresholds, while the blue fields refer to the additional Member States captured based on the 10% thresholds.

66. According to the indicators calculated by ESMA in 2024 (based on 2023 data submitted by CSDs via their NCAs), by taking into account the criteria in Articles 4 to 6 of Commission Delegated Regulation (EU) 2017/389 and the 15% thresholds, supervisory colleges would need to be established for **7 CSDs**: Euroclear Bank – ICSD (BE), Euroclear France (FR), Clearstream Banking AG (DE), Monte Titoli (IT), Nasdaq CSD SE (LV), Clearstream Banking S.A. – ICSD (LU), and Euroclear Sweden (SE).

67. By lowering the thresholds to 10%, one additional CSD would be subject to a supervisory college. In addition, NCAs from more EEA States would be invited to join supervisory colleges. Please see the table below for more details.

<b>Indicators based on the ratio of a CSD's activity (for a core service) in a host MS compared to all EEA CSD's activities (by core services) in that MS</b>	<b>Option 1</b>	<b>Option 2</b>
Threshold for establishing the substantial importance of notary and central maintenance services under the issuers' perspective	15%	10%
Threshold for establishing the substantial importance of notary and central maintenance services under the participants' perspective	15%	10%
Threshold for establishing the substantial importance of settlement services under the issuers' perspective	15%	10%
Threshold for establishing the substantial importance of settlement services under the participants' perspective	15%	10%
<b>Substantial Important CSDs (= number of colleges)</b>	<b>7</b>	<b>8</b>
<b>Impacted NCAs (NCAs invited to participate in additional colleges compared to the current approach)</b>		Cyprus, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Norway, Poland, Slovenia, Sweden

All in all, ESMA considers that the 15% thresholds for the indicators previously included in Articles 4 to 6 of Commission Delegated Regulation (EU) 2017/389 are well calibrated and adequately capture the substantially important CSDs.

## 6 Relevant stakeholders

68. The relevant stakeholders are:

- i. ESMA;
- ii. NCAs; and
- iii. Central Banks (Relevant Authorities).

69. Given that the draft RTS has implications for the establishment of supervisory colleges, and is thus relevant exclusively for (a) ESMA; (b) the competent authority of the home Member State; (c) the relevant authorities referred to in Article 12 of CSDR; and (d) the competent authorities of the host Member States where the CSD is of substantial importance, ESMA has deemed that a public

consultation was not needed. However, the ESMA Securities and Markets Stakeholder Group (SMSG) has been asked for its advice as per the standard practice. The SMSG advice is included in Annex I.

## 7 Annexes

### 7.1 Annex I – SMSG Advice

The SMSG also provides its advice on the draft technical standards on the criteria under which the activities of a CSD could be considered of substantial importance. The SMSG shares the principles stated by ESMA regarding the indicators to assess the substantial importance of CSDs. The SMSG also shares ESMA proposal that each indicator to assess the substantial importance of CSDs is to be looked at separately and the determination of the thresholds is of utmost importance. The SMSG supports ESMA proposal to set the thresholds at 15% as, among other things, this proposal ensures continuity and reflects the smooth functioning of the framework observed so far.

#### Background

One of the objectives of CSDR is to create an internal market for CSD services. To achieve this objective, Article 23 of CSDR allows CSDs to provide their services in any Member State of the Union (passport rights).

In this respect, Article 24 of CSDR provides for various measures to cooperate and exchange information between home and host Member States' competent authorities (NCAs) where a CSD provides its services cross-border. The former version of paragraph 4 of Article 24 of CSDR specified that home and host competent authorities should establish formal cooperation arrangements for the supervision of a CSD where the activities of such CSD have become "of substantial importance for the functioning of the securities markets and the protection of the investors" in the host Member State. According to the same paragraph, where a CSD has become of substantial importance for the functioning of the securities markets and the protection of the investors in more than one host Member State, the home Member State may decide that such cooperation arrangements include colleges of supervisors.

However, the option to set up colleges of supervisors has only been used in one case. For this reason and in order to ensure the effective and efficient coordination of the supervision by competent authorities, the CSDR Refit deleted paragraph 4 of Article 24 and introduced the new Article 24a that requires the establishment of colleges of supervisors in relation to CSDs whose activities are considered of substantial importance (i.e., mandatory colleges), with the aim of ensuring an effective and efficient coordination of the supervision by competent authorities.

Against this background, ESMA is expected to develop draft regulatory technical standards specifying the criteria under which the activities of a CSD in the host Member State could be considered of substantial importance for the functioning of the securities markets and the protection of investors.

#### SMSG opinions and comments

With respect to the proposal regarding the indicators to assess the substantial importance of CSDs (Section 3.2 of the Final Report), the SMSG shares the principles stated by ESMA that the number of indicators, the respective thresholds and the frequency for assessments should be defined in a way to:

(i) capture CSDs of substantial importance with respect to core services offered to host Member States, (ii) allow for a practical and straightforward indicator based framework to be regularly assessed by competent authorities, (iii) avoid the creation of colleges of supervisors where there is no excessive risk, while ultimately ensuring an efficient and effective supervision of CSDs.

The SMSG also shares ESMA proposal that each indicator to assess the substantial importance of CSDs is to be looked at separately and the determination of the thresholds is of utmost importance.

As regards the thresholds to consider the operations of a CSD of 'substantial importance', ESMA proposal is to set the thresholds at the level of 15%, which is the same thresholds set under the previous regime.

ESMA considered the possibility to lower down the percentages to 10% and conducted an analysis based on data submitted by CSDs in 2023 and in 2024, looking at the possible outcomes of applying either 15% or 10% thresholds. In this regard, as expected, it was noted that the outcomes in terms of the composition and number of supervisory colleges would increase when lowering down the thresholds.

The SMSG supports ESMA proposal to set the thresholds at 15% as, among other things, this proposal ensures continuity and reflects the smooth functioning of the framework observed so far.

The SMSG appreciates the in-depth scenario analysis presented in Annex V regarding the level of the thresholds for the indicators. The scenario analysis shows that lowering the thresholds to 10% would not remarkably alter the outcome.

The SMSG also supports ESMA proposal to assess the substantial importance of a CSD in a host Member State on an annual basis, as this frequency trades off the need to reflect the changes in a market in a timely manner against the costs related to the implementation of a more frequent assessment.

Lastly, the SMSG highlights that it would be valuable to state the rationale behind the calibration of the thresholds at the 15% level to define as 'substantial' the importance of a CSD for (i) the functioning of the securities markets and (ii) the protection of the investors. Sharing the reasoning that brought to the 15% level is useful to check whether the underlying assumptions are valid over time or need to be reconsidered on the occasion of the periodic assessment of the substantial importance of a CSD.

This advice will be published on the Securities and Markets Stakeholder Group section of ESMA's website.

Adopted on 16 September 2024

[signed]

Giovanni Petrella  
Chair  
Securities and Markets Stakeholder Group

[signed]

Morten Kinander  
Rapporteur

## **7.2 Annex II – Legislative mandate to develop draft regulatory technical standards**

*Article 24a of CSDR, as amended by CSDR Refit*

13. *ESMA shall develop draft regulatory technical standards specifying the criteria under which the activities of a CSD in a host Member State could be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State.*

*ESMA shall submit those draft regulatory technical standards to the Commission by 17 January 2025.*

*Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.*

## 7.3 Annex III – Cost benefit analysis

This Annex provides an assessment of the costs and benefits of different options considered to develop the Final Report on the draft RTS on criteria for establishing the substantial importance of a CSD. A number of questions are included below which refer to the options considered and reasons justifying the proposals included in the Final Report submitted to the EC.

### 7.3.1 The level of the thresholds used to determine a CSD’s substantial importance

**What is the most appropriate level for the thresholds which deem a CSD to be of substantial importance for a host Member State?**

Specific Objective	Propose a threshold that will ensure the CSDs that are of substantial importance in a host Member State are caught by the threshold.
Option 1	Keep using a threshold of 15% for each of the CSD core services which will be assessed to determine the substantial importance of a CSD for a host Member State.
Option 2	Propose a threshold of 10% for each of the CSD core services which will be assessed to determine the substantial importance of a CSD for a host Member State.
<b>Preferred Option</b>	<b>Option 1 – Keep using a 15% threshold for each of the CSD core services.</b>

#### *Impacts of the proposed policies*

<b>Option 1</b>	<i>Keeping a threshold of 15% for each of the CSD core services</i>
<b>Benefits</b>	<p>Given the results of the simulation exercise run by ESMA according to data compiled in 2023 (based on 2022 data) and in 2024 submitted by CSDs for the calculation of the annual indicators to determine the substantial importance of CSDs for host Member States as per Article 24 of CSDR (more details are included in the Annex), this threshold would ensure that it will capture CSDs of substantial importance for the host Member States.</p> <p>It would also ensure continuity regarding the approach used so far under Article 24 of CSDR.</p> <p>Maintain a good level of harmonisation and consistent application of CSDR.</p>

<i>Costs to regulator:</i>	The cost to the regulators triggered by a 15% threshold will be lower than under options 2 because, a higher number of CSDs will be caught under the latter and classified as substantially important in host Member States.	
	<i>One-off</i>	Moreover, also the number of the host Member States in which the CSD's activities are of substantial importance will be lower than in option 2.
	<i>On-going</i>	Notwithstanding the above, there will be a difference in costs due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.
<i>Compliance costs:</i>	The overall compliance costs will be lower than in option 2, as a higher number of CSDs would be deemed substantially important for host Member States.	
	<i>One-off</i>	Notwithstanding the above, the difference in compliance costs will be due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.
	<i>On-going</i>	Notwithstanding the above, the difference in compliance costs will be due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by any of the options.	
<i>Indirect costs</i>	None	

<b>Option 2</b>	<i>Propose a threshold of 10% for each of the core CSD services</i>
<i>Benefits</i>	<p>Captures a higher number of CSDs of substantial importance for host Member States.</p> <p>According to the results of the simulation exercise run by ESMA, in the case of the notary and/or central maintenance services from the issuers' perspective, a 10% threshold would capture a higher number of Member States than a 15% threshold.</p>
<i>Costs to regulator:</i>	The cost to the regulators triggered by a 10% threshold will be higher than under options 1, this is due both to the fact that the number of CSDs to be caught and classified as substantially important in host Member States will increase, but also the number of the host Member States in which the CSD's activities are of substantial importance will increase lowering the thresholds.
- <i>One-off</i>	Notwithstanding the above, there will be a difference in costs due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.
- <i>On-going</i>	Notwithstanding the above, there will be a difference in costs due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.

<i>Compliance costs:</i>	The overall compliance costs will be higher than in option 1, as a higher number of CSDs would be deemed substantially important for host Member States.
- <i>One-off</i>	Notwithstanding the above, there will be a difference in costs due to the new requirement under Article 24a regarding the establishment of colleges of supervisors, however this is prescribed in Level 1.
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by any of the options.
<i>Indirect costs</i>	None

ESMA supports maintaining a threshold of 15% for all indicators regarding the CSD core services, as this would ensure continuity regarding the approach used so far under Article 24 of CSDR and would maintain a good level of harmonisation and consistent application of CSDR.

