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Additional Information

Level 1 Regulation

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

Topic

General questions - Other topics

Subject Matter

Book-entry form

Question

Article 3(2), second subparagraph, of CSDR provides that “transferable securities transferred following a financial collateral arrangement as defined in point (a) of Article 2(1) of the Financial Collateral Directive [FCD] shall be recorded in book-entry form in a CSD on or before the intended settlement date”.

(a) Which transferable securities are in the scope of Article 3(2), second subparagraph, of CSDR?

(b) Where transferable securities are transferred following a financial collateral arrangement in accordance with Article 3(2), second subparagraph, of CSDR, when is the intended settlement date?

ESMA Answer

26-09-2018

Original language

[ESMA70-156-4448 CSD General Q&A 4]

(a) Article 3(2), second subparagraph, of CSDR concerns all transferable securities which are admitted to trading or traded on trading venues.

(b) Article 2(1)(12) of CSDR defines the intended settlement date as “the date that is entered into the securities settlement system as the settlement date and on which the parties to a securities transaction agree that settlement is to take place”, with settlement being defined under Article 2(1)(7) of CSDR as “the completion of a securities transaction where it is concluded with the aim of discharging the obligations of the parties to that transaction through the transfer of cash or securities, or both”. In respect of financial collateral arrangements, the intended settlement date should therefore be on the date when the relevant securities are to be transferred to the collateral taker under the conditions laid down in the FCD, in particular Article 2(2) thereof, i.e. “so as to be in the possession or under the control of the collateral taker”, and not on the date when the relevant financial collateral arrangement is to be enforced.