

Customer Information on Securities Account Segregation

According to section 3.2.2 of the GTC of OeKB CSD securities account holders may determine for its securities accounts the following types within the meaning of Art. 55 par. 3 lit b Commission Delegated Regulation 2017/392:

- (1) participant's own account: The designation of a securities account as a participant's own account is considered to be a written notice of the participant's own notification pursuant to the Securities Account Act for all securities booked on this securities account.
- (2) individual client account
- (3) omnibus client account

According to section 3.1 (5) of the GTC of OeKB CSD the securities account name may be chosen freely by the securities account holders and shall have no effect on the qualification of the securities account pursuant to section 3.2.2 of the GTC of OeKB CSD.

The omnibus client securities account segregation stipulated by Art. 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 Art. 9 para. 3 DepotG offers the depositors sufficient protection under insolvency law and judgement enforcement law. This sufficiently documents the legal terms regarding 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 as individual client accounts of the CSD. Thus, individual securities client account segregation carried out by the CSD (individual client accounts) 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.