### 7.3.2 Frequency of assessments of substantial importance

**How frequently should a CSD be assessed to ensure CSDs of substantial importance are subject to the appropriate supervision?**

Specific Objective	Assess the substantial importance of a CSD in a host Member State on a timely basis
Option 1	Assess substantial importance every year.
Option 2	Assess substantial importance less frequently than every year.
Option 3	Assess substantial importance more frequently than every year.
<b>Preferred Option</b>	<b>Option 1 – assess the substantial importance of a CSD in a host Member State on an annual basis.</b>

*Impacts of the proposed policies*

<b>Option 1</b>	<i>Assess the substantial importance of a CSD in a host Member State on an <b>annual basis</b></i>
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<i>Benefits</i>	Ensures a regular assessment of data in order to reflect the changes in the services provided by a CSD in a timely manner, ensuring the adequate involvement of the authorities in the relevant Member States in the supervision of a CSD.
<i>Costs to regulator:</i>	The cost of this option will be greater than option 2 and lower than option 3, given the need to centralise and assess the data, as well as the need to potentially update the cooperative arrangements based on the new assessments.
<ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	
<i>Compliance costs:</i>	The compliance costs of this option will be greater than for option 2 and lower than for option 3, given the need for the CSDs to collect the data and submit it to the regulators.
<ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

**Option 2**      *Assess substantial importance **less frequently** than every year.*

<i>Benefits</i>	Ensures a reasonably regular assessment of relevant data to ensure the correct supervision is applied to CSDs operating in different jurisdictions within the EU. However, there may be occasions where substantially important CSDs are not properly captured by the indicators because of the less frequent cycle of assessments.
<i>Costs to regulator:</i>	The cost of this option will be lower than for options 1 and 3.
<ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	
<i>Compliance costs:</i>	The compliance costs of this option will be lower than for options 1 and 3.
<ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	

<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

<b>Option 3</b>	<i>Assess substantial importance <b>more frequently</b> than every year.</i>
<i>Benefits</i>	The benefits of this option relate to the increased scrutiny afforded in assessing the substantial importance of a CSD in a host Member State. More regular assessments will deliver up to date indications of substantial importance.
<i>Costs to regulator:</i>	The costs for regulators will be higher than for options 1 and 2.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Compliance costs:</i>	Compliance costs are likely to be increased for this option, compared to options 1 and 2.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

Assessment on an annual basis is proposed by ESMA for practical reasons, given that the data required for the calculation of the indicators is quite extensive and involves aggregation at EU level.

Requesting the data to be submitted on an annual basis is a proportionate approach. It will ensure CSDs are assessed for substantial importance on a regular basis and also take into account the most appropriate associated compliance costs of carrying out such an assessment for CSDs themselves. In addition, the CSDs' activity relevant for the calculation of the threshold is not expected to fluctuate significantly during a year to require a more frequent assessment.

Finally, a yearly assessment is consistent with the CCP college composition, which is also re-assessed on an annual basis.

### 7.3.3 Combining the proposed indicators as part of the assessment

Should each indicator be looked at separately, or should assessments of substantial importance be done by focusing on a CSD's performance across the spectrum of the proposed indicators?

Specific Objective	Ensure that the CSDs that are of substantial importance to a host Member State are caught by the indicators and thresholds
Option 1	Consider indicators individually, if a threshold is reached for one indicator, then define the CSD as significant accordingly.
Option 2	Require at least two of the indicator thresholds to be reached by an individual CSD to consider the CSD of substantial importance.
<b>Preferred Option</b>	<b>Option 1 – consider each indicator on an individual basis when determining the substantial importance of a CSD in a host Member State.</b>

#### Impacts of the proposed policies

<b>Option 1</b>	<i>Consider indicators individually, if a threshold is reached for one indicator, then define the CSD as significant accordingly</i>
<b>Benefits</b>	This option will ensure that even if a CSD provides just one core service in a host Member State, but that core service is substantially important, then it would be captured.
<b>Costs to regulator:</b> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	There may be additional costs to the regulator, as it is possible that more CSDs will be captured as substantially important than under option 2. Therefore, there may be increased costs for regulators linked to a need for increased cooperation arrangements.
<b>Compliance costs:</b> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	It is likely that more CSDs will be caught and classified as substantially important if this option is adopted. Therefore, the overall compliance cost for CSDs in general is likely to be higher.

<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None
<b>Option 2</b>	<i>Require at least two of the indicator thresholds to be reached by an individual CSD to consider the CSD of substantial importance</i>
<i>Benefits</i>	This approach will ensure that those CSDs captured as substantially important are substantially important in terms of the services they provide in more than one way.
<i>Costs to regulator:</i>	It is likely that less CSDs will be caught and classified as substantially important if this option is adopted. Therefore, the overall compliance cost for CSDs in general are likely to be less than for option 1.
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	
<i>Compliance costs:</i>	The overall compliance cost is likely to be less because there will be a smaller number of CSDs classed as substantially important, and thus a smaller number will need to conform to two or more national authorities.
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

Although from a cost benefit-analysis perspective it appears that option 2 should be preferred with respect to option 1, from a policy point of view the latter will ensure that even if a CSD provides just one core service in a host Member State, but that core service is substantially important, then it would be captured.

### 7.3.4 Assessment of the ‘substantial importance’ of notary services and/or central maintenance services: issuers’ perspective

**Which financial instruments should the assessment of the notary services and/or central maintenance services consider?**

<b>Specific Objective</b>	<b>Cover all relevant financial instruments for making an assessment of a CSD's substantial importance in a host Member State with regard to the notary services and/or central maintenance services from the issuers' perspective.</b>
Option 1	Capture the law that governs a financial instrument when considering the appropriate financial instruments to include in the assessment.
Option 2	Consider financial instruments according to the jurisdiction of their issuer, referring to the home country of the issuer which has issued the securities initially recorded and/or centrally maintained by the CSD.
<b>Preferred Option</b>	<b>Option 2 – Consider financial instruments according to the jurisdiction of their issuer, referring to the home country of the issuer which has issued the securities initially recorded and/or centrally maintained by the CSD.</b>

*Impacts of the proposed policies*

<b>Option 1</b>	<i>Capture the <b>law that governs a financial instrument</b> when considering the appropriate financial instruments to include in the assessment.</i>
<b>Benefits</b>	Since issuers may opt to issue in a particular jurisdiction depending on their targeted investors, this may represent a link to the substantial importance of the CSD for the investors in that jurisdiction. This also reflects the approach regarding the passporting of notary and central maintenance services under Article 23 of CSDR.
<b>Costs to regulator:</b>	
- <i>One-off</i>	No obvious differences between the two options in terms of the costs to the regulators.
- <i>On-going</i>	
<b>Compliance costs:</b>	
- <i>One-off</i>	Option 1 may trigger slightly higher compliance costs for CSDs (in particular one-off to set in place the mechanism for identifying the relevant data) than option 2, given that CSDs would need to report different data compared to the past regime.
- <i>On-going</i>	

<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None
<b>Option 2</b>	<i>Consider financial instruments according to the <b>jurisdiction of their issuer</b>, referring to the <b>home country of the issuer</b> which has issued the securities initially recorded and/or centrally maintained by the CSD.</i>
<i>Benefits</i>	This option will ensure a broader approach to capturing the notary and/or central maintenance services by a CSD in a host Member State, based on the issuers' perspective, irrespective of their choice of law for issuing specific securities. Given that issuers might have different reasons for issuing in another country and the CSDR opens for this opportunity, looking at the law of the instruments would not allow considering that a CSD is providing services to issuers in another country and therefore might be of substantial importance for that country.
<i>Costs to regulator:</i>	
- <i>One-off</i>	No obvious differences between the two options in terms of the costs to the regulators.
- <i>On-going</i>	
<i>Compliance costs:</i>	
- <i>One-off</i>	Option 1 may trigger slightly higher compliance costs for CSDs (in particular one-off to set in place the mechanism for identifying the relevant data) than option 2, given that CSDs would need to report different data compared to the past regime.
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

ESMA considers that Option 2 is the most appropriate and would not trigger additional operational complexity for CSDs, given that CSDs already reported this type of data under the previous regime. Issuers may opt to issue in a particular jurisdiction depending on their targeted investors or type of instruments or for other reasons (tax, CSD services, etc.). It does not seem appropriate to focus on

instruments that are governed by a certain law, as this may not capture the full extent of the notary and/or central maintenance services by a CSD in a host Member State.

### 7.3.5 Assessment of the ‘substantial importance’ of central maintenance services: participants’ perspective

**Should central maintenance services be considered from the participants’ angle as a criterion for substantial importance?**

Specific Objective	Ensure all relevant services are considered when making assessments on a CSD’s substantial importance in a host Member State from the most appropriate perspective
Option 1	Consider the central maintenance service from the participants’ angle based on their country of incorporation.
Option 2	Consider the central maintenance service based on the end investors’ nationality/country of incorporation.
Option 3	To the extent the information is known to the CSDs, they should use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, the CSDs should rely on the participants’ country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.
<b>Preferred Option</b>	Option 3 – To the extent the information is known to the CSDs, they should use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, the CSDs should rely on the participants’ country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.

#### *Impacts of the proposed policies*

<b>Option 1</b>	Consider the central maintenance service from the <b>participants’ angle based on their country of incorporation.</b>
<b>Benefits</b>	To the extent that a CSD does not have the necessary information on the end investors and that it would be problematic to compute such a calculation, participants of the host Member State would be a proxy for investors and

	should help ensure there is consideration of the protection of investors in the host Member State.
<p><i>Costs to regulator:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	A possible cost of this option for the regulator would relate to the cost of assimilating the data required to calculate the 'denominator' in the calculation referenced in the Final Report. This applies to all three options, and would be lower for option 1, given the data is less complex to collect and monitor. In order to ensure consistency and comparability of the data, the data could potentially be collected and aggregated by ESMA.
<p><i>Compliance costs:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	The compliance costs for CSDs for this option would be significantly lower than those associated to options 2 and 3, given the data necessary for the calculation of the indicator is less complex to collect.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by any of the options.
<i>Indirect costs</i>	None

<b>Option 2</b>	Consider the central maintenance service based on the end <b>investors' nationality/country of incorporation.</b>
<i>Benefits</i>	Using the nationality/ country of incorporation of the original investors to determine a CSD's substantial importance in a host Member State would provide the most accurate indication of the need for a CSD to be considered substantially important as the overall aim of the concept of substantial importance includes investor protection.
<p><i>Costs to regulator:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	A possible cost of this option for the regulator would relate to the cost of assimilating the data required to calculate the 'denominator' in the calculation referenced in the Final Report. This applies to all three options and would be higher for option 2, given the data is more complex to collect and monitor. In order to ensure consistency and comparability of the data, the data could potentially be collected and aggregated by ESMA.
<p><i>Compliance costs:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	The compliance costs of this option would be much greater than options 1 and 3. It would be very difficult for CSDs to determine the nationality/ country of incorporation of all the investors that have invested in financial instruments



	which are centrally maintained in the CSD, especially in the case of indirect holding systems that use ‘omnibus client segregation accounts’.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

<b>Option 3</b>	Consider the central maintenance service based on the <b>investors’ nationality/country of incorporation</b> . To the extent the information is known to the CSDs, they should use the <b>country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients</b> . In the case of ‘omnibus client segregation accounts’, the CSDs should rely on the <b>participants’ country of incorporation</b> .
<i>Benefits</i>	This would be a balanced approach in terms of having an indicator close to the end investors, if the CSDs have the information about the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants’ clients. In the case of ‘omnibus client segregation accounts’, to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD, the CSDs would rely on the participants’ country of incorporation, as a participant’s activity in host Member States may be of supervisory interest for their national competent authority.
<i>Costs to regulator:</i> - <i>One-off</i> - <i>On-going</i>	A possible cost of this option for the regulator would relate to the cost of assimilating the data required to calculate the ‘denominator’ in the calculation referenced in the Final Report. This applies to all three options and would be higher for option 2, given the data is more complex to collect and monitor. In order to ensure consistency and comparability of the data, the data could potentially be collected and aggregated by ESMA.
<i>Compliance costs:</i> - <i>One-off</i> - <i>On-going</i>	The compliance costs of this option would be higher than for option 2, but lower than for option 1.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.

