

TO : Regulated Entities
i. Central Securities Depositories
ii. Central Counterparties
iii. Trading Venues

FROM : Cyprus Securities and Exchange Commission

DATE : 06 October 2017

CIRCULAR NO. : C241

SUBJECT : Guidelines issued by European Securities and Markets Authority pursuant to Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories (CSDR)

The Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the Regulated Entities that the European Securities and Markets Authority ('ESMA') has issued guidelines referred to market participants and competent authorities with the purpose to ensure common, uniform and consistent application of CSDR in European Union.

A. Guidelines referred to market participants

CySEC adopts the below guidelines and expects compliance by all Regulated Entities, where applicable:

1. [ESMA70-151-294](#) on CSD participants default rules and procedures, issue date 8 June 2017.

These guidelines apply to competent authorities in relation to the rules and procedures the CSD shall set up to address a participant default pursuant to Article 41 of CSDR. They apply from 8 August 2017.

The purpose of these guidelines is to ensure common uniform and consistent application of the provisions in Article 41 of CSDR. In particular, they aim at ensuring CSDs define and apply clear and effective rules and procedures to manage the default of any of their participants (this shall cover all types of participants, i.e. including participants that are CSDs or other types of market infrastructures).

2. [ESMA70-151-298](#) on access by a CSD to the transaction feeds of CCPs and trading venues, issue date 8 June 2017

These guidelines apply to competent authorities of CCPs and trading venues, in relation to risks to be taken into account by a CCP or a trading venue when carrying out a comprehensive risk assessment following a request for access to the transaction feed of the CCP or of the trading venue. They apply from 8 August 2017.

The purpose of these guidelines is to specify the risks to be taken into account by a CCP or a trading venue when carrying out a comprehensive risk assessment following a request for access to the transaction feed of the CCP or of the trading venue.

B. Guidelines addressed to competent authorities

The below guidelines, which are addressed to competent authorities, will be adopted by CySEC following their publication on ESMA's website in all official languages of the EU:

1. [ESMA70-708036281-66](#) On the Process for the Calculation of the Indicators to Determine the Most Relevant Currencies in which Settlement Takes Place, issue date 1 June 2017

These guidelines apply to competent authorities designated under CSDR, in relation to the process for the collection, processing and aggregation of the data necessary for the calculation of the indicators to determine the most relevant currencies in which settlement takes place, in accordance with point (b) of Article 12(1) of the CSDR.

The purpose of these guidelines is to ensure common, uniform and consistent application of point (b) of Article 12(1) of CSDR. In particular, they provide guidance on the process for the collection, processing and aggregation of the data necessary for the calculation of the indicators to determine the most relevant currencies in which settlement takes place.

2. [ESMA70-708036281-67](#) On the Process for the Calculation of the Indicators to Determine the Substantial Importance of a CSD for a Host Member State, issue date 1 June 2017

These guidelines apply to competent authorities designated under CSDR, in relation to the process for the collection, processing and aggregation of data and information necessary for the calculation of the indicators to determine the substantial importance of a CSD for the functioning of the securities markets and the protection of investors in a host Member State, in accordance with Article 24(4) of CSDR.

The purpose of these guidelines is to ensure common, uniform and consistent application of the provisions of Article 24(4) of CSDR. In particular, they provide guidance on the process for the collection, processing and aggregation of data and on the information necessary for the calculation of the indicators to determine the substantial importance of a CSD for the functioning of the securities markets and the protection of investors in a host Member State.

3. [ESMA70-151-435](#) on Cooperation between authorities under Articles 17 and 23 of Regulation (EU) No 909/2014, issue date 11 July 2017

These guidelines apply to the competent authorities designated under Article 11(1) of CSDR. They apply in relation to the cooperation requirements applicable to competent authorities when involved in the procedure for granting authorisation to an applicant CSD laid down in Article 17 of CSDR and in the procedure relating to the provision of services in another Member State referred to in Article 23 of CSDR.

The purpose of these guidelines is to ensure the common, uniform and consistent application of certain cooperation requirements for authorities in accordance with Article 14(1), second subparagraph, of CSDR.

Therefore, aspects of cooperation between authorities, which are covered by these guidelines, are:

- i. the consultation of authorities involved in the procedure for granting authorisation to an applicant CSD in accordance with Article 17 of CSDR and
- ii. the communication between the competent authority of the home Member State to the competent authority of the host Member State in the context of the procedure set out in paragraphs (3) to (7) of Article 23 of CSDR, in relation to a CSD wishing to provide the services referred to in paragraph (2) thereof within the territory of another Member State for the first time, or to change the range of services so provided.

Yours sincerely

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