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02/06/2023

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Additional Information

Level 1 Regulation

Regulation (EU) 2022/858 - DLT Pilot Regime Regulation (DLTR)

Topic

Exemptions for DLT market infrastructures

Subject Matter

Exemption from CSDR

Question

Would a DLT financial instrument traded on a DLT MTF be subject to the book-entry form obligation under Article 3 of CSDR unless it is registered in DLT form with a DLT SS/TSS that has applied for the exemption from that Article?

ESMA Answer

02-06-2023

Original language

[ESMA70-460-189 - Heading 10 - Question 2]

Answer provided by the European Commission in accordance with article 16b(5) of the ESMA Regulation.

Unless the DLT MTF is authorised as DLT TSS and obtains an exemption from applying Article 3 of CSDR, where a transaction in transferable securities takes place on a DLT MTF, the relevant securities shall be recorded in book-entry form in a CSD.

Disclaimer in relation to the answers provided by the European Commission in accordance with Article 16b(5) of the ESMA Regulation: these answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudge the position that the European Commission might take before the Union and national courts.