<i>Indirect costs</i>	None
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ESMA believes that Option 3 would strike the right balance in terms of having an indicator close to the end investors, if the CSDs have the information about the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients. In the case of 'omnibus client segregation accounts', to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD, the CSDs would rely on the participants' country of incorporation, as a participant's activity in host Member States may be of supervisory interest for their national competent authority.

### 7.3.6 Assessment of the 'substantial importance' of settlement services

**From which perspective should the 'substantial importance' of settlement services be considered?**

Specific Objective	To ensure the substantial importance of a CSD is accurately captured taking into account all relevant perspectives and all relevant indicators.
Option 1	Consider the substantial importance of a CSD by analysing settlement services only from the perspective of the issuers.
Option 2	Consider settlement services only from the perspective of participants in a securities settlement system operated by a CSD.
Option 3	Consider the substantial importance of settlement services from the perspective of the issuers and also separately from the perspective of the participants.
<b>Preferred Option</b>	<b>Options 3 – consider the substantial importance of a CSD by analysing settlement services from the perspective of the issuers and also separately from the perspective of the participants.</b>

#### *Impacts of the proposed policies*

<b>Option 1</b>	Consider the substantial importance of a CSD by analysing settlement services from the <b>perspective of the issuers</b>
<i>Benefits</i>	The settlement activities of a CSD from one Member State may be of substantial importance for the functioning of the securities markets in another Member State

	if the CSD from the home Member State settles a significant number of securities issued by issuers from the host Member State. Therefore, this indicator provides a useful indication of substantial importance.
<p><i>Costs to regulator:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	There are no obvious differences in terms of the costs to the regulator for options 1 and 2. The costs may be slightly higher for option 3, as option 3 could potentially trigger more cooperation arrangements.
<p><i>Compliance costs:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	There are no obvious differences in terms of the compliance costs for CSDs for options 1 and 2. The costs may be slightly higher for option 3, as under option 3, CSDs would have to record and transmit information on settlement instructions based on the country of incorporation of the issuers of those securities, as well as based on the country of incorporation of the participants that settled those instructions.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

<b>Option 2</b>	Consider settlement services from a <b>participants' perspective</b> in a securities settlement system operated by a CSD
<i>Benefits</i>	Allows for investor CSD activity to be captured, provides a more accurate representation of whether the activity is substantially important. A CSD does not normally have the necessary information on the indirect provision of settlement services (i.e. to indirect participants or to end investors) and it is problematic to compute such a calculation. Participants of the host Member State would be a proxy for investors and should help ensure there is consideration of the protection of investors in the host Member State.
<p><i>Costs to regulator:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> </ul>	There are no obvious differences in terms of the costs to the regulator for options 1 and 2. The costs may be slightly higher for option 3, as option 3 could potentially trigger more cooperation arrangements.

- On-going	
Compliance costs:	There are no obvious differences in terms of the compliance costs for CSDs for options 1 and 2. The costs may be slightly higher for option 3, as under option 3, CSDs would have to record and transmit information on settlement instructions based on the country of incorporation of the issuers of those securities, as well as based on the country of incorporation of the participants that settled those instructions.
- One-off	
- On-going	
Costs to other stakeholders	Other stakeholders are not impacted by either of the options.
Indirect costs	None

<b>Option 3</b>	Consider the substantial importance of settlement services by analysing settlement services <b>from the perspective of the issuers and also separately from the perspective of the participants.</b>
Benefits	This option has all the benefits of option 1 and option 2. It provides supervisory authorities with a broad understanding of the substantial importance of a CSD for all those parties (issuers and participants) in connection to settlement services.
Costs to regulator:	There are no obvious differences in terms of the costs to the regulator for options 1 and 2. The costs may be slightly higher for option 3, as option 3 could potentially trigger more cooperation arrangements.
- One-off - On-going	
Compliance costs:	There are no obvious differences in terms of the compliance costs for CSDs for options 1 and 2. The costs may be slightly higher for option 3, as under option 3, CSDs would have to record and transmit information on settlement instructions based on the country of incorporation of the issuers of those securities, as well as based on the country of incorporation of the participants that settled those instructions.
- One-off - On-going	

<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

The benefit of considering separate indicators that review a CSD's settlement services from both an issuers' perspective and also from the perspective of participants is highlighted in the above cost benefit analysis.

Most importantly the advantage of the third option for gauging the investor activities is apparent. It ensures that settlement services are fully investigated and decisions on substantial importance take into account a broader range of perspectives on CSD activities.

### 7.3.7 Law Governing the Securities Settlement System operated by a CSD

**How should a CSD operating a securities settlement system that is governed by the law of another Member State be treated?**

Specific Objective	Ensure the correct CSDs are being caught and regarded as substantially important in host Member States
Option 1	Take the stance that if a CSD operates a securities settlement system (SSS) that is governed by the law of another Member State, that CSD should be considered as substantially important for the functioning of the securities markets and the protection of the investors in that host Member State.
Option 2	A CSD should not be regarded as substantially important in a host Member State for the single reason that it operates a SSS that is governed by the law of another Member State
<b>Preferred Option</b>	<b>Option 1 – this option ensures that investors receive the most effective protection. It ensures the appropriate authorities have a responsibility to supervise the CSD in situations where it operates a SSS governed by another Member State's laws.</b>

#### *Impacts of the proposed policies*

<b>Option 1</b>	Take the stance that if a CSD operates a SSS governed by the law of another Member State, that CSD should be considered as substantially important for the
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functioning of the securities markets and the protection of the investors in that host Member State.	
<i>Benefits</i>	This option ensures investors are afforded the maximum protection, given the importance of the law governing the SSS.
<i>Costs to regulator:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	There will be costs for the authorities in the host Member States who are expected to contribute to the supervision of the accordingly substantial CSDs. However, in practice the authorities are already involved in cooperation arrangements in the case where a CSD operates a SSS governed by the law of another Member State.
<i>Compliance costs:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	There will be compliance costs for CSDs that are captured by this indicator. These costs will relate to the costs associated with communicating with additional authorities. However, these costs will be mitigated through the use of colleges of supervisors, which should streamline the supervision process and supervisory requests.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

<b>Option 2</b>	A CSD should not be regarded as substantially important in a host Member State for the single reason that it operates a SSS that is governed by the law of another Member State
<i>Benefits</i>	This option will ensure that there is clear ownership by competent authorities with regard to supervising the compliance of a CSD.
<i>Costs to regulator:</i>	There will be fewer costs to the regulator if this option is selected because the CSD will not be accountable to multiple competent authorities.

- One-off	
- On-going	
<i>Compliance costs:</i>	
- One-off	There will be no additional compliance costs if this option is selected.
- On-going	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

ESMA considers that option 1 is the most appropriate, given the importance for investor protection of the law governing the SSS.

### 7.3.8 Specialisation of a CSD in a specific type of financial instrument and/or in a specific type of securities transaction

This section assesses the impacts of the different options available for considering how a CSD's substantial importance should be considered in the event that the CSD concentrates activities on a specific type of financial instrument and/or type of securities transaction.

There is a possibility that the CSD will therefore be of substantial importance for these types of transaction at a European Union level as well as at National level.

**Should assessments be made that consider significance by focusing on specific types of financial instruments/specific types of securities transactions?**

<b>Specific Objective</b>	<b>To ensure a proportionate approach is taken to assessing the substantial importance of CSDs which specialise in a specific type of financial instrument and/or in a specific type of securities transaction.</b>
Option 1	Do not make assessments of significance by focusing on specific types of financial instruments/specific types of securities transactions.

Option 2	Make assessments of significance by focusing on specific types of financial instruments and/or specific types of securities transactions.
<b>Preferred Option</b>	<b>Option 1 – it is important to make decisions on CSD significance without splitting various indicators according to the type of financial instrument or type of transaction.</b>

*Impacts of the proposed policies*

<b>Option 1</b>	Do not make assessments of significance by focusing on specific types of financial instruments/specific types of securities transactions
<i>Benefits</i>	Avoids a complex and unmanageable process that results from the multiplication of indicators that would need to be collected and regularly assessed by competent authorities. Splitting activity by type of financial instrument would be a risk, even if the CSD is important for a specific type of financial instrument and/or type of securities transaction with respect to securities markets or investors of the host Member State it may not be of substantial importance in that host Member State in general.
<i>Costs to regulator:</i>	Costs for the regulator related to this option would be minimal. The distinction as to whether a CSD was substantial or not would not be further complicated by a requirement to make consideration based on specific securities or transaction type information.
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	
<i>Compliance costs:</i>	This option would not create any additional compliance costs for CSDs. Internal monitoring of substantial importance will be a simpler process than it would be according to option 2, as only one threshold level for each indicator will be relevant for all securities and types of transactions.
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.



<i>Indirect costs</i>	None
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<b>Option 2</b>	Make assessments of significance by focusing on specific types of financial instruments and/or specific types of securities transactions
<i>Benefits</i>	This option might lead to a higher number of CSDs being determined as being of substantial importance. Therefore, for investors making investments in the specific types of securities or types of transactions, there may be a heightened level of protection.
<i>Costs to regulator:</i>	Regulators would be required to analyse the spectrum of securities and types of transactions to determine the substantial importance of a CSD, which is time consuming and costly.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Compliance costs:</i>	Compliance costs for CSDs will be greater than for option 1, as they will have to record and report more granular data for the calculation of the indicators.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

Even if the CSD is important for a specific type of financial instrument and/or type of securities transaction with respect to securities markets or investors of the host Member State it may not be of substantial importance in that host Member State in general.

For example, if a CSD were specialised in the initial recording, central maintenance and/or settlement of one specific type of financial instrument, and/or type of securities transaction which did not signify a

major part of the overall recording, central maintenance and/or settlement in that state, then the CSD should not be considered as substantially important for the securities market and/or investors of the host Member State.

Therefore, ESMA believes that it is most appropriate to evaluate the substantial importance of CSDs with respect to the functioning of the securities markets and protection of the investors of a host Member State on a global basis, without splitting the various indicators according to the type of financial instruments or type of transactions.

### 7.3.9 The approach with regard to collateral management services

**Should collateral management services be considered as an indicator of substantial importance?**

Specific Objective	Ensure that the correct CSD functions are considered when determining those that represent a certain country's importance to a host Member State CSD
Option 1	Do not include collateral management services in the assessment of a CSD's substantial importance.
Option 2	Include collateral management services in the assessment of a CSD's substantial importance.
<b>Preferred Option</b>	<b>Option 1 - do not include collateral management services in the assessment of a CSD's substantial importance.</b>

#### *Impacts of the proposed policies*

<b>Option 1</b>	Do not include collateral management services in the assessment of a CSD's substantial importance.
<b>Benefits</b>	<p>Level playing field.</p> <p>These services are often provided by other entities, not only by CSDs.</p> <p>There are also occasions when the collateral management services are captured in the scope of settlement services – and so this would be reflected by the substantial importance criteria for settlement services and so the benefit of not including this assessment would be to avoid duplication.</p>

<p><i>Costs to regulator:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<p>There will be no additional costs if these services are not included in assessments of substantial importance.</p>
<p><i>Compliance costs:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<p>There will be no additional costs if these services are not included in assessments of substantial importance.</p>
<p><i>Costs to other stakeholders</i></p>	<p>Other stakeholders are not impacted by either of the options.</p>
<p><i>Indirect costs</i></p>	<p>None</p>

<b>Option 2</b>	Include collateral management services in the assessment of a CSD's substantial importance.
<i>Benefits</i>	Ensures a complete picture of the CSD's functions including this ancillary service which complements the settlement services.
<i>Costs to regulator:</i>	There will be additional costs for the authorities in the host Member States who are expected to contribute to the supervision of the accordingly substantial CSDs.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Compliance costs:</i>	Potential unlevel playing field, both one-off and on-going cost associated to this. There would be associated costs for CSDs relating to the internal systems they have in place to monitor collateral management operations, and the collection and reporting of related data for the calculation of the indicator. Once they are caught by this indicator then there will be additional compliance costs, relating to communicating with regulators and reporting to additional regulators. However, these costs will be mitigated through the use of cooperation arrangements established by the authorities, which should streamline the supervision process and supervisory requests.
- <i>One-off</i>	
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

The majority of collateral management services would already be captured in the scope of the settlement services and therefore the substantial importance criteria for settlement services would reflect this.

