
Annex 34 to the GTC of OeKB CSD

Risk Assessment Securities Account Holder

In the case of first-time applications for opening a securities account and regarding legal risks, also when seen appropriate OeKB CSD assesses the risks in accordance with Article 33 CSDR and Articles 88 and 89 of the Commission Delegated Regulation (EU) 2017/392 as follows:

Legal Risks

- (a) OeKB CSD verifies whether the applicant/securities account holder is a legal entity in the meaning of Section 3.1 of the GTC.
- (b) OeKB CSD verifies whether the applicant/securities account holder is able to ensure in accordance with the rules applicable in the home Member State, the confidentiality of the information provided through the securities settlement system.
- (c) In the case of an applicant/securities account holder with its registered office in a third country OeKB CSD is entitled to request from the applicant/securities account holder an independent confirmation or may ask for a legal opinion paid for by the applicant/securities account holder after consultation with the same, evidencing that the applicant/securities account holder is subject to a regulatory and supervisory framework comparable to the regulatory and supervisory framework that would be applicable to the applicant/securities account holder if it were established in the Union.
- (d) In the case of an applicant/securities account holder with its registered office in a third country which is no trading venue OeKB CSD is entitled to request from the applicant/securities account holder an independent confirmation or may ask for a legal opinion paid for by the applicant/securities account holder after consultation with the same, evidencing that the rules of OeKB CSD concerning settlement finality referred to in Article 39 of Regulation (EU) No 909/2014 are enforceable in the jurisdiction of the applicant/securities account holder.

If the result of the assessment is negative, the application shall be rejected/the business relationship shall be terminated.

Financial Risks

In the context of assessing financial risks an evaluation is made whether the applicant has sufficient financial resources to meet its contractual obligations against OeKB CSD, i.e. payment of the fees according to Section 1.4 GTC. The assessment is made based on the annual accounts made available and, if applicable, any additional information collected.

If the result of the evaluation is that the applicant does not have sufficient financial resources, the application shall be rejected.

Operational Risks

OeKB CSD is entitled to request from the applicant evidence

- About the sufficient operational capacity, in particular in the form of successfully executing technical tests and by making available sufficiently trained personnel;
- About its competencies in the area of risk management; and
- About sufficient business continuity policies as well as disaster recovery plans.

If no sufficient evidence is presented, the application shall be rejected.

OeKB CSD may reject the application if, in order to grant access, OeKB CSD would have to undertake significant changes of its operations affecting its risk management procedures and endangering the smooth functioning of the securities settlement system operated by OeKB CSD.