

Customer Information on Securities Account Segregation

If the prerequisites stipulated in section 3.1 of the GTC are met, every legal entity can hold an arbitrary number of disposable securities accounts and blocked securities accounts with OeKB CSD.

Securities accounts can also be used by the holders of securities accounts to segregate the securities of their customers upon the latter's respective request and in the way requested by the latter (individual client account segregation) or to segregate their own securities (own securities account) from those of their customers (third-party securities account).

The securities account name can be freely chosen by the holder of a securities account and does not constitute a written notification in the meaning of section 3.9 para. 1 (self-declaration pursuant to § 9 para. 3 Securities Depot Act (Depotgesetz; DepG)).

The lump-sum fee due for each securities account can be found in Appendix 3 (Prices, chapter 2) of the GTC.

The omnibus client securities account segregation stipulated by § 11 of the Securities Deposit Act at the level of the sub-depository/central securities depository which requires the management of separate third-party and own securities accounts in its books after a self-declaration pursuant to § 9 para. 3 DepG offers the depositors sufficient protection under insolvency law and judgement enforcement law. This sufficiently documents the legal terms with regard to the securities entrusted for safekeeping and the depositors are in the position to show evidence of their rights in case of dispute. Where there is a custody chain across more than one level, the total of positions booked for all depositories provides a complete picture, where individual securities client account segregation is inevitably always the case at the lowest depository level.

In terms of proprietary rights, the situation does not change if securities are deposited with a CSD, as the proprietary rights of the depositors continue to apply to the central securities depository. This shall apply irrespective of the fact whether the individual securities client account segregation at the lowest depository level is also applied to the securities accounting of the CSD. Thus, individual securities client account segregation carried out by the CSD does not provide better protection under insolvency law either, because the right of separation that exists anyway based on the safekeeping contract is independent thereof due to the (co-)ownership of the depositors.