However, there would be instances where this service wouldn't be covered by settlement service, for example, where a pledge has been made. At the same time, collateral management services can be provided by non-CSD entities (e.g. custodians, investment firms, etc.).

Respondents to the ESMA consultation supported the ESMA decision not to include collateral management services in the assessment of the threshold for the central maintenance service.

### 7.3.10 The approach with regard to branches of a CSD established in host Member States

What approach should be taken to considering the substantial importance of a branch?

Policy Objective	Ensure appropriate assessments are made with regard to branches established in host Member States
Option 1	Automatically include branches as substantially important CSDs in host Member States.
Option 2	Do not automatically include branches as substantially important CSDs, instead only rely on the same criteria other CSDs are assessed with when assessing the substantial importance of a CSD that is a branch.
<b>Preferred Option</b>	<b>Option 2 – Do not automatically include branches as substantially important CSDs, instead only rely on the same criteria other CSDs are assessed with when assessing the substantial importance of a CSD that is a branch.</b>

#### Impacts of the proposed policies

<b>Option 1</b>	Automatically include branches as substantially important CSDs in host Member States
<b>Benefits</b>	Establishing a branch in a host Member State indicates a physical presence which could be interpreted as being of substantial importance. It is a concrete factor which does not require the calculation of additional indicators.
<b>Costs to regulator:</b>	
- One-off	Potentially increased costs if there are more CSDs that would be captured by this, which would not otherwise be captured under the other indicators.
- On-going	
<b>Compliance costs:</b>	Once they are caught by this indicator then there will be additional compliance costs, relating to communicating with regulators and reporting to additional regulators. However, these costs will be mitigated through the use of cooperation

- One-off	arrangements established by the authorities, which should streamline the supervision process and supervisory requests.
- On-going	
Costs to other stakeholders	Other stakeholders are not impacted by either of the options.
Indirect costs	None

<b>Option 2</b>	<i>Do not automatically include branches as substantially important CSDs, instead only rely on the same criteria other CSDs are assessed with when assessing the substantial importance of a CSD that is a branch.</i>
Benefits	<p>Simply because a CSD establishes a branch in a host Member State and has a physical presence, the activity of the CSD in a host Member State is not necessarily of substantial importance. There is no guarantee that the branch's existence will lead to significant activity. If the activity is not substantial, the physical presence <i>per se</i> should not be considered as a criterion.</p> <p>If a branch does generate significant activity of a CSD in the host Member State and it is substantially important, this will be captured under one of the other indicators included in the Final Report. Therefore, the benefit of this option is that it will save resource from a regulatory and a compliance perspective, as the other indicators sufficiently capture the CSDs of substantial importance.</p>
Costs to regulator:	
- One-off	This option does not create additional costs for the regulator.
- On-going	

<i>Compliance costs:</i>	
- <i>One-off</i>	This option does not create any additional compliance costs.
- <i>On-going</i>	
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

ESMA believes that simply because a CSD establishes a branch in a host Member State and has a physical presence, the activity of the CSD in a host Member State is not necessarily of substantial importance. There is no guarantee that the branch's existence will lead to significant activity, and so to automatically classify all branches as significantly important CSDs would be overly burdensome on both regulators and also CSDs.

If a branch does generate significant activity of a CSD in the host Member State and it is substantially important, this will be appropriately captured under one of the other indicators included in the Final Report which mitigates the risk of not meeting the objectives of the measure of substantial importance.

### 7.3.11 Process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State

**Should ESMA be involved in the process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State?**

<b>Policy Objective</b>	<b>Ensure the use of consistent data for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State</b>
Option 1	ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.

Option 2	ESMA should not undertake a coordination role in the process of centralising and aggregating the data received from CSDs for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.
<b>Preferred Option</b>	<b>Option 1 – ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.</b>

*Impacts of the proposed policies*

<b>Option 1</b>	ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.
<i>Benefits</i>	This would ensure the use of consistent data for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State, and would avoid duplication of efforts at the level of the NCAs that would need to centralise the data and make the calculations.
<i>Costs to regulator:</i>	
- <i>One-off</i>	The costs for the NCAs are lower than for option 2, since ESMA would perform centralise and aggregate the necessary data reported by all CSDs in the EEA.
- <i>On-going</i>	The costs for the NCAs are lower than for option 2, since ESMA would perform centralise and aggregate the necessary data reported by all CSDs in the EEA.
<i>Compliance costs:</i>	
- <i>One-off</i>	The compliance costs for CSDs are lower than for option 2, since they only need to report the data to their individual NCAs.
- <i>On-going</i>	The compliance costs for CSDs are lower than for option 2, since they only need to report the data to their individual NCAs.
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.



<i>Indirect costs</i>	None
<p><b>Option 2</b></p> <p><i>ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.</i></p>	
<i>Benefits</i>	No obvious benefits can be identified for this option.
<i>Costs to regulator:</i>	<p>The costs for the NCAs are higher than for option 1, since potentially all NCAs would need to centralise and aggregate the necessary data reported by all CSDs in the EEA.</p>
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> </ul>	<p>The costs for the NCAs are higher than for option 1, since potentially all NCAs would need to centralise and aggregate the necessary data reported by all CSDs in the EEA.</p>
<ul style="list-style-type: none"> <li>- <i>On-going</i></li> </ul>	<p>The costs for the NCAs are higher than for option 1, since potentially all NCAs would need to centralise and aggregate the necessary data reported by all CSDs in the EEA.</p>
<i>Compliance costs:</i>	<p>This option may create additional compliance costs for CSDs compared to option 1, in case they may need to report the necessary data to all NCAs. As an alternative, the NCAs may share the data received from the CSDs they supervise with the other NCAs, however this would increase the costs for the NCAs.</p>
<ul style="list-style-type: none"> <li>- <i>One-off</i></li> </ul>	<p>This option may create additional compliance costs for CSDs compared to option 1, in case they may need to report the necessary data to all NCAs. As an alternative, the NCAs may share the data received from the CSDs they supervise with the other NCAs, however this would increase the costs for the NCAs.</p>
<ul style="list-style-type: none"> <li>- <i>On-going</i></li> </ul>	<p>This option may create additional compliance costs for CSDs compared to option 1, in case they may need to report the necessary data to all NCAs. As an alternative, the NCAs may share the data received from the CSDs they supervise with the other NCAs, however this would increase the costs for the NCAs.</p>
<i>Costs to other stakeholders</i>	Other stakeholders are not impacted by either of the options.
<i>Indirect costs</i>	None

In order to apply the assessment criteria, competent authorities need to collect relevant data. Such data should be consistent and aggregated at EU level. Hence, ESMA believes it is necessary to clarify the process for the collection, processing and aggregation of the data necessary for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State. However, individual competent authorities may face challenges in collecting and aggregating all the relevant data from CSDs across the EU. In addition, such an approach may lead to duplication of efforts for the competent authorities and may generate risks regarding the use of inconsistent data.

To avoid such risks, having regard to ESMA's role to build a common supervisory culture and consistent, efficient and effective supervisory practices, ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs. Competent authorities should perform the calculations for the indicators based on the data centralised and aggregated by ESMA.

## Annex IV – Draft Regulatory Technical Standards

### COMMISSION DELEGATED REGULATION (EU) XXXX/XXX

of XXXX

**supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying the criteria under which the activities of a CSD in a host Member State could be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in that host Member State**

**(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories, as amended by Regulation (EU) No 2023/2845<sup>6</sup>, and in particular Article 24a(13) thereof,

Whereas:

(1) To comprehensively establish whether the activities of CSDs have become of substantial importance for the functioning of the securities markets and the protection of investors in host Member States, it is appropriate to ensure that assessment criteria apply in respect of the core services provided by CSDs in host Member States as specified in Section A of the Annex to Regulation (EU) No 909/2014, given that such core services are provided by CSDs in their capacity as financial market infrastructures.

(2) For the purposes of assessing the importance of the activities of CSDs in host Member States, the assessment criteria should consider the size of the core services provided by CSDs to users from host Member States, including to issuers, participants in securities settlement systems or other holders of securities accounts maintained by CSDs. Where the size of a core service provided by a CSD to users from a host Member State is sufficiently large, the activities of that CSD in such host Member State should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors, given that any failures or deficiencies in the operations of such CSD may affect the smooth functioning of securities markets and the protection of investors in the host Member State concerned. In order to ensure a comprehensive assessment, it is appropriate to apply independent assessment criteria which

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<sup>6</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1)

consider the size of each core service provided by CSDs to users from host Member States. To ensure continuity regarding the approach used to determine the substantial importance of CSDs adopted in the framework previously existing under Articles 4 to 6 of Commission Delegated Regulation (EU) 2017/389<sup>7</sup> and a good level of harmonisation and consistent application of Regulation (EU) No 909/2014, the same thresholds of 15% should be used for the similar indicators specified in this Regulation.

(3) Where a CSD issues or centrally maintains large parts of financial instruments for issuers established in a host Member State or where a CSD centrally maintains large parts of securities accounts for its participants or other account holders established in a host Member State, the respective CSD's activities should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member State concerned.

(4) Where a CSD settles large values of transactions in financial instruments issued by issuers established in a host Member State or where a CSD settles large values of settlement instructions from participants and other holders of securities accounts established or with a residence in a host Member State, the respective CSD's activities should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in the concerned host Member State.

(5) CSDs should take into account the country of incorporation or residence, as applicable, of participants or other holders of securities accounts, including a participant's clients, as follows: in order to have an indicator close to the end investors, they should use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients, to the extent the information is known to the CSDs; in the case of 'omnibus client segregation accounts', to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD, the CSDs should rely on the participants' country of incorporation, as a participant's activity in host Member States may be of supervisory interest for their national competent authority.

(6) When a CSD operates a securities settlement system designated by a host Member State in accordance with Directive 98/26/EC of the European Parliament and of the Council<sup>8</sup>, the activities of the CSD should be deemed to be of substantial importance for the functioning of the securities markets and the protection of investors in the respective host Member State, given that such designation is warranted on grounds of systemic risks.

(7) In order to clarify the scope of settlement services provided by CSDs and to ensure consistency between related legal acts, the term of settlement instruction should be defined in

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<sup>7</sup> Commission Delegated Regulation (EU) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States (OJ L 65, 10.3.2017, p. 1)

<sup>8</sup> Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45)

a consistent way with the definition specified in the Commission Delegated Regulation (EU) 2018/1229<sup>9</sup>.

(8) To ensure the consistent application of this Regulation, it is necessary to clarify how to determine the market values to be used for calculating the size of CSD services where applicable.

(9) Whether the activities of a CSD in a host Member State could be considered of substantial importance for the functioning of the securities markets and the protection of investors should be assessed on an annual basis, to take into account potential market developments.

(10) In order to apply the assessment criteria, competent authorities need to collect relevant data. Such data should be consistent and aggregated at EU level. Hence, it is necessary to clarify the process for the collection, processing and aggregation of the data necessary for the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State.

(11) However, individual competent authorities may face challenges in collecting and aggregating all the relevant data from CSDs across the EU. In addition, such an approach may lead to duplication of efforts for the competent authorities and may generate risks regarding the use of inconsistent data.

(12) To avoid such risks, having regard to ESMA's role to build a common supervisory culture and consistent, efficient and effective supervisory practices, ESMA should undertake a coordination role in the process of centralising and aggregating the data received from CSDs. Competent authorities should perform the calculations for the indicators based on the data centralised and aggregated by ESMA.

(13) Having regard to Article 69(7) of Regulation (EU) No 909/2014 on the deadline for the establishment of colleges, it is important to provide, in addition to the general process to be used for the data collection and calculation of the indicators, an initial process to be used for the first collection, processing and aggregation of the data and information under this Regulation.

(14) Sufficient time should be given to the concerned CSDs to take the necessary measures to be able to report data based on the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients, to the extent the information is known to the CSDs. As such, CSDs should not be required to report such data for the initial process to determine the substantial importance of a CSD for a host Member State, however they may report the respective data if it is already available to them.

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<sup>9</sup> Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline (OJ L 230, 13.9.2018, p. 1)

(15) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Securities and Markets Authority (ESMA).

(16) Given that the draft regulatory technical standards have implications for the establishment of supervisory colleges, and thus for the concerned authorities, ESMA has considered that a public consultation was not needed. However, ESMA has analysed the potential related costs and benefits and has requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>10</sup>. ESMA has also cooperated with the members of the European System of Central Banks.

HAS ADOPTED THIS REGULATION:

#### *Article 1*

#### **Definitions**

For the purposes of this Regulation, 'settlement instruction' means a transfer order as defined in Article 2(i) of Directive 98/26/EC.

#### *Article 2*

#### **Criteria for establishing the substantial importance of a CSD**

1. The operations of a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member State where at least one of the criteria specified in Articles 3 and 4 is fulfilled.
2. The criteria shall be assessed on an annual basis.

#### *Article 3*

#### **Criteria for establishing the substantial importance of notary and central maintenance services**

1. The provision of notary and central maintenance services, as referred to in points 1 and 2 of Section A of the Annex to Regulation (EU) No 909/2014, by a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets

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<sup>10</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84)

and the protection of investors in that host Member State where any of the following criteria is fulfilled:

(a) the aggregated market value or, if not available, nominal value of financial instruments issued by issuers incorporated in the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least 15 % of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the Union;

(b) the aggregated market value or, if not available, nominal value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least 15 % of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the Union for all participants and other holders of securities accounts from the host Member State, taking into account the country of incorporation or residence, as applicable, of participants or other holders of securities accounts, including a participant's clients.

2. For the purposes of point (b) of the first subparagraph, to the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients. In the case of 'omnibus client segregation accounts', the CSDs shall rely on the participants' country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.

3. For the purposes of paragraph 1, the market value of financial instruments shall be determined in accordance with Article 5.

#### *Article 4*

##### **Criteria for establishing the substantial importance of settlement services**

1. The provision of settlement services as referred to in point 3 of Section A of the Annex to Regulation (EU) No 909/2014 by a CSD in a host Member State shall be considered to be of substantial importance for the functioning of the securities markets and the protection of investors in the host Member State where any of the following criteria is fulfilled:

(a) the annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least 15 % of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union;

(b) the annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least 15 % of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State, taking into account the country of incorporation or residence, as applicable, of participants or other holders of securities accounts, including a participant's clients.

(c) the CSD operates a securities settlement system governed by the law of the host Member State which has been notified to the European Securities and Markets Authority (ESMA).

2. For the purposes of point (b) of the first subparagraph, to the extent the information is known to the CSDs, they shall use the country of incorporation (for legal persons) or the country of residence (for natural persons) of the holders of securities accounts, including participants' clients. In the case of 'omnibus client segregation accounts', the CSDs shall rely on the participants' country of incorporation to the extent the information about the country of incorporation or the country of residence of the underlying clients is not known to the CSD.

3. For the purposes of points (a) and (b) of paragraph 1, the value of a settlement instruction shall be determined as follows:

- (a) for a settlement instruction against payment, the value of the corresponding transaction in financial instruments as entered into the securities settlement system;
- (b) for free-of-payment settlement instructions, the aggregated market value of the relevant financial instruments as determined in accordance with Article 5 or the nominal value.

#### *Article 5*

#### **Determination of market values**

The market value of financial instruments referred to in Articles 3 and 4 of this Regulation shall be determined as follows:

- (a) for financial instruments referred to in Article 3(1) of Regulation (EU) No 600/2014<sup>11</sup> admitted to trading on a trading venue within the Union, the market value of the relevant financial instrument shall be the closing price of the most relevant market in terms of liquidity referred to in Article 4(1)(a) of Regulation (EU) No 600/2014;
- (b) for financial instruments admitted to trading on a trading venue within the Union other than those referred to in point (a), the market value shall be the closing price derived from the trading venue within the Union with the highest turnover;
- (c) for financial instruments other than those referred to in points (a) and (b), the market value shall be determined on the basis of a predetermined methodology approved by the competent authority of the relevant CSD that refers to criteria related to reliable market data, such as market prices available across trading venues or investment firms.

#### *Article 6*

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<sup>11</sup> Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84)



**General process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State**

1. After reviewing the data and information received from CSDs by 31 January of each year (covering the data for the previous calendar year), which is necessary for the calculation of the indicators for the assessment of the criteria specified in Articles 3 and 4, competent authorities shall transmit such data to ESMA by 25 of February of the same year.
2. Each competent authority shall perform the calculation of the indicators for the assessment of the criteria specified in Articles 3 and 4, as applicable, in respect of each CSD for which it is the home Member State competent authority, upon receipt of the following data and information from ESMA submitted to the competent authorities by 31 March of each year:
  - a) all data and information received by ESMA from the individual competent authorities;
  - b) data aggregating the values for the denominators of the indicators for the assessment of the criteria specified in Articles 3 and 4, as applicable.
3. Competent authorities shall send ESMA the results of the calculation regarding the indicators for the assessment of the criteria specified in Articles 3 and 4, as applicable, by 15 April of each year, to enable ESMA to share this information with all the competent authorities by 30 April of each year.

*Article 7*

**Initial process for the collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State**

1. By way of derogation from Article 6, only for the first collection of data and the calculation of the indicators for the assessment of the criteria to determine the substantial importance of a CSD for a host Member State performed in 2025, this Article shall apply.
2. Within 3 business days from the date of entry into force of this Regulation, competent authorities shall transmit to ESMA the data and information received from CSDs for the previous calendar year (from 1 January to 31 December), which is necessary for the calculation of the indicators for the assessment of the criteria specified in Articles 3 and 4.
3. Each competent authority shall perform the calculation of the indicators for the assessment of the criteria specified in Articles 3 and 4, as applicable, in respect of each CSD for which it is the home Member State competent authority, upon receipt of the following data and

information from ESMA submitted to the competent authorities within 2 business days from the transmission of the data and information referred to in paragraph 2:

- a) all data and information received by ESMA from the individual competent authorities;
- b) data aggregating the values for the denominators of the indicators for the assessment of the criteria referred to in Articles 3 and 4, as applicable.

4. Competent authorities shall send ESMA the results of the calculation regarding the indicators for the assessment of the criteria specified in Articles 3 and 4, as applicable, within 6 business days from the date of entry into force of this Regulation, to enable ESMA to share this information with all the competent authorities within 7 business days from the date of entry into force of this Regulation.

5. For the purpose of this Article, CSDs may not apply Article 3(2) and Article 4(2).

#### *Article 8*

#### **Entry into force**

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [DD MM YYYY]

For the Commission

The President

[For the Commission

On behalf of the President

[Position]

## Annex V – Scenarios regarding the level of the thresholds for the indicators

As an alternative to the previous 15% thresholds, ESMA has assessed the possibility to lower down the percentages established in the new Articles 3 and 4 of draft RTS, using 2023 data.

The First Scenario envisages the possibility to reduce the previous 15% threshold, as specified in Article 5(1)(a) of Commission Delegated Regulation 2017/389, to 10%:

The aggregated market value of financial instruments issued by issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least **15 %** of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the EEA.

The aggregated market value of financial instruments issued by issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least **10 %** of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the EEA.

No.	CSD Home Member State	CSD	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	84.31	-	-	0.68	0.13	0.15	-	-	-	0.00	0.02	-	0.20	-	-
2	Belgium	Euroclear (Euroclear Bank) - ICSD	7.68	0.04	11.92	12.06	44.35	2.30	3.78	26.22	16.07	3.42	4.53	5.36	6.35	10.80	63.24
3	Belgium	CIK (Euroclear Belgium)	-	19.93	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	-	79.67	-	-	-	-	-	-	-	0.00	-	-	-	-	-
5	Bulgaria	Bulgarian National Bank	-	-	17.33	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	49.99	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	75.86	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	18.81	-	-	-	-	-	-	0.08	-	-	0.05
9	Czech Republic	Czech National Bank	-	-	-	-	-	46.29	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	0.00	-	-	-	2.10	48.29	-	-	-	-	-	-	-	-	-
11	Denmark	VP Securities	-	-	-	-	-	-	92.57	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	-	-	0.02	0.35	57.35	0.00	0.17	-	-	-	-
13	France	Euroclear France	0.33	0.07	-	-	-	-	0.63	0.00	0.11	94.39	0.16	0.00	-	-	0.43
14	Germany	Clearstream Banking AG	0.19	-	-	-	-	-	0.00	-	-	0.01	90.57	-	0.00	-	0.31
15	Greece	ATHEXCSD	-	-	-	-	1.86	-	-	-	-	-	-	25.76	-	-	-
16	Greece	BOGS	-	-	-	-	-	-	-	-	-	-	-	63.76	-	-	-
17	Hungary	KELER Ltd	0.04	0.27	-	0.00	0.00	0.00	0.00	-	0.00	0.00	0.11	0.01	87.77	-	0.00
18	Italy	Monte Titoli	-	-	-	-	-	-	-	-	-	0.00	0.20	0.01	-	-	0.08
19	Latvia	Nasdaq CSD SE	-	-	-	-	-	-	-	65.52	0.01	-	-	-	-	71.88	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	7.25	0.01	20.76	11.35	28.71	2.90	1.62	7.71	6.84	2.18	3.68	5.03	5.59	14.68	35.80
21	Luxembourg	LuxCSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	0.19	-	-	-	-	-	-	-	-	-	0.04	-	-	1.79	0.00
24	Norway	Verdipapirsentralen ASA (VPS)	-	-	-	-	0.52	-	1.29	-	1.10	0.00	0.05	-	-	0.72	0.01
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Poland	KDPW	0.01	-	0.00	-	1.26	0.05	-	0.06	-	0.00	0.02	-	0.10	-	-
27	Portugal	Interbolsa	-	-	-	-	0.00	-	-	-	-	-	0.01	-	-	-	0.01
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Romania	Depozitarul Central	-	-	-	-	1.82	-	-	-	-	-	-	-	-	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	-	-	-	0.04	0.43	0.01	-	-	-	-	-	-	-	-	-
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-
32	Spain	Iberclear	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.04
33	Sweden	Euroclear Sweden	-	-	-	-	-	-	0.09	0.15	18.52	0.00	0.41	-	-	0.11	0.04

No.	CSD Home Member State	CSD	Italy	Latvia	Liechtenstein	Lithuania	Luxembourg	Malta	Netherlands	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	-	-	6.99	-	0.02	0.03	-	-	-	-	0.10	0.00	-	-	-
2	Belgium	Euroclear (Euroclear Bank) - ICSD	5.25	34.45	-	33.29	41.37	2.67	30.55	8.84	2.86	0.77	20.99	1.54	2.41	5.66	10.70
3	Belgium	CIK (Euroclear Belgium)	-	-	-	-	0.09	-	0.00	-	-	-	-	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	-	-	-	-	0.33	-	0.02	-	-	-	-	-	-	-	0.07
5	Bulgaria	Bulgarian National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	-	0.09	-	-	-	-	-	-	-	-	-
9	Czech Republic	Czech National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	-	-	-	-	0.00	0.91	0.00	-	-	-	-	0.16	-	-	-
11	Denmark	VP Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	0.00	-	0.01	-	-	-	-	-	-	-	0.20
13	France	Euroclear France	0.03	-	0.07	-	10.23	-	4.32	-	-	0.00	0.01	-	-	0.02	0.31
14	Germany	Clearstream Banking AG	0.00	-	92.94	-	29.57	0.50	2.29	-	-	-	-	-	-	0.00	0.00
15	Greece	ATHEXCSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Greece	BOGS	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	-
17	Hungary	KELER Ltd	0.00	-	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Italy	Monte Titoli	89.61	-	-	-	0.02	0.03	0.64	-	-	-	-	-	-	-	-
19	Latvia	Nasdaq CSD SE	-	22.55	-	54.72	0.00	0.51	-	-	-	-	-	-	-	-	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	5.11	43.00	-	11.92	14.98	1.79	16.69	6.88	5.07	0.57	14.13	1.18	1.72	3.79	5.63
21	Luxembourg	LuxCSD	-	-	-	-	1.69	-	0.00	-	-	-	-	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	77.95	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	-	-	-	-	0.85	-	45.13	-	-	-	-	-	-	-	-
24	Norway	Verdipapirsentralen ASA (VPS)	-	-	-	-	0.24	0.65	0.04	84.24	0.03	-	-	-	-	0.01	0.82
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	11.42	-	-	-	-	-	-
26	Poland	KDPW	0.00	-	-	0.07	0.34	-	0.23	-	80.62	-	0.02	0.00	0.05	0.01	0.00
27	Portugal	Interbolsa	-	-	-	-	0.00	-	0.01	-	-	98.66	-	-	-	0.75	-
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	39.25	-	-	-	-
29	Romania	Depozitarul Central	-	-	-	-	-	-	0.01	-	0.00	-	25.51	-	-	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	-	-	-	-	-	0.20	-	-	0.00	-	-	97.12	0.02	-	-
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	0.00	-	-	-	-	-	-	-	-	-	-	-	95.80	-	-
32	Spain	Iberclear	-	-	-	-	0.03	-	0.03	-	-	-	-	-	-	89.77	-
33	Sweden	Euroclear Sweden	-	-	-	-	0.12	14.67	0.03	0.04	-	-	-	-	-	-	82.28

The Second Scenario envisages possibility to reduce the previous 15% threshold, as specified in Article 5(1)(b) of Commission Delegated Regulation 2017/389, to 10%:

The aggregated market value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least **15 %** of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the EEA for all participants and other holders of securities accounts from the host Member State.

The aggregated market value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least **10 %** of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the EEA for all participants and other holders of securities accounts from the host Member State.

No.	CSD Home Member State	CSD	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	79.33	2.55	-	-	-	0.01	-	-	-	-	2.45	-	-	-	0.36
2	Belgium	Euroclear (Euroclear Bank) - ICSD	3.49	9.85	-	1.20	39.77	3.29	2.74	14.28	10.97	3.79	4.35	30.60	2.98	0.00	13.88
3	Belgium	CIK (Euroclear Belgium)	-	1.16	-	-	-	-	-	-	-	0.85	0.07	-	-	-	2.56
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	-	10.26	-	-	-	-	-	-	-	1.03	2.08	-	-	-	0.42
5	Bulgaria	Bulgarian National Bank	-	-	19.62	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	56.67	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	91.51	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	18.42	-	-	-	-	0.00	-	0.17	-	-	0.02
9	Czech Republic	Czech National Bank	-	0.02	-	-	-	49.93	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	1.50	0.03	0.00	-	6.00	36.77	0.00	0.02	0.00	0.04	0.01	0.00	0.04	-	0.08
11	Denmark	VP Securities	-	-	-	-	-	-	92.09	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	2.79	-	-	-	-	1.88	-	19.57	-	-	-	-	-	2.27
13	France	Euroclear France	-	30.61	-	-	-	-	-	-	-	64.79	9.06	-	-	-	19.16
14	Germany	Clearstream Banking AG	2.15	21.60	-	-	-	-	-	-	0.00	6.54	65.85	0.94	-	-	13.14
15	Greece	ATHEXCSD	-	-	-	-	0.38	-	-	-	-	-	-	20.29	-	-	-
16	Greece	BOGS	-	0.22	-	-	-	-	-	-	-	-	0.04	45.01	-	-	-
17	Hungary	KELER Ltd	0.11	0.11	0.00	-	-	-	-	-	-	0.01	0.06	-	94.56	0.00	-
18	Italy	Monte Titoli	-	9.30	-	-	-	-	-	-	-	5.97	2.29	-	-	-	7.07
19	Latvia	Nasdaq CSD SE	-	-	-	-	-	-	-	85.34	-	-	0.02	-	-	94.06	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	11.35	1.33	23.70	6.83	21.67	3.06	0.01	0.00	0.03	9.98	9.16	2.99	1.96	5.40	3.20
21	Luxembourg	LuxCSD	-	0.33	-	-	-	-	-	-	-	-	0.10	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	0.08	8.54	-	-	-	-	-	-	-	3.30	1.08	-	-	-	11.49
24	Norway	Verdipapirsentralen ASA (VPS)	0.04	0.87	0.00	0.00	12.47	0.00	0.29	0.36	34.68	0.05	0.04	0.00	0.00	0.54	1.17
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Poland	KDPW	0.23	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-
27	Portugal	Interbolsa	-	-	-	-	-	-	-	-	-	1.20	0.48	-	-	-	2.57
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Romania	Depozitarul Central	0.03	-	-	-	-	0.00	-	-	-	-	-	-	-	-	0.18
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	1.43	0.26	0.00	0.21	1.28	6.94	0.00	0.00	0.00	0.00	0.02	0.00	0.46	0.00	0.02
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	0.26	0.16	-	0.25	-	-	-	-	-	-	-	-	-	-	-
32	Spain	Iberclear	-	0.00	-	-	-	-	-	-	-	2.46	2.71	-	-	-	15.86
33	Sweden	Euroclear Sweden	0.00	0.00	0.00	0.00	0.00	0.00	2.99	0.01	34.75	0.00	0.13	0.00	0.00	0.00	6.55

No.	CSD Home Member State	CSD	Italy	Latvia	Liechtenstein	Lithuania	Luxembourg	Malta	Netherlands	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	0.08	-	-	-	0.00	-	0.00	-	0.01	-	0.01	-	-	-	-
2	Belgium	Euroclear (Euroclear Bank) - ICSD	11.10	15.93	94.95	29.10	24.48	8.03	44.88	2.25	2.47	8.70	7.83	27.45	6.90	13.86	3.87
3	Belgium	CIK (Euroclear Belgium)	0.03	-	-	-	0.93	-	2.17	-	-	-	-	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	0.07	-	-	-	0.08	-	0.17	-	-	-	-	-	-	0.00	-
5	Bulgaria	Bulgarian National Bank	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Czech Republic	Czech National Bank	-	-	-	-	-	-	0.21	-	-	-	-	0.06	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	0.02	0.00	0.02	-	0.48	0.45	1.60	0.01	0.67	0.00	0.00	1.77	0.01	0.00	0.01
11	Denmark	VP Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	1.58	-	-	-	-	-	-	-	-	-	10.57
13	France	Euroclear France	2.57	-	-	-	12.35	-	3.21	-	-	0.00	-	-	-	0.03	-
14	Germany	Clearstream Banking AG	1.89	-	3.49	-	41.19	-	4.07	-	-	-	-	0.01	-	0.00	-
15	Greece	ATHEXCSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Greece	BOGS	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Hungary	KELER Ltd	-	-	-	0.00	0.07	-	0.03	-	0.04	-	-	-	-	-	-
18	Italy	Monte Titoli	80.62	-	-	-	0.00	-	0.23	-	-	-	-	-	-	0.64	-
19	Latvia	Nasdaq CSD SE	-	28.13	-	70.82	0.00	-	-	-	0.01	-	-	-	-	-	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	2.86	55.92	0.64	-	9.13	6.33	2.59	0.87	1.52	1.00	2.61	4.77	1.79	1.61	0.18
21	Luxembourg	LuxCSD	-	-	-	-	0.78	-	-	-	-	-	-	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	84.43	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	0.18	-	-	-	5.11	-	39.03	-	-	-	-	-	-	0.03	-
24	Norway	Verdipapirsentralen ASA (VPS)	0.01	0.01	0.47	0.08	2.53	0.33	1.20	93.86	0.00	0.00	0.00	0.00	0.00	0.01	1.70
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	11.47	-	-	-	-	-	-
26	Poland	KDPW	-	-	-	-	0.15	-	-	-	83.77	-	-	-	-	-	-
27	Portugal	Interbolsa	-	-	-	-	0.09	-	-	-	-	90.29	-	-	-	0.12	-
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	69.76	-	-	-	-
29	Romania	Depozitarul Central	-	-	-	-	-	-	-	-	-	-	19.78	-	-	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	0.00	0.00	0.05	-	0.55	0.43	0.20	0.02	0.03	-	-	65.94	0.01	0.00	0.00
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	-	-	-	-	0.44	-	-	-	-	-	-	-	91.29	-	-
32	Spain	Iberclear	0.55	-	-	-	-	-	0.42	-	-	0.00	-	-	-	83.69	-
33	Sweden	Euroclear Sweden	0.00	0.00	0.38	0.00	0.05	0.00	0.00	2.99	0.00	0.00	0.00	0.00	0.00	0.00	83.67



The Third Scenario envisages the possibility to reduce the previous 15% threshold, as specified in Article 6(1)(a) of Commission Delegated Regulation 2017/389, to 10%.

The annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least **15 %** of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union;

The annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least **10 %** of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union;

No.	CSD Home Member State	CSD	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	8.16	0.00	-	0.03	0.00	0.00	0.00	-	0.00	0.00	0.00	-	0.06	-	0.00
2	Belgium	Euroclear (Euroclear Bank) - ICSD	57.28	19.34	46.66	33.96	57.96	1.29	20.69	66.78	44.35	12.90	46.50	9.71	14.67	12.35	67.25
3	Belgium	CIK (Euroclear Belgium)	-	2.73	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	0.00	59.57	-	-	-	-	-	-	-	0.00	-	-	-	-	-
5	Bulgaria	Bulgarian National Bank	-	-	5.31	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	0.44	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	28.34	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	0.04	-	-	-	-	-	-	0.00	-	-	0.00
9	Czech Republic	Czech National Bank	-	-	-	-	-	92.48	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	0.04	0.00	-	-	0.02	4.57	-	-	0.00	-	0.00	-	0.00	-	0.00
11	Denmark	VP Securities	-	-	-	-	-	-	64.07	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	-	-	0.00	0.07	25.99	0.00	0.02	-	-	-	-
13	France	Euroclear France	0.42	0.01	-	-	-	-	2.33	-	0.15	37.86	0.05	-	-	-	0.21
14	Germany	Clearstream Banking AG	6.82	6.42	1.15	0.53	0.73	0.45	3.53	2.91	2.82	9.34	37.16	0.50	0.97	0.19	11.69
15	Greece	ATHEXCSD	-	-	-	-	0.60	-	-	-	-	-	-	0.96	-	-	-
16	Greece	BOGS	-	-	-	-	-	-	-	-	-	-	-	84.52	-	-	-
17	Hungary	KELER Ltd	0.01	0.01	-	0.00	0.00	0.00	-	-	0.00	0.00	0.00	0.00	75.03	-	0.05
18	Italy	Monte Titoli	0.01	4.57	-	-	-	-	-	-	-	-	0.11	0.03	-	-	0.02
19	Latvia	Nasdaq CSD SE	-	-	-	-	-	-	-	14.32	-	-	-	-	-	66.63	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	27.26	7.34	46.43	37.12	39.26	1.20	8.21	15.77	25.51	39.89	16.14	4.28	9.27	18.99	20.76
21	Luxembourg	LuxCSD	0.00	0.01	-	-	-	-	0.00	-	-	0.00	0.00	-	-	-	0.01
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	0.00	0.00	-	-	-	-	-	-	-	-	0.01	-	-	1.50	0.00
24	Norway	Verdipapirsentralen ASA (VPS)	-	-	-	-	0.51	-	1.12	-	0.11	0.00	0.00	-	-	0.19	0.00
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Poland	KDPW	0.00	-	0.01	-	0.72	0.00	-	0.11	-	0.00	0.00	-	0.00	-	-
27	Portugal	Interbolsa	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Romania	Depozitarul Central	0.00	-	-	-	0.08	-	-	-	-	-	0.00	-	0.00	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	-	-	-	0.00	0.08	0.00	-	-	-	-	-	-	-	-	-
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-
32	Spain	Iberclear	-	-	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	0.00
33	Sweden	Euroclear Sweden	-	-	-	-	-	-	0.05	0.05	1.07	0.00	0.00	-	-	0.15	0.00

No.	CSD Home Member State	CSD	Italy	Latvia	Liechtenstein	Lithuania	Luxembourg	Malta	Netherlands	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	0.00	-	0.01	-	0.00	0.22	0.00	-	-	-	0.02	-	0.00	0.00	-
2	Belgium	Euroclear (Euroclear Bank) - ICSD	12.88	39.37	5.14	45.98	64.10	19.47	50.13	16.12	0.96	49.31	32.08	10.94	27.33	14.42	7.85
3	Belgium	CIK (Euroclear Belgium)	-	-	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	-	-	-	-	0.07	-	0.00	-	-	-	-	-	-	-	0.09
5	Bulgaria	Bulgarian National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Czech Republic	Czech National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	0.00	-	-	-	0.00	0.31	0.00	-	0.00	-	-	0.28	-	-	0.00
11	Denmark	VP Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	0.00	-	0.00	-	-	-	-	-	-	-	0.06
13	France	Euroclear France	0.00	-	0.32	-	7.77	-	2.76	-	-	-	-	-	-	-	0.00
14	Germany	Clearstream Banking AG	5.58	2.71	12.83	3.12	11.65	11.74	4.15	4.07	0.47	8.28	0.46	28.00	20.06	8.17	1.00
15	Greece	ATHEXCSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Greece	BOGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Hungary	KELER Ltd	0.00	-	-	0.02	0.00	-	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00
18	Italy	Monte Titoli	76.30	-	-	-	0.36	0.03	0.57	-	-	-	-	-	-	0.31	-
19	Latvia	Nasdaq CSD SE	-	17.77	-	19.61	0.00	0.36	-	-	-	-	-	-	-	-	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	5.05	40.15	81.69	31.21	12.46	11.33	20.31	11.11	0.80	28.62	19.36	44.91	39.30	9.85	3.58
21	Luxembourg	LuxCSD	0.00	-	-	-	0.23	-	0.02	-	-	0.00	-	-	-	0.00	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	10.93	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	-	-	-	-	2.00	-	22.00	-	-	-	-	-	-	-	-
24	Norway	Verdipapirsentralen ASA (VPS)	-	-	-	-	0.15	-	0.01	68.67	-	-	-	-	-	0.00	0.51
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	0.85	-	-	-	-	-	-
26	Poland	KDPW	0.00	-	-	0.06	0.89	-	0.03	-	96.92	-	0.00	0.00	0.01	0.00	0.00
27	Portugal	Interbolsa	-	-	-	-	-	-	0.00	-	-	13.64	-	-	-	0.04	-
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	46.12	-	-	-	-
29	Romania	Depozitarul Central	-	-	-	-	-	-	0.00	-	0.00	-	1.95	-	-	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	-	-	-	-	-	0.18	-	-	-	-	-	15.87	0.00	-	-
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	0.00	-	-	-	-	-	-	-	-	-	-	-	13.30	-	-
32	Spain	Iberclear	0.19	-	-	-	0.23	-	0.02	-	-	0.06	-	-	-	67.20	-
33	Sweden	Euroclear Sweden	-	-	-	-	0.07	45.45	0.00	0.03	0.00	-	-	-	-	-	86.71

The Fourth Scenario envisages the possibility to reduce the previous 15% threshold, as specified in Article 6(1)(b) of Commission Delegated Regulation 2017/389, to 10%:

The annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least **15 %** of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State;

The annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least **10 %** of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State;

No.	CSD Home Member State	CSD	Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	24.38	0.39	-	-	-	0.01	-	-	-	-	0.07	-	-	-	0.16
2	Belgium	Euroclear (Euroclear Bank) - ICSD	3.11	11.16	-	0.36	88.16	0.79	16.68	43.61	31.65	18.55	18.53	1.90	6.67	-	2.70
3	Belgium	CIK (Euroclear Belgium)	-	0.27	-	-	-	-	-	-	-	0.18	0.01	-	-	-	0.46
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	-	12.32	-	-	-	-	-	-	-	3.24	0.77	-	-	-	5.56
5	Bulgaria	Bulgarian National Bank	-	-	4.97	-	-	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	0.41	-	-	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	19.77	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	0.03	-	-	-	-	0.00	-	0.00	-	-	0.00
9	Czech Republic	Czech National Bank	0.11	0.02	-	-	-	95.09	-	-	-	-	-	-	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	2.78	0.07	0.00	-	3.78	2.50	0.00	0.04	0.00	0.00	0.02	-	0.03	-	0.01
11	Denmark	VP Securities	-	-	-	-	-	-	55.28	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	0.22	-	-	-	-	0.27	-	3.71	-	-	-	-	-	0.33
13	France	Euroclear France	-	40.74	-	-	-	-	-	-	-	30.30	8.02	-	-	-	6.82
14	Germany	Clearstream Banking AG	8.13	13.88	-	-	-	-	0.17	-	5.47	4.37	36.55	-	-	-	19.06
15	Greece	ATHEXCSD	-	-	-	-	0.27	-	-	-	-	-	-	1.09	-	-	-
16	Greece	BOGS	-	0.01	-	-	-	-	-	-	-	-	0.00	96.28	-	-	-
17	Hungary	KELER Ltd	1.98	0.03	0.00	-	0.00	0.00	-	-	-	0.01	0.04	-	91.46	0.00	-
18	Italy	Monte Titoli	0.00	16.17	-	-	-	-	-	-	-	16.24	4.27	-	-	-	34.02
19	Latvia	Nasdaq CSD SE	-	-	-	-	-	-	-	55.06	-	-	0.00	-	-	95.24	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	59.05	1.85	94.62	79.40	7.36	1.60	3.42	-	0.23	19.17	30.97	0.72	1.83	4.70	13.73
21	Luxembourg	LuxCSD	-	0.01	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-
23	Netherlands	Euroclear Nederland	0.03	2.43	-	-	-	-	-	-	-	0.76	0.17	-	-	-	3.87
24	Norway	Verdipapirsentralen ASA (VPS)	0.03	0.20	-	-	0.40	0.00	0.39	1.30	6.35	0.04	0.07	0.00	0.00	0.05	0.21
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Poland	KDPW	0.02	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-
27	Portugal	Interbolsa	-	-	-	-	-	-	-	-	-	0.13	0.10	-	-	-	0.26
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Romania	Depozitarul Central	0.01	-	-	-	-	0.00	-	-	-	-	-	-	-	-	0.00
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	0.36	0.02	0.00	0.26	0.01	0.01	-	-	-	0.00	0.00	0.00	0.00	-	0.00
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	0.02	0.02	-	0.21	-	-	-	-	-	-	-	-	-	-	-
32	Spain	Iberclear	-	0.21	-	-	-	-	-	-	-	7.02	0.41	-	-	-	11.55
33	Sweden	Euroclear Sweden	-	-	-	-	-	-	23.78	-	52.59	-	-	-	-	-	1.26

No.	CSD Home Member State	CSD	Italy	Latvia	Liechtenstein	Lithuania	Luxembourg	Malta	Netherlands	Norway	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden
1	Austria	Oesterreichische Kontrollbank (OeKB CSD)	0.01	-	-	-	0.00	-	0.12	-	0.00	-	0.00	-	-	-	-
2	Belgium	Euroclear (Euroclear Bank) - ICSD	1.81	15.96	38.08	52.06	9.21	13.32	39.03	5.47	0.73	39.11	6.30	71.11	17.39	6.07	5.16
3	Belgium	CIK (Euroclear Belgium)	0.00	-	-	-	0.07	-	0.38	-	-	-	-	-	-	-	-
4	Belgium	National Bank of Belgium Securities Settlement System (NBB-SSS)	0.00	-	-	-	0.01	-	0.45	-	-	-	-	-	-	0.03	-
5	Bulgaria	Bulgarian National Bank	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-
6	Bulgaria	Central Depository AD (CDAD)	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-
7	Croatia	Central Depository & Clearing Company Inc. (SKDD)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Cyprus	Cyprus Stock Exchange (CSE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Czech Republic	Czech National Bank	-	-	-	-	-	-	0.25	-	-	-	-	2.09	-	-	-
10	Czech Republic	Central Securities Depository Prague (CSD Prague)	0.00	-	0.01	-	0.06	0.49	0.07	0.01	0.00	-	0.00	0.53	0.00	0.00	0.00
11	Denmark	VP Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Finland	Euroclear Finland	-	-	-	-	0.79	-	0.54	-	-	-	-	-	-	-	9.83
13	France	Euroclear France	0.64	-	-	-	1.22	-	12.77	-	-	4.21	-	-	-	0.00	-
14	Germany	Clearstream Banking AG	0.28	-	10.86	-	70.31	1.65	8.31	-	-	0.08	-	0.01	-	1.22	0.00
15	Greece	ATHEXCSD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Greece	BOGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Hungary	KELER Ltd	-	-	-	-	0.06	-	0.23	-	0.00	-	-	-	-	-	-
18	Italy	Monte Titoli	93.42	-	-	-	0.01	0.02	2.64	-	-	-	-	-	-	0.00	-
19	Latvia	Nasdaq CSD SE	-	35.67	-	46.71	0.00	-	-	-	0.00	-	-	-	-	-	-
20	Luxembourg	Clearstream Banking S.A. - ICSD	3.82	48.36	50.84	1.22	17.01	54.71	26.05	31.39	0.30	12.12	13.08	13.75	8.75	10.63	0.04
21	Luxembourg	LuxCSD	-	-	-	-	0.22	-	-	-	-	-	-	-	-	-	-
22	Malta	Malta Stock Exchange (MSE)	-	-	-	-	-	10.17	-	-	-	-	-	-	-	-	-
23	Netherlands	Euroclear Nederland	0.01	-	-	-	0.37	-	5.90	-	-	-	-	-	-	0.00	-
24	Norway	Verdipapirsentralen ASA (VPS)	0.00	0.01	0.21	0.01	0.53	19.61	0.37	54.35	-	0.00	-	-	-	0.02	1.73
25	Poland	National Bank of Poland CSD	-	-	-	-	-	-	-	-	0.86	-	-	-	-	-	-
26	Poland	KDPW	-	-	-	-	0.00	-	-	-	98.11	-	-	-	-	-	-
27	Portugal	Interbolsa	-	-	-	-	-	-	0.08	-	-	44.20	-	-	-	0.01	-
28	Romania	National Bank of Romania	-	-	-	-	-	-	-	-	-	-	77.72	-	-	-	-
29	Romania	Depozitarul Central	-	-	-	-	-	-	-	-	-	-	2.90	-	-	-	-
30	Slovakia	CSD of the Slovak Republic (CDCP SR)	-	-	-	-	0.07	0.04	0.00	0.00	0.00	-	-	12.52	0.00	0.00	-
31	Slovenia	KDD Central Securities Clearing Corporation (KDD)	-	-	-	-	0.06	-	-	-	-	-	-	-	73.85	-	-
32	Spain	Iberclear	0.00	-	-	-	-	-	0.94	-	-	0.28	-	-	-	82.03	-
33	Sweden	Euroclear Sweden	-	-	-	-	-	-	1.86	8.78	-	-	-	-	-	-	83.23

In view of the above results, ESMA came out with two possible options and observed the respective outcomes.

In the first option, the percentages remain unchanged, as per the below.

The aggregated market value of financial instruments issued by issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least **15 %** of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the EEA.

The aggregated market value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least **15 %** of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the EEA for all participants and other holders of securities accounts from the host Member State.

The annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least **15 %** of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union.

The annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least **15 %** of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State.

CSD	Oesterreichische Kontrollbank (OeKB CSD)	Euroclear (Euroclear Bank) - ICSD	CIK (Euroclear Belgium)	National Bank of Belgium Securities Settlement System (NBB-SSS)	Bulgarian National Bank	Central Depository AD (CDAD)	Central Depository & Clearing Company Inc. (SKDD)	Cyprus Stock Exchange (CSE)	Czech National Bank	Central Securities Depository Prague (CSD Prague)	VP Securities	Euroclear Finland	Euroclear France	Clearstream Banking AG	ATHEXCSD	BOGS	KELER Ltd	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - ICSD	LuxCSD	Malta Stock Exchange (MSE)	Euroclear Nederland	Verdipapirsentralen ASA (VPS)	National Bank of Poland CSD	KDPW	Interbolsa	National Bank of Romania	Depozitarul Central	CSD of the Slovak Republic (CDCP SR)	KDD Central Securities Clearing Corporation (KDD)	Iberclear	Euroclear Sweden		
Austria	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Belgium	0	1	1	1	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bulgaria	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Croatia	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cyprus	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Czech Republic	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Denmark	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	
Estonia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Finland	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	1	
France	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Greece	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iceland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ireland	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Italy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Latvia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Liechtenstein	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lithuania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malta	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1
Netherlands	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Portugal	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Romania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0
Slovakia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Slovenia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Spain	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Eligible CSD	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	NO	YES	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES



In the second option, all the percentages are lowered down to 10%, as per the below:

The aggregated market value of financial instruments issued by issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by the CSD represents at least **10 %** of the total value of financial instruments issued by all issuers from the host Member State that are initially recorded or centrally maintained in securities accounts by all CSDs established in the EEA.

The aggregated market value of financial instruments centrally maintained in securities accounts by the CSD for participants and other holders of securities accounts from the host Member State represents at least **10 %** of the total value of financial instruments centrally maintained in securities accounts by all CSDs established in the EEA for all participants and other holders of securities accounts from the host Member State.

The annual value of settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by the CSD represents at least **10 %** of the total annual value of all settlement instructions related to transactions in financial instruments issued by issuers from the host Member State and settled by all CSDs established in the Union;

The annual value of settlement instructions settled by the CSD for participants and other holders of securities accounts from the host Member State represents at least **10 %** of the total annual value of the settlement instructions settled by all CSDs established in the Union, for participants and other holders of securities accounts from the host Member State;

CSD	Oesterreichische Kontrollbank (OeKB CSD)	Euroclear (Euroclear Bank) - ICSD	CIK (Euroclear Belgium)	National Bank of Belgium Securities Settlement System (NBB-SSS)	Bulgarian National Bank	Central Depository AD (CDAD)	Central Depository & Clearing Company Inc. (SKDD)	Cyprus Stock Exchange (CSE)	Czech National Bank	Central Securities Depository Prague (CSD Prague)	VP Securities	Euroclear Finland	Euroclear France	Clearstream Banking AG	ATHEXCSD	BOGS	KELER Ltd	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - ICSD	LuxCSD	Malta Stock Exchange (MSE)	Euroclear Nederland	Verdipapirsentralen ASA (VPS)	National Bank of Poland CSD	KDPW	Interbolsa	National Bank of Romania	Depozitarul Central	CSD of the Slovak Republic (CDCP SR)	KDD Central Securities Clearing Corporation (KDD)	Iberclear	Euroclear Sweden		
Austria	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Belgium	0	1	1	1	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bulgaria	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Croatia	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cyprus	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Czech Republic	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Denmark	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Estonia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Finland	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1
France	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Greece	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hungary	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iceland	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ireland	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0
Italy	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Latvia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Liechtenstein	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lithuania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malta	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1
Netherlands	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0
Portugal	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Romania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0
Slovakia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Slovenia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Spain	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Sweden	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Eligible CSD	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	NO	YES	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES

The above outcomes based on 2023 data (covering the year 2022) show that the number of CSDs whose activities are considered of substantial importance for the functioning of securities markets and the protection of investors in at least two host Member States is the same, i.e. 8 CSDs:

- Euroclear Bank – ICSD;
- Euroclear France;
- Clearstream Banking AG;
- Monte Titoli;
- Nasdaq CSD SE;
- Clearstream Banking S.A. – ICSD;
- Verdipapirsentralen ASA (VPS); and
- Euroclear Sweden.

However, although the number of colleges remains the same, the scope of authorities invited to the colleges varies, as shown in the table below.

CSD	Oesterreichische Kontrollbank (OeKB CSD)	Euroclear Bank) - ICSD	CIK (Euroclear Belgium)	National Bank of Belgium Securities Settlement System (NBB-SSS)	Bulgarian National Bank	Central Depository AD (CDAD)	Central Depository & Clearing Company Inc. (SKDD)	Cyprus Stock Exchange (CSE)	Czech National Bank	Central Securities Depository Prague (CSD Prague)	VP Securities	Euroclear Finland	Euroclear France	Clearstream Banking AG	ATHEXCSD	BOGS	KELER Ltd	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - (CSD)	LuxCSD	Malta Stock Exchange (MSE)	Euroclear Nederland	Verdipapirsentralen ASA (VPS)	National Bank of Poland CSD	KDPW	Interbolsa	National Bank of Romania	Depozitarul Central	CSD of the Slovak Republic (CDCP SR)	KDD Central Securities Clearing Corporation (KDD)	Iberclear	Euroclear Sweden				
Austria	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Belgium	0	1	1	1	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Bulgaria	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Croatia	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Cyprus	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0			
Czech Republic	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Denmark	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1			
Estonia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Finland	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	1			
France	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Germany	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Greece	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Hungary	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Iceland	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Ireland	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0		
Italy	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Latvia	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Liechtenstein	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Lithuania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Luxembourg	0	1	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Malta	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1	0	
Netherlands	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
Norway	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	
Portugal	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	
Romania	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	
Slovakia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	
Slovenia	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	
Spain	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Sweden	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Eligible CSD	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	NO	YES	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	

ESMA repeated the same simulations using 2024 data (covering the year 2023) and got the following results:

- Maintaining the thresholds at 15% the number of CSDs whose activities are considered of substantial importance for the functioning of securities markets and the protection of investors in at least two host Member States is equal to 7:
  - Euroclear Bank – ICSD;
  - Euroclear France;
  - Clearstream Banking AG;
  - Monte Titoli;
  - Nasdaq CSD SE;
  - Clearstream Banking S.A. – ICSD; and
  - Euroclear Sweden.
- Reducing the thresholds to 10%, both the number of CSDs, whose activities are considered of substantial importance for the functioning of securities markets and the protection of investors in at least two host Member States and the scope of authorities invited to the colleges would increase. In particular, the number of CSDs would increase to 8 (Verdipapirscentralen ASA (VPS) would become substantially important for Cyprus, in addition to Finland) and additional authorities would be invited to take part to colleges, as highlighted in the table below by the blue cells.

CSD	Oesterreichische Kontrollbank (OeKB CSD)	Euroclear Bank) - ICSD	CIK (Euroclear Belgium)	National Bank of Belgium Securities Settlement System (NBB-SSS)	Bulgarian National Bank	Central Depository AD (CDAD)	Central Depository & Clearing Company Inc. (SKDD)	Cyprus Stock Exchange (CSE)	Czech National Bank	Central Securities Depository Prague (CSD Prague)	VP Securities	Euroclear Finland	Euroclear France	Clearstream Banking AG	ATHEXCSD	BOGS	KELER Ltd	Verðbréfaáskjalstofud Islands hf. (VBM)	Monte Titoli	Nasdaq CSD SE	Clearstream Banking S.A. - ICSD	LuxCSD	Malta Stock Exchange (MSE)	Euroclear Nederland	Verdipapirsentralen ASA (VPS)	National Bank of Poland CSD	KDPW	Interbolsa	National Bank of Romania	Depozitarul Central	CSD of the Slovak Republic (CDCP SR)	KDD Central Securities Clearing Corporation (KDD)	Iberclear	Euroclear Sweden		
Austria	3	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Belgium	0	3	3	3	0	0	0	0	0	0	0	3	3	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Bulgaria	0	3	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Croatia	0	3	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Cyprus	0	3	0	0	0	0	0	3	0	3	0	0	0	0	0	0	0	0	0	3	0	0	0	2	0	0	0	0	0	0	0	0	0	0		
Czech Republic	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Denmark	0	3	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	3		
Estonia	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Finland	0	3	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3	3	0	0	3	0	0	0	0	0	0	0	0	0	0	3	
France	0	3	0	0	0	0	0	0	0	0	0	0	3	2	0	0	0	3	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Germany	0	3	0	0	0	0	0	0	0	0	0	2	3	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Greece	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Hungary	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Iceland	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ireland	0	3	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	3	0	3	3	0	0	2	0	0	0	0	0	0	0	0	0	3	0	
Italy	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Latvia	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Liechtenstein	0	3	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lithuania	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	0	3	0	0	0	0	0	0	0	0	0	2	3	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malta	0	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Netherlands	0	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	3	3	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0
Norway	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0
Poland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	3	0	0	0	0	0	0	0	0	0	
Portugal	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Romania	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Slovakia	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	3	0	0	0	0	
Slovenia	0	3	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	
Spain	0	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	
Sweden	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Eligible CSD	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	NO	NO	YES	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES