

Report

Provision of cross-border services by CSDs and handling of applications under Article 23 of CSDR from 2020 to 2022

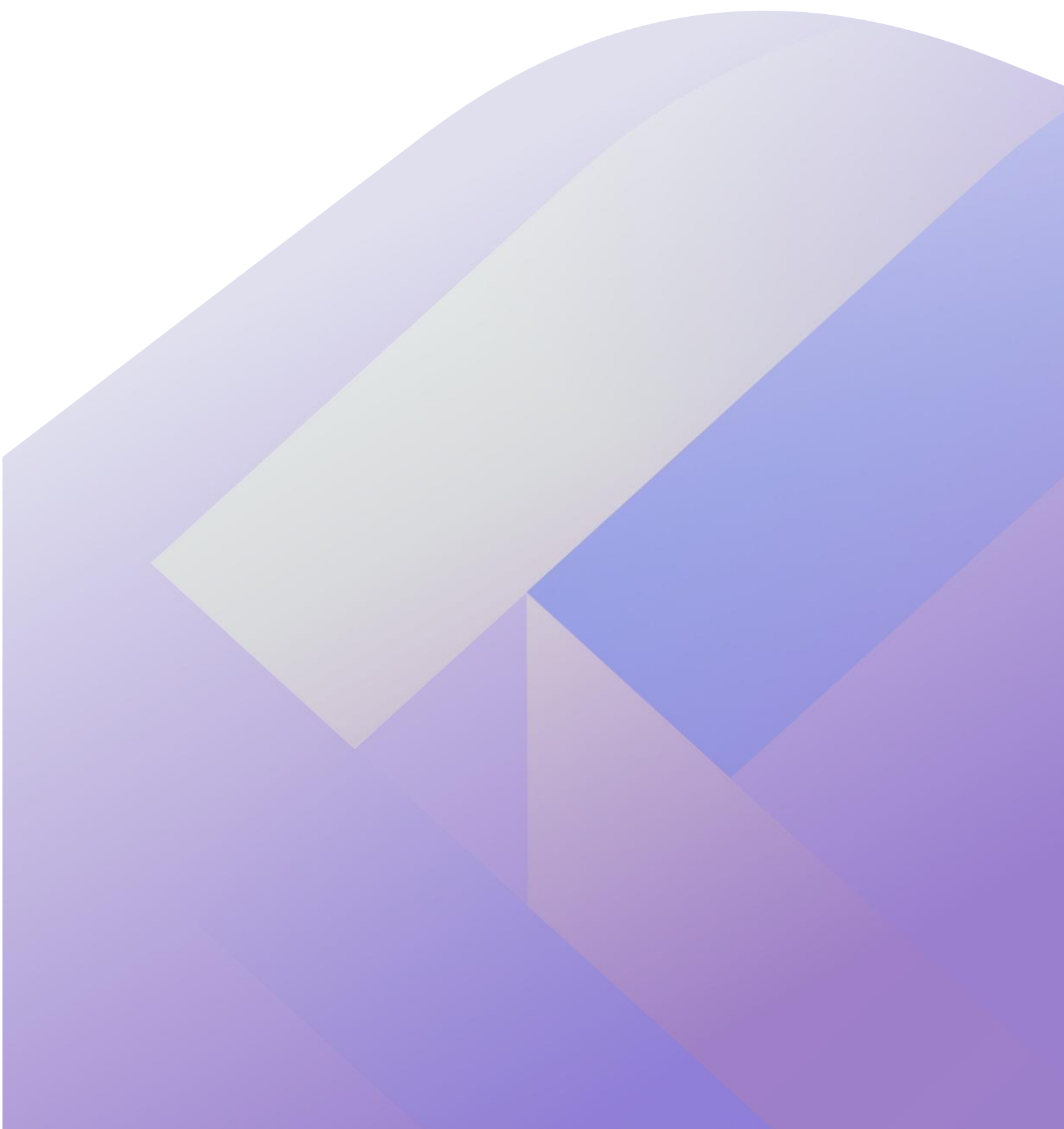


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1 Executive Summary

Reasons for publication

Article 74(1) of CSDR requires ESMA to submit reports to the Commission on several topics. This report aims at covering two topics: the cross-border provision of services and the handling of passporting requests, over three years: 2020, 2021 and 2022. It follows a first report covering 2018 to 2020, submitted to the EC in November 2020¹ (the '2020 Report').

Contents

Section 3 describes the methodology used to draw up this report, outlining the extension of the scope compared to the previous report, and noting data limitations and their remedies in using diverse sources of information.

Section 4 on findings on CSD cross-border services starts with a description of the CSD's ecosystems (participants, links, issuers to which EEA CSDs provide services, and access to other financial market infrastructures) in chapter 4.1. The in-depth assessment of the provision of cross-border services in chapter 4.2 is based on quantitative indicators on CSDs' substantial importance, on notary and central maintenance service and on settlement services. An analysis of the main drivers for the provision of cross-border services, rooted in a qualitative survey of competent authorities and market participants, is provided in chapter 4.3.

Section 5 focusses on the handling of passport applications by home and host competent authorities and by host relevant authorities (chapter 5.1) and highlights challenges and suggested improvements to the passporting process (chapter 5.2).

Section 6 draws conclusions that could inform future reports and follow-up actions at EU and national level.

Summary of main conclusions

Cross-border provision of services

The report notes an overall stability in the landscape of EEA CSDs, with a clear dichotomy between ICSDs and other EEA CSDs, and a diversity of the approaches to cross-border integration. The report also identifies regulatory factors and market factors, including connection to T2S, as main drivers of development of cross-border services.

Handling of applications submitted in accordance with Article 23(3) to (7) of CSDR

Compared to 2017-2020, less applications have been submitted in the period between 2020 and 2022. Applicants and competent authorities have noticed limited progress in tackling the challenges on the handling of applications identified in the 2020 Report, and place high expectations from the changes introduced by the CSDR Refit.

Topics for further consideration

Areas to be explored in future reports include the reasons behind each CSD's choice on the specific form of cross-border integration; the importance of relayed links; the role of global custodians in the provision of CSD services; and the benefits of connection to T2S.

¹ [Report to the EC on Cross-border services and handling of applications under Article 23 of CSDR](#), November 2020

2 Acronyms and legal references

CSDs	Central securities depositories as defined in Article 2(1)(1) of CSDR
CSDR	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories
CSDR Refit	Regulation (EU) 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012
Commission Delegated Regulation (EC) 2017/389	Commission Delegated Regulation (EC) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States
Commission Delegated Regulation (EC) 2017/392	Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories (OJ L 65, 10.3.2017, p. 48)
CSDR guidelines on substantial importance of CSDs	Guidelines On the Process for the Calculation of the Indicators to Determine the Substantial Importance of a CSD for a Host Member State (ESMA70-708036281-67)
ECB	European Central Bank
EEA	European Economic Area, which includes EU Member States and also Iceland, Liechtenstein and Norway.
ETF	Exchange-Traded Fund as defined in Article 4(1)(46) of MiFID II
EU	European Union
ICSDs	International CSDs, which at present designate 2 EU CSDs: Clearstream Banking (LU) and Euroclear Bank (BE). One can refer to the description provided by the ECB in its Glossary of terms related to payment, clearing and settlement systems in 2009 : “a central securities depository (CSD) which was originally set up to settle Eurobond trades and is now active also in the settlement of

internationally traded securities from various domestic markets, typically across currency areas.”

Although the concept of ‘international CSD’ is not defined under CSDR nor under CSDR Refit, it is widely used and appears relevant for the purpose of the analysis conducted in this report, given the very important differences existing between those CSDs and the other EEA CSDs

It should be noted that the use of the term ‘ICSD’ throughout this report does not entail any specific treatment for these CSDs under CSDR, from a regulatory and supervisory perspective.

MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments
NCAAs	National competent authorities, as defined in Article 11 of CSDR
RAs	Relevant authorities as defined in Article 12 of CSDR
Settlement Finality Directive	Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45)
SSS	Securities settlement system as defined in Article 2(10) of CSDR
T2S	TARGET2-Securities

3 Methodology

3.1 Scope

1. **Mandate.** CSDR² requires ESMA, in cooperation with the competent authorities and the relevant authorities, to submit reports to the Commission on several topics. This report is split in two main parts as it aims at covering two topics, the cross-border provision of services by CSDs under CSDR and the handling of passporting requests by authorities.
2. **Period covered.** This report covers three full years, 2020 to 2022.

² Article 74(1)(d) of CSDR provides that “the cross-border provision of services covered by [CSDR] based on the number and types of CSD links, number of foreign participants in the securities settlement systems operated by CSDs, number and volume of transactions involving such participants, number of foreign issuers recording their securities in a CSD in accordance with Article 49 and any other relevant criteria”; and Article 74(1)(f) provides that: “the handling of applications submitted in accordance with the procedures referred to in Article 23(3) to (7) of CSDR (...)”.

3. **CSDs in scope.** Between 2020 and 2022, 36 CSDs have been operating in the EEA, but this report does not cover the activities of:

- the seven CSDs which are managed by central banks or other public bodies charged with the management of public debt, as per Article 1(4) of CSDR they are exempted from certain CSDR requirements, including the requirements on CSD links and relating to the provision of services in other Member States (highlighted in blue in the table below);
- the two CSDs that have ceased their activities (NCDCP (SK) in December 2021 and ID2S (FR) in March 2022 (highlighted in grey in the table below).

<i>Country of establishment</i>	<i>CSDs</i>	<i>Authorisation date [if any, date of licence withdrawal]</i>
AT	Oesterreichische Kontrollbank (OeKB)	01/08/2018
BE	Euroclear Belgium	23/04/2019
BE	Euroclear Bank – ICSD	04/12/2019
BE	National Bank of Belgium Securities Settlement System	n/a
BG	Bulgarian National Bank	n/a
BG	Central Depository AD (CDAD)	17/09/2018
CY	Cyprus Stock Exchange	n/a
CZ	Central Securities Depository Prague (CSD Prague)	21/12/2018
CZ	Czech National Bank	n/a
DE	Clearstream Banking AG (CBF)	21/01/2020
DK	Euronext Securities Copenhagen (VP Securities A/S)	03/01/2018
ES	Iberclear	18/09/2019
FI	Euroclear Finland	20/08/2019
FR	Euroclear France	16/04/2019
FR	ID2S	02/10/2018 - 29/03/2022
GR	ATHEXCSD	12/04/2021
GR	BOGS	n/a
HR	Croatian Central Depository & Clearing Company Inc. (SKDD)	10/02/2022
HU	KELER	16/12/2020
IS	Verðbréfamiðstöð Íslands hf. (VBF)	29/12/2022
IT	Euronext Securities Milan (Monte Titoli)	18/12/2019
LU	Clearstream Banking SA – ICSD (CBL)	12/04/2021
LU	LuxCSD	15/04/2020
LV	Nasdaq CSD SE	18/09/2017
MT	Malta Stock Exchange (MSE)	17/10/2018
NL	Euroclear Nederland	02/05/2019
NO	Euronext Securities Oslo (Verdipapirsentralen ASA)	01/03/2022
PL	Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)	03/03/2020
PL	National Bank of Poland CSD	n/a
PT	Euronext Securities Porto (Interbolsa)	12/07/2018
RO	Depozitarul Central	19/12/2019
RO	National Bank of Romania	n/a
SE	Euroclear Sweden	14/11/2019
SI	Central Securities Clearing Corporation (KDD)	15/10/2019
SK	CSD of the Slovak Republic (CDCP SR)	11/01/2019

SK	Národný centrálny depozitár cenných papierov, akciová spoločnosť (NCDCP)	20/07/2018 - 22/12/2021
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4. **CSD services in scope.** In terms of CSD services, the scopes of the two parts of this report differ. The first part of this report describes the cross-border provision of the three core CSD services (settlement, notary and central maintenance services, referred to in Section A of the Annex to CSDR) while the second part is narrower, as, according to Article 23(2) of CSDR, the passporting procedure only applies to “CSDs that intend to provide the core services referred to in points 1 and 2 of Section A of the Annex in relation to financial instruments constituted under the law of another Member State referred to in Article 49(1) or to set up a branch in another Member State” i.e. only to the provision of notary and central maintenance services.

3.2 Sources of information and data limitations

5. The sources of information used to prepare this report mainly were: (i) the responses received to an ad-hoc survey prepared by ESMA in 2022 and launched and analysed in 2023 (questions submitted are included hereafter as Annex II), (ii) the data collected through the substantial importance exercise conducted by ESMA annually, and (iii) information received on CSD links and passports for the purpose of the CSD Register published on ESMA’s website. Please find additional information on the use of this data below.
6. **ESMA survey.** In preparation for this second report on this topic, in 2022 ESMA developed and launched a survey addressed to CSDs, authorities acting as CSD national competent authorities (NCAs) or as relevant authorities as defined in Article 12 of CSDR (RAs) and a few relevant European trade associations.
7. The survey was composed of two parts: a ‘qualitative’ part addressed to all the above-mentioned categories, and a quantitative part, which was addressed only to CSDs, via their respective NCA. The questions included in the survey are provided in Annex II hereto.
8. The responses received to the survey are the primary source of information that fed this report and any conclusions drawn stem from the contributions received.
9. **Respondents.** In total, 29 authorities, covering 27 EEA countries, 24 CSDs authorised in 22 EEA countries, and 4 European trade associations (out of the 10 associations that were contacted) have provided their input to the qualitative part of the survey (see Annex I for more details on the respondents). 24 CSDs have provided data for the quantitative part of the survey. Unless specified otherwise, the analysis in each section is based on the input from all respondents for each respondent type.
10. **Limitations of the data received.** The ad-hoc nature of the collection supporting this report has led to limitations in the quality of quantitative data analyses. In

particular, it should be noted that two CSDs did not respond to the quantitative part of the survey³, and two CSDs provided incomplete data⁴.

11. Additional limitations include missing data on domestic participants from a few CSDs; discrepancies on the understanding and reporting of relayed links (as these links are not *stricto sensu* defined in CSDR); different methodologies used over the years on volume and value of settlement instructions; limited data availability, and missing or un-harmonised country codes, for the law under which financial instruments are constituted; and limited availability and harmonisation of data on the jurisdiction of the issuers.
12. Certain data gaps, on CSD links and passports requested or granted under CSDR, have been remedied by using the data collected for the CSD Register⁵ ESMA publishes.
13. For the remaining gaps, the impact of missing data has been minimised wherever possible, notably by removing some indicators and respondents from the analysis and by using substantial importance indicators as alternative metrics.
14. **Substantial importance indicators.** This report has also been informed by the data collected through the annual exercise on substantial importance, in order to identify the countries in which either the notary and central maintenance services or the settlement services, carried out by a CSD have become of substantial importance for the functioning of the securities markets and the protection of investors⁶ in host Member State(s) (from an issuer perspective as well as participant perspective). The data collection process is conducted by reference to the criteria defined in the Commission Delegated Regulation (EU) 2017/389⁷ and to ESMA Guidelines on the process for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State⁸.
15. In light of the limitations outlined above, completeness of data cannot be ensured throughout the entire analysis. This report can therefore not be seen as providing a full overview of the cross-border provision of services by CSDs in the Union but as giving an indication on trends in this area over the last few years.

³ Malta Stock Exchange Plc (MT) (no cross-border activity) and OeKB CSD GmbH (AT) (no reason provided).

⁴ Clearstream Banking A.G. (DE) only provided partial data series in relation to participants, CSD links, and relevant laws, while Euroclear Bank (BE) only provided data on the volume and value of settlement instructions in relation to participants and other financial market participants from December 2020, and data on the value of settlement instructions in relation to the law of issuance of the relevant instruments from November 2021.

⁵ https://www.esma.europa.eu/sites/default/files/library/esma70-155-11635_csds_register_-_art_21.pdf

⁶ Article 24 of CSDR

⁷ Commission Delegated Regulation (EC) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States

⁸ [ESMA CSDR guidelines on substantial importance of a CSD](#)

4 Findings on CSD cross-border services

16. This report examines the evolution of the provision of cross-border services by CSDs based on the same indicators as in the 2020 Report:

- number and use of CSD links between EU CSDs,
- services provided to non-domestic users (i.e. issuers and participants),
- services provided in relation to financial instruments constituted under a non-domestic law).

17. However, the scope of this report is slightly broader than the previous one:

- it includes new indicators, such as access to other types of non-domestic financial market infrastructures (FMIs), and in some cases analysis is extended to third countries aspects;
- in addition, it includes a specific focus on two aspects to assess whether they were conducive to more cross-border activity: Multinational CSDs and groups of CSDs, and T2S CSDs.

18. **Multinational CSD and CSD groups.** Three important groups of financial market infrastructures operate in the Union: Deutsche Boerse, Euroclear and Euronext, each including between 3 and 6 CSDs, as indicated below.

Deutsche Boerse Group	Euroclear	Euronext
<ul style="list-style-type: none"> • Clearstream Banking SA – ICSD • Clearstream Banking AG • LuxCSD 	<ul style="list-style-type: none"> • Euroclear Bank – ICSD • Euroclear Belgium • Euroclear Finland • Euroclear France • Euroclear Nederland • Euroclear Sweden 	<ul style="list-style-type: none"> • Euronext Securities Copenhagen • Euronext Securities Milan • Euronext Securities Oslo • Euronext Securities Porto

TABLE 1: GROUPS OF CSDs IN THE EU

19. The Union also counts one multinational CSD, Nasdaq CSD SE, which is headquartered and licensed in Latvia but runs 3 branches in Estonia, Lithuania and Iceland, therefore operating four securities settlement systems under four different EEA laws.

20. The idea is to analyse whether the set-up of these groups allows them to provide more cross-border services, or if belonging to such groups means more cross-border services.

21. **T2S CSDs.** TARGET2-Securities (T2S) is a common platform designed to settle transactions in DvP in central bank money, in Euro and in the Danish Krone (please refer to the [ECB website](#) for more details). According to the information on the ECB website “T2S revolutionised securities settlement in Europe because it brought an end to complex cross-border settlement procedures and the problems caused by different settlement practices among countries.” Therefore, it might be interesting to analyse if the CSDs connected to T2S make use of the possibilities offered by the platform and provide more services on a cross-border basis compared to CSDs outside T2S. The objective of the relevant sections of this report is not to provide a comprehensive assessment of the use of T2S in relation to CSDs’ cross-border operations, but rather to analyse how the provision of cross-border services in relation to CSDs connected to T2S in scope of this report compares with the provision of cross-border services in relation to CSDs not connected to T2S.

Country	CSDs
AT	Oesterreichische Kontrollbank (OeKB)
BE	Euroclear Belgium
DE	Clearstream Banking AG (CBF)
DK	Euronext Securities Copenhagen (VP Securities A/S)
ES	Iberclear
FR	Euroclear France
HU	KELER
IT	Euronext Securities Milan (Monte Titoli)
LU	LuxCSD
LV	Nasdaq CSD SE
MT	Malta Stock Exchange (MSE)
NL	Euroclear Nederland
PT	Euronext Securities Porto (Interbolsa)
RO	Depozitarul Central
SI	KDD (Central Securities Clearing Corporation)
SK	Centrálny depozitár cenných papierov SR (CSD of the Slovak Republic - CDCP SR)

TABLE 2: CSDs IN SCOPE OF THIS REPORT AND CONNECTED TO T2S IN 2022

4.1 The CSDs’ ecosystems

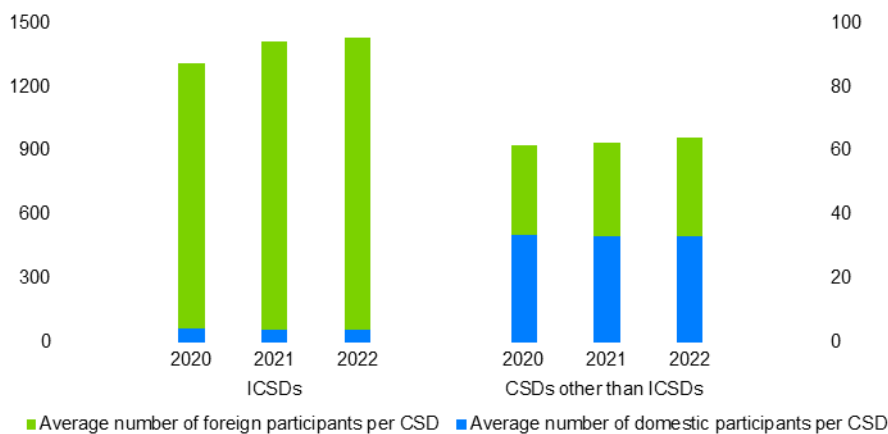
22. This first section of the report presents the findings on the main entities interacting with the EEA CSDs: the CSDs’ participants, including CSDs participating through CSD links, the issuers using the CSD, and the accesses CSDs have to other market infrastructures.

4.1.1 The CSD's participants

23. Types of CSD participants. The survey envisaged the following types of participants: other CSDs, issuers acting as participants⁹ for their own securities or shareholders, direct participants other than CSDs and issuers, and, if known by the CSD, indirect participants¹⁰.

24. Only 7 CSDs reported having participants that are issuers, mainly from the EEA. Possible reasons may include the lack of demand for direct participation from issuers, differences in the transposition of the Settlement Finality Directive into the national laws, and/or differences in the rules on participation applied by each CSD. As an example, KDPW's rules include a strict distinction between on the one hand direct participants that can submit settlement instructions and hold deposits accounts within the CSD, which can only be financial institutions, and on the other hand issuers that can benefit from the registration of their issued securities with KDPW and the management of operations related to these securities.

25. Jurisdictions of the participants. The average number of participants per CSD is relatively stable, with a slight increase of foreign participants and a slight decrease of domestic participants between 2020 and 2022.



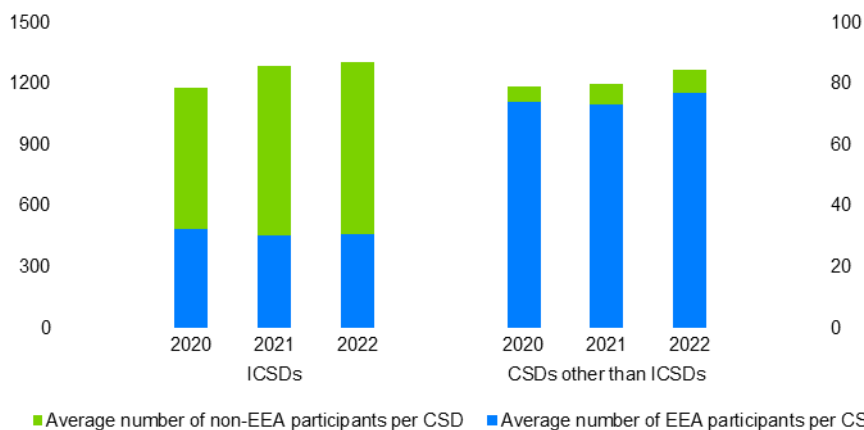
Note: Average number of participants in EEA CSDs: domestic vs foreign participants. Average number of participants for ICSDs are reported on the left-hand side. Average number of participants for CSDs other than ICSDs are reported on the right-hand side.

Sources: ESMA Survey

⁹ A CSD 'participant' is defined in Article 2(f) of Directive 98/26/EU as "an institution, a central counterparty, a settlement agent, a clearing house, a system operator or a clearing member of a CCP authorised pursuant to Article 17 of [EMIR]".

¹⁰ The concept of 'indirect participant' is defined in Article 2(g) of Directive 98/26/EU as "an institution, a central counterparty, a settlement agent, a clearing house or a system operator with a contractual relationship with a participant in a system executing transfer orders which enables the indirect participant to pass transfer orders through the system, provided that the indirect participant is known to the system operator;"

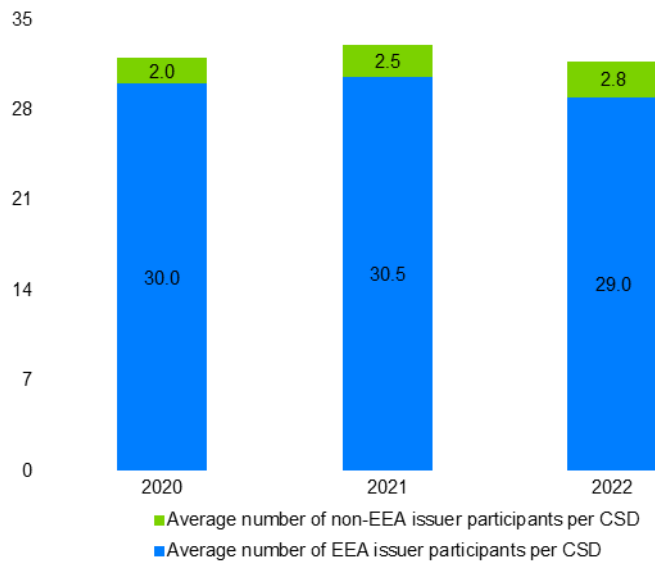
26. All CSDs have foreign participants, with a clear dichotomy between ICSDs with a significantly higher average of foreign participants (1,371.5 in 2022) compared to domestic participants (59.5 in 2022), and CSDs other than ICSDs, with a slightly higher average of domestic participants (33.1 in 2022) than foreign participants (31 in 2022).
27. This dichotomy between ICSDs and other CSDs is also observed when analysing the breakdown of foreign participants. On average, non-domestic EEA participants represent the vast majority of foreign participants in CSDs other than ICSDs (77 non-domestic EEA participants on average vs 7.7 non-EEA participants on average in 2022). By contrast, the average number of non-EEA participants in ICSDs is twice as high as the number of non-domestic EEA participants.
28. The breakdown between EEA and non-EEA participants has remained stable overall, with a slight increase of non-EEA participants overtime.



Note: Average number of foreign participants in EEA CSDs: EEA vs non-EEA participants. Average number of foreign participants for ICSDs are reported on the left-hand side. Average number of foreign participants for CSDs other than ICSDs are reported on the right-hand side.

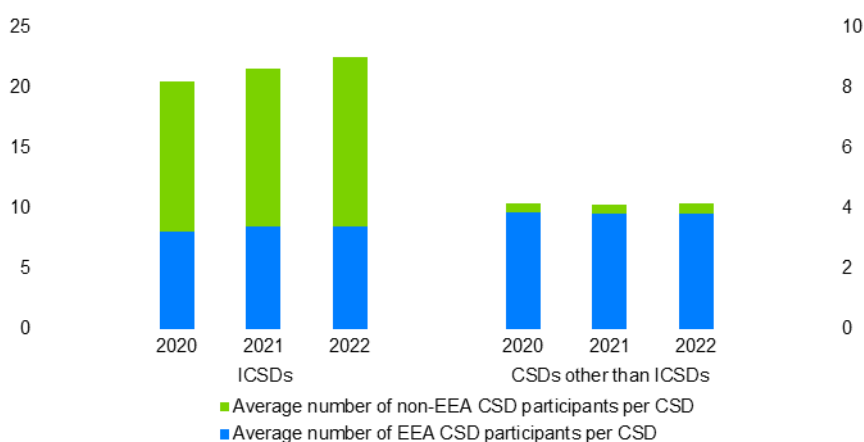
Sources: ESMA Survey

29. Foreign issuers participating in EEA CSDs are mainly EEA issuers, with only a small portion of third-country issuers. ICSDs did not report any foreign issuer acting as participant for their own securities.



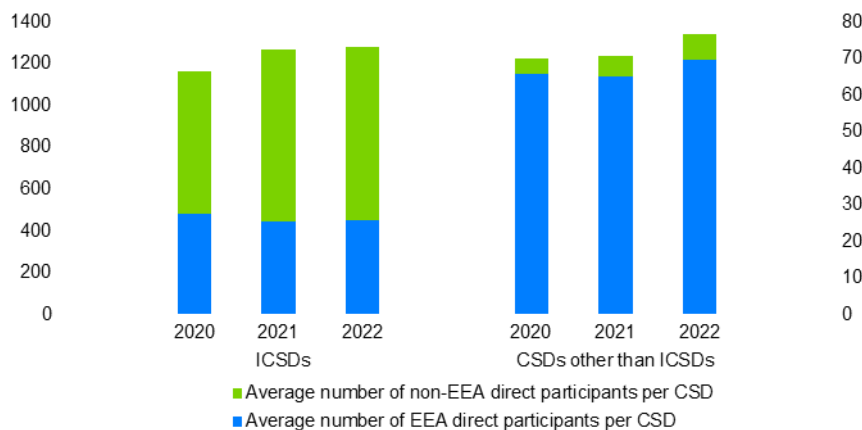
Note: Average of foreign participants in EEA CSDs other than ICSDs: EEA vs non-EEA issuer participants.
Sources: ESMA Survey

30. The breakdown of foreign CSDs participating in EEA CSDs reintroduces the dichotomy between ICSDs and other CSDs. ICSDs display a higher number of foreign CSDs as participants, with more non-EEA CSDs than EEA CSDs overall, while CSDs other than ICSDs display mainly EEA CSDs as foreign CSD participants.



Note: Average of foreign CSD participants in EEA CSDs: EEA vs non-EEA CSD participants. Average number of foreign CSD participants for ICSDs are reported on the left-hand side. Average number of foreign CSD participants for CSDs other than ICSDs are reported on the right-hand side.
Sources: ESMA Survey

31. Direct participants represent the bulk of foreign participants in EEA CSDs, therefore with similar observed breakdown and trends: non-EEA direct participants are mostly participating in ICSDs, other CSDs display a large majority of EEA direct participants, and there is a slight increase of non-EEA direct participants overtime.



Note: Average of foreign direct participants in EEA CSDs: EEA vs non-EEA CSD participants. Average number of foreign direct participants for ICSDs are reported on the left-hand side. Average number of foreign direct participants for CSDs other than ICSDs are reported on the right-hand side.
Sources: ESMA Survey

4.1.2 CSD links

4.1.2.1 Typology of links

32. CSDR defines a CSD link as “an arrangement between CSDs whereby one CSD becomes a participant in the securities settlement system of another CSD in order to facilitate the transfer of securities from the participants of the latter CSD to the participants of the former CSD or an arrangement whereby a CSD accesses another CSD indirectly via an intermediary”¹¹.

33. In practice, a link allows one CSD (known as the requesting CSD or investor CSD) to provide its clients with access to the securities recorded and settled in another CSD (known as the receiving CSD or issuer CSD), through the opening of an account with the latter CSD.

34. CSDR distinguishes four types of links:

- standard links are links whereby a CSD becomes a participant in the securities settlement system of another CSD under the same terms and

¹¹ Article 2(29) of CSDR

conditions as applicable to any other participant in the securities settlement system operated by the latter¹².

- 'customised link' means 'a CSD link whereby a CSD that becomes a participant in the securities settlement system of another CSD is provided with additional specific services to the services normally provided by that CSD to participants in the securities settlement system'¹³.
- 'indirect link' means 'an arrangement between a CSD and a third party other than a CSD, that is a participant in the securities settlement system of another CSD'¹⁴.
- 'interoperable link' means 'a CSD link whereby CSDs agree to establish mutual technical solutions for settlement in the securities settlement systems that they operate'¹⁵. There are two sets of such links in the Union: between the two ICSDs, EB and CBL (also known as 'the Bridge') and between the linked CSDs participating in T2S, for the purposes of their settlement taking place in T2S.

Use of relayed links

In addition to the four types of links defined under CSDR, CSDs also use another type of links, the so-called 'relayed links'. In the context of [eligibility for use in Eurosystem credit operations](#), a relayed link is defined as "a contractual and technical arrangement that allows issuer and investor CSDs to hold and transfer securities through an account with a third CSD ("middle CSD"), which acts as an intermediary.

For the purpose of the quantitative survey supporting this report, relayed links were defined as two (or more) direct (standard or customised) links of the intermediary CSD with each of the other involved CSDs. Based on this definition, 7 CSDs (Euronext Securities Copenhagen, ATHEXCSD, CBL, LuxCSD, KDPW, Depozitarul Central, Euroclear Sweden) reported 56 relayed links. It is however difficult to draw a conclusive assessment of the reported relayed links and related settlement activity, due to likely discrepancies in reporting from respondents on a practice not defined in CSDR. The extent to which EEA CSDs are acting as intermediary CSD in relayed links and to which settlement is happening through relayed links was in all likelihood underreported and has therefore not been included in this report.

It should however be noted that relayed links seem to be an important part of the EEA links landscape and that many CSDs rely on the use of links with ICSDs to access markets (both EEA and worldwide) where the ICSDs has established a link with the local CSD. This may be an explanation the overall stability of the number of links in place for CSDs in the EEA, both with other EEA CSDs and worldwide.

¹² Article 2(30) of CSDR

¹³ Article 2 (31) of CSDR

¹⁴ Article 2(32) of CSDR

¹⁵ Article 2(33) of CSDR

4.1.2.2 Landscape of links

35. The landscape of the links in place for EEA CSDs is diverse and complex. This complexity implies certain challenges to assess and measure cross-border settlement activities.

36. This report uses the same indicators in respect of links as in the previous report:

- the number of links in place between EEA CSDs (both receiving and requesting)¹⁶ and the number of new links established in the assessment period (2020-2022);
- the typology of the links established between the EEA CSDs and their settlement model (DvP vs FoP);
- the actual use of those links, types of financial instruments, volume and value of settlement instructions settled through links, will be analysed in sections 4.2.3.2 and 4.2.3.3 below.

37. **Number of links.** In 2022, EEA CSDs reported 161 CSD links with other EEA CSDs. The total number of links reported by EEA CSDs raises to 263 links when non-EEA CSDs are also taken into account¹⁷.

COUNTRY	CSD	2020	2021	2022
AT	OeKB	2	2	2
BE	Euroclear Belgium	4	4	4
BE	Euroclear Bank – ICSD	30	30	30
BG	CDAD	2	2	2
CZ	CSD Prague	3	3	3
DE	CBF	14	14	14
DK	Euronext Securities Copenhagen	2	2	2
ES	Iberclear	6	6	6
FI	Euroclear Finland	4	4	4
FR	Euroclear France	7	7	7
GR	ATHEXCSD	16	2	2
HR	SKDD	0	0	0
HU	KELER	1	1	1
IT	Euronext Securities Milan	10	10	10
LU	CBL - ICSD	33	33	33
LU	LuxCSD	3	3	3
LV	Nasdaq CSD SE	4	4	4
MT	MSE	1	1	1

¹⁶ Double counting of links may occur when compiling the total number of links, as a link between two EEA CSD would be reported both by the requesting CSD and by the receiving CSD.

¹⁷ See details on the instructions for reporting links in Annex II.

NL	Euroclear Nederland	6	6	6
NO	Euronext Securities Oslo	1	2	4
PL	KDPW	7	7	7
PT	Euronext Securities Porto	4	4	4
RO	Depozitarul Central	2	2	2
SE	Euroclear Sweden	5	3	3
SI	KDD	3	3	3
SK	CDCP SR	4	4	4

Note: Total number of links of each EEA CSD with other EEA CSDs per year.

Source: ESMA Survey, ESMA CSD public register.

TABLE 3: OVERVIEW OF LINKS IN PLACE BETWEEN EEA CSDs



Note: Overview of links in place between EEA CSDs

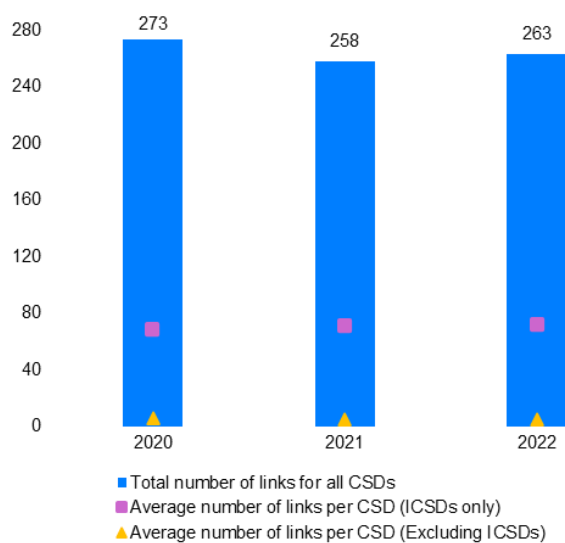
Sources: ESMA survey

COUNTRY	CSD	2020	2021	2022
AT	OeKB	3	3	3
BE	Euroclear Belgium	5	5	5
BE	Euroclear Bank – ICSD	70	73	74
BG	CDAD	2	2	2
CZ	CSD Prague	3	3	3
DE	CBF	16	16	16
DK	Euronext Securities Copenhagen	3	3	3

ES	Iberclear	8	8	9
FI	Euroclear Finland	4	4	4
FR	Euroclear France	10	9	9
GR	ATHEXCSD	21	3	3
HU	KELER	2	2	2
HR	SKDD			
IT	Euronext Securities Milan	13	13	13
LU	CBL - ICSD	67	69	69
LU	LuxCSD	3	3	3
LV	Nasdaq CSD SE	4	4	4
MT	MSE	1	1	1
NL	Euroclear Nederland	8	8	8
NO	Euronext Securities Oslo	2	3	5
PL	KDPW	7	7	8
PT	Euronext Securities Porto	4	4	4
RO	Depozitarul Central	2	2	2
SE	Euroclear Sweden	8	6	6
SI	KDD	3	3	3
SK	CDCP SR	4	4	4

Note: Total number of links of each EEA CSD with other CSDs (both EEA and non-EEA CSDs) per year.
 Sources: ESMA Survey, ESMA CSD public register.

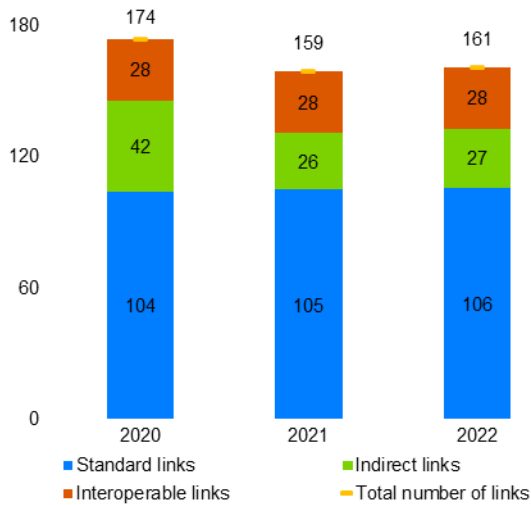
TABLE 9: OVERVIEW OF EEA CSDs' LINKS IN PLACE WORLDWIDE



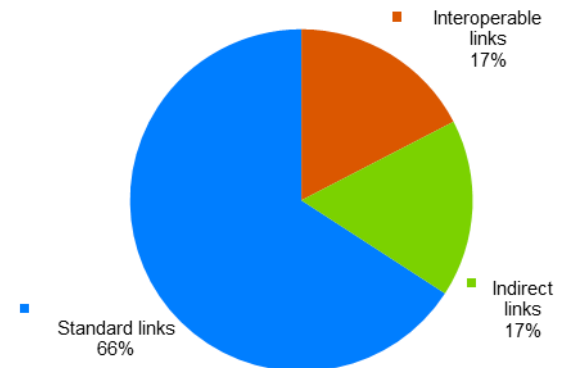
Note: Overview of links in place by EEA CSDs worldwide. Worldwide links include links with both EEA and non-EEA CSDs.

Sources: ESMA Survey

38. Focussing only on links between EEAs CSDs, the average number of links per CSD has remained stable in the assessment period, with an average of 31.5 links for ICSDs and of 4.3 links for CSDs other than ICSDs in 2022 (this is very similar to 2020 findings, with just 0.5 less link on average for domestic CSDs).
39. Stark differences can be noticed between the two ICSDs (CBL and Euroclear Bank) with 33 and 30 links respectively, and other CSDs on the other hand, with a few of these CSDs displaying a higher number of links compared to the rest of the CSDs (e.g. 14 links for CBF, 10 links for Euronext Securities Milan).
40. **New links and modified links.** During the survey period, 8 new links were established, while some links in place saw their type modified.
41. The analysis of the data collected reveals that 4 links in place in 2022 were not in place in 2020, and that these 4 new links were established in 2022:
- A new standard link between LuxCSD as receiving CSD and CBL as requesting CSD;
 - 3 new links with Euronext Securities Olso as requesting CSD: 2 indirect links to Euroclear Bank with Nordea Finland Abp and DNB ASA as third parties, and one indirect link to CBL with DNB ASA as third party.
42. In addition, one link request was reported: this new interoperable link between the CDCP SR as receiving CSD and CBF as requesting CSD was established on 31 July 2020, but has been reported as inactive during the reporting period.
43. This contrasts with the 6 to 7 new links established each year over the period covered of the 2020 Report (2017-Q1 2020), which corresponded to the CSDR initial implementation phase and in particular the authorisation phase.
44. Modifications in link types captured in the survey include an indirect link to Euroclear Sweden operated by one of the participants in Euroclear Finland becoming in 2021 a standard link operated by Euroclear Bank.
45. Moreover, the indirect links between ATHEXCSD and 18 CSDs (13 EEA CSDs and 5 non-EEA CSDs) with Citibank Europe (EEA credit institution established in Ireland) as third-party in 2020, became intermediated through ATHEXCSD's direct link to SIX-SIS (non-EEA CSD established in Switzerland) in 2021 and 2022, and could therefore no longer be considered as indirect links.
46. **Typology of links in place.** As mentioned above, CSDR distinguishes four types of links: standard links represent the largest share (66% in 2022, against 64.5% in the previous survey) of the links established between EEA CSDs, while other links are indirect links (17% in 2022, against 23% in the previous survey) and interoperable links (17% in 2022). No customised link was reported during the assessment period (only one had been reported through the previous survey).



Note: Number of links by type
Sources: ESMA Survey

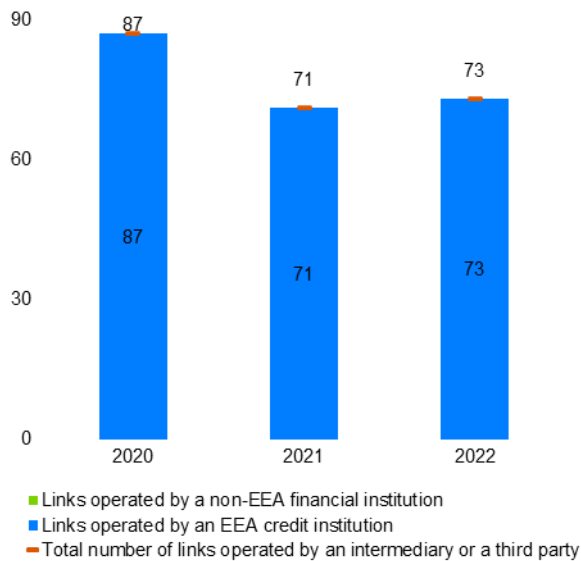


Note: Proportion of links by type (data for 2022)
Sources: ESMA Survey

47. Intermediaries operating standard links and third-party in indirect links:

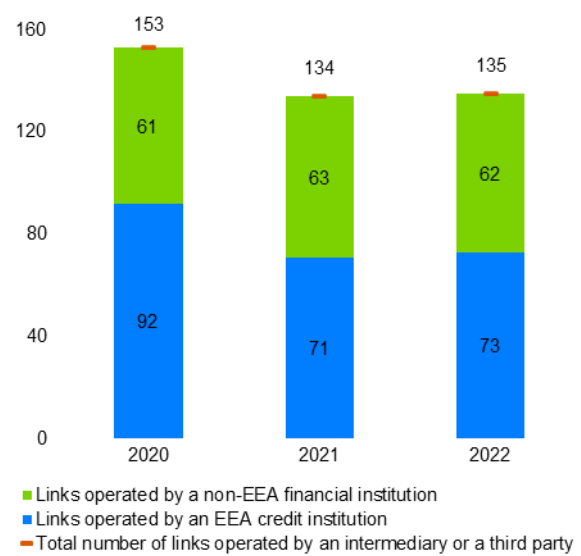
Standard links can be operated by an intermediary, also known as ‘account operator’, and an indirect link is an arrangement with a third party other than a CSD by design. Such account operators or third parties are typically custodian banks (either EEA credit institutions or -EEA financial institutions).

48. In 2022, a total number of 73 links between EEA CSDs exclusively (and 135 links between EEA CSDs and another CSD, either EEA or non-EEA), were standard links operated by an intermediary or indirect links involving a third party. For intermediated or indirect links between EEA CSDs, only EEA credit institutions act as intermediaries/third parties (100% for 2020, 2021 and 2022). Non-EEA financial institutions are chosen to operate links between EEA CSDs and non-EEA CSDs (only one case of an EEA credit institution operating a standard link with a non-EEA CSD was reported).



Note: Overview of intermediaries and third parties operating a link between EEA CSDs: EEA credit institutions vs non-EEA financial institutions

Sources: ESMA Survey



Note: Overview of intermediaries and third parties operating a link with an EEA CSD worldwide: EEA credit institutions vs non-EEA financial institutions. Worldwide links refer to links between a EEA CSD and another EEA and non-EEA CSD.

Sources: ESMA Survey

49. **Securities settlement mechanism.** Securities settlement can take place in two ways: delivery versus payment (DvP) and free of payment (FoP). DvP is defined in CSDR as “a securities settlement mechanism which links a transfer of securities with a transfer of cash in a way that the delivery of securities occurs if and only if the corresponding transfer of cash occurs and vice versa”¹⁸. FoP designates a type of settlement instruction that allows only for transfers of securities (e.g. for securities lending transactions or collateral transfers). Both mechanisms may be used for a single link.

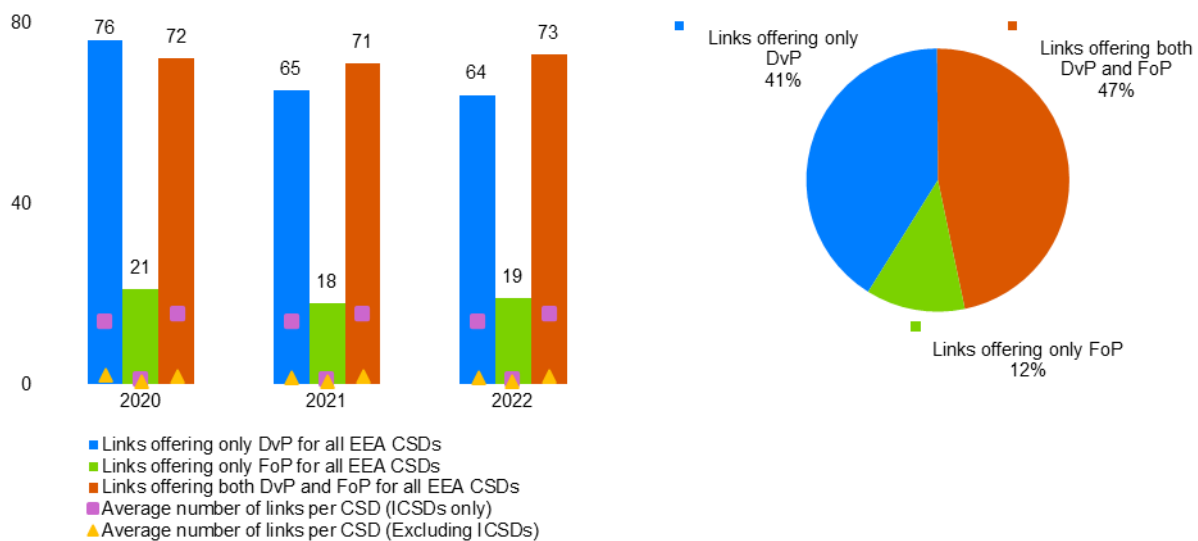
50. CSDR favors DvP settlement, requiring that “links between CSDs shall permit DVP settlement of transactions between participants in linked CSDs, where practical and feasible. Detailed reasons for any CSD link not allowing for DVP settlement shall be notified to the relevant and competent authorities¹⁹. Further, Article 87 of RTS 2017/392 provides that DvP settlement shall be regarded as practical and feasible where: (a) there is a market demand for DVP settlement evidenced through a request from any of the user committees of one of the linked CSDs; (b) the linked CSDs may charge a reasonable commercial fee for the provision of DVP settlement, on a cost-plus basis, unless otherwise agreed by the linked CSDs; (c) there is a safe and efficient access to cash in the currencies used by the receiving

¹⁸ Article 2(27) of CSDR

¹⁹ Art.48(7) of CSDR

CSD for settlement of securities transactions of the requesting CSD and its participants.

51. The breakdown of settlement types across EEA CSD links²⁰ remains stable and fragmented over the assessment period with: i) links allowing both DvP & FoP settlement representing 47%; ii) links allowing only DvP settlement representing 41% and; iii) links only allowing for FoP settlement representing 12%.



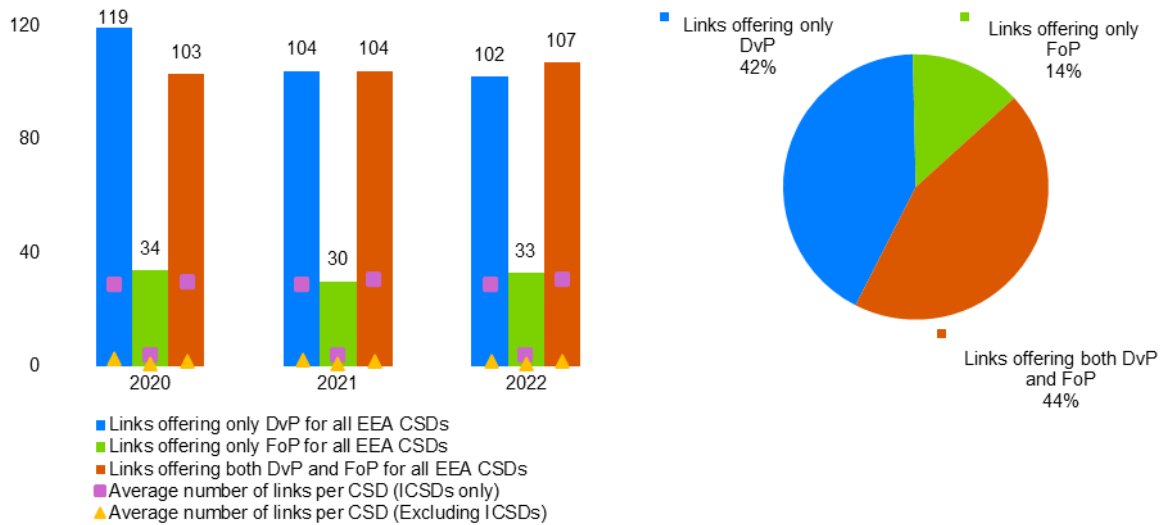
Note: Overview of type of securities settlement mechanism of links among EEA CSDs.
 Sources: ESMA Survey

Note: Proportion of links across EEA CSDs by type of securities settlement mechanism (data for 2022).
 Sources: ESMA Survey

52. A similar repartition of the types of settlement allowed by links²¹ can be noticed in 2022 for EEA CSDs links with both EEA and non-EEA CSDs: i) links allowing for both DvP & FoP representing 44%; ii) links allowing for DvP only representing 42% and iii) links allowing FoP only representing 14%.

²⁰ The settlement type was not reported for 5 links in place between EEA CSDs. This explains discrepancy between the total number of links in this paragraph and in the total number of links reported in paragraph 37.

²¹ The settlement type was not reported for 21 links in place between EEA CSDs and both EEA and non-EEA CSDs. This explains discrepancy between the total number of links in this paragraph and in the total number of links reported in paragraph 37.



Note: Overview of type of securities settlement mechanism for EEA CSD links worldwide. Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
Sources: ESMA Survey

Note: Proportion of worldwide links by type of securities settlement mechanism (data for 2022).
Sources: ESMA Survey

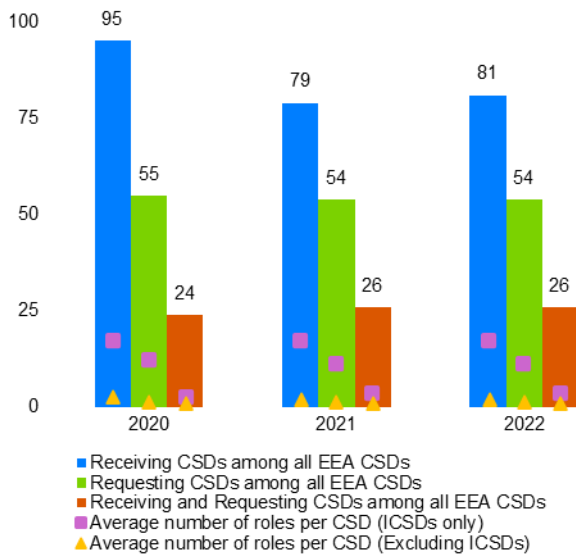
53. **Receiving vs requesting CSD.** The ‘receiving CSD’ is the CSD which receives the request of another CSD to have access to its services through a CSD link²², while the ‘requesting CSD’ is the CSD which requests access to the services of another CSD through a CSD link²³. Each CSD in a given CSD link can have both roles i.e. can be either both receiving and requesting CSD or one requesting or receiving only.
54. In relation to a given securities issue, the receiving CSD corresponds to the ‘issuer CSD’, which provides notary or central maintenance services in respect of such issue²⁴, and the requesting CSD corresponds to the ‘investor CSD’, which asks to participate into the SSS of the issuer CSD to allow its own participants to gain access to such security issue²⁵.
55. For the links between EEA CSDs, no significant changes can be noticed. In 2022, CSDs are acting only as receiving CSD for the majority of links (50%), while CSDs acting both as receiving and requesting CSDs, and CSDs acting only as requesting CSD represent smaller portions of the links (16% and 34% respectively).

²² Article 2(5) of CSDR

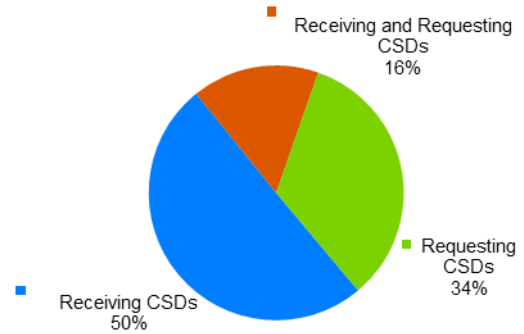
²³ Article 2(6) of CSDR

²⁴ Article 1(g) of RTS 2017/392

²⁵ Article 1(g) of RTS 2017/392

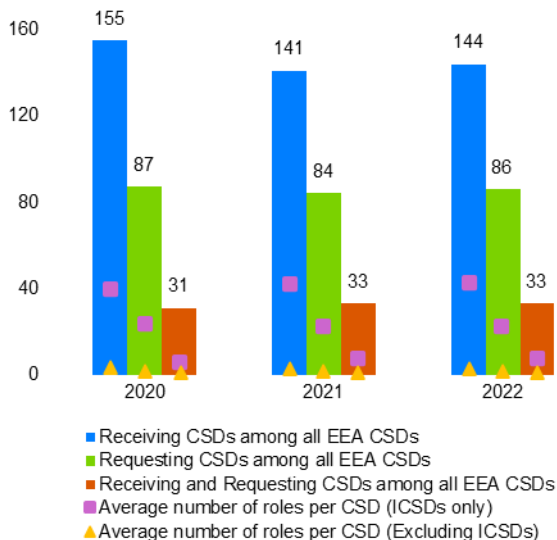


Note: Overview of receiving/requesting CSDs among EEA CSDs
Sources: ESMA survey

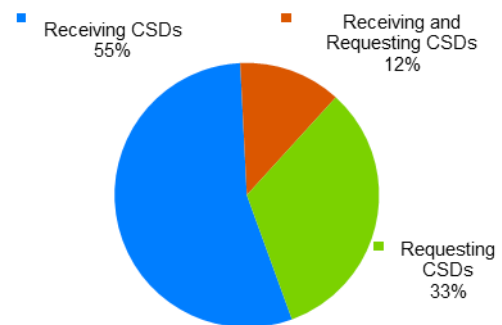


Note: Proportion of receiving/requesting CSDs within the EEA (data for 2022)
Sources: ESMA Survey

56. The breakdown is observed when looking at EEA CSDs' links with non-EEA CSDs in 2022: 55% of links have CSDs acting only as receiving CSD, whereas fewer links have CSDs acting both as receiving and requesting CSDs and CSDs acting only as requesting CSD represent (12% and 33% respectively).



Note: Overview of receiving/requesting EEA CSDs worldwide. Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
Sources: ESMA Survey



Note: Proportion of receiving/requesting EEA CSDs worldwide in 2022
Sources: ESMA Survey

57. **Focus on CSD links in place in CSD groups:** the groups present very heterogeneous profiles when it comes to the links established between the EEA CSDs belonging to these groups.

- All CSDs in the Clearstream group have established standards links with one another, both as requesting and receiving CSDs.
- The CSDs in the Euroclear group have established standards links with Euroclear Bank both as requesting and receiving CSDs with the exception of Euroclear Sweden that has established a standard link only as requesting CSD and of Euroclear Finland that has established a standard link only as receiving CSD. In addition, a standard link has been established between Euroclear Sweden as receiving CSD and Euroclear Finland as requesting CSD. Euroclear Bank and Euroclear Nederland have also established standard links with Euroclear UK and International, the other CSD belonging to the group from outside of EEA.
- No link has been established between the CSDs from the Euronext group.

Requesting CSD \ Receiving CSD	CLEARSTREAM BANKING AG	CLEARSTREAM BANKING S.A. - ICSD	LUXCSD
	CLEARSTREAM BANKING AG		STD
CLEARSTREAM BANKING S.A. - ICSD	STD		STD
LUXCSD	STD	STD	

TABLE 10: LINKS BETWEEN CSDS OF THE CLEARSTREAM GROUP IN 2022

Note: STD refers to a standard link.

Source: ESMA Survey, ESMA CSD public register.

Requesting CSD \ Receiving CSD	EUROCLEAR BELGIUM	EUROCLEAR BANK - ICSD	EUROCLEAR FINLAND	EUROCLEAR FRANCE	EUROCLEAR NEDERLAND	EUROCLEAR SWEDEN
	EUROCLEAR BELGIUM		STD			
EUROCLEAR BANK - ICSD	STD		STD	STD	STD	
EUROCLEAR FINLAND						STD
EUROCLEAR FRANCE		STD				
EUROCLEAR NEDERLAND		STD				

EUROCLEAR SWEDEN		STD				
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TABLE 11: LINKS BETWEEN CSDS OF THE EUROCLEAR GROUP IN 2022

Note: STD refers to a standard link.

Source: ESMA Survey, ESMA CSD public register.

58. The multinational set-up of the Nasdaq CSD SE is also reflected in the use of links by the four securities settlement systems: three of the four settlement securities systems (Icelandic, Latvian and Lithuanian) have established a standard link with CBL as receiving CSD, while three securities settlement systems (Estonian, Latvian and Lithuanian) have standard links with KDPW and CBF as requesting CSDs and one securities settlement system (Icelandic) has a standard link with LuxCSD as requesting CSD.

59. **Focus on links between CSDs participating in T2S:** In spite of the participation of 16 CSDs in scope of this survey in T2S (see Table 2 above), not all the links established between the T2S CSDs are reported as interoperable. In 2022, half of the T2S CSDs have reported that their links are interoperable, while the other half of the T2S CSDs stated that their links are standard, with no identifiable rationale for such a divide. It should be noted that according to the interpretation provided in an ESMA CSDR Q&A²⁶, the links established between CSDs participating in T2S should be considered as interoperable for the T2S-related aspects of their relationship, not precluding them from having in parallel other types of CSD links between themselves.

60. The overall number of links between T2S CSDs has remained stable, with no new link reported during the assessment period.

4.1.3 Issuers to which EEA CSDs provide services

61. The vast majority of CSDs are recording securities mostly for domestic issuers. Both ICSDs as well as Euroclear France and Nasdaq CSD SE have recorded more securities issued by EEA foreign issuers than by domestic issuers (it should be kept

²⁶ [CSDR Q&A, Q&A 10\(d\)](#):

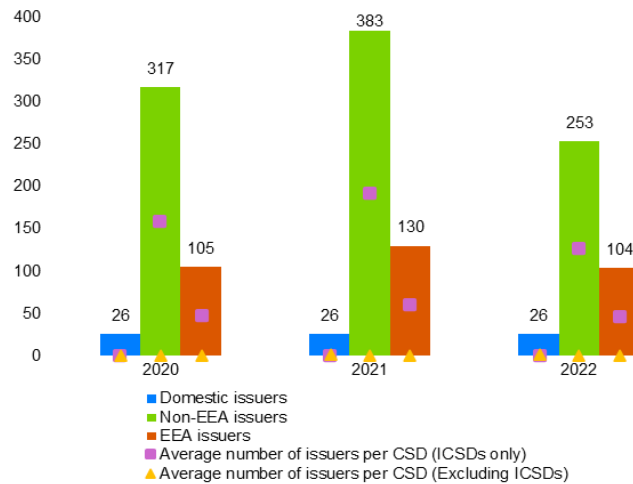
Q: Are links between CSDs participating in T2S interoperable links as defined in the CSDR?

A: Yes, as Article 2(33) of CSDR defines an interoperable link as a "CSD link whereby CSDs agree to establish mutual technical solutions for settlement in the securities settlement systems they operate", which is the case of CSDs participating in T2S, as they use a common settlement infrastructure.

Furthermore, Article 19(5) of CSDR clearly contemplates the specific case of T2S when referring to "interoperable links of CSDs that outsource some of their services related to those interoperable links to a public entity" (thus establishing an exemption for such interoperable links from the authorisation process generally applicable to other interoperable links, and subjecting them to a mere notification procedure).

However, this qualification as interoperable link covers only the T2S-related aspects of the relationship between the respective CSDs, i.e. the settlement of securities through T2S. Two CSDs participating in T2S can have in parallel other types of CSD links between themselves, in relation to different securities not settled through T2S, to the extent allowed by the dedicated legal, regulatory and operational framework referred to in Article 30(5) of CSDR. These other CSD links should not be qualified as interoperable links only because of the participation of the two CSDs in T2S.

in mind that Nasdaq CSD SE operates branches in three other EEA States). Almost all of the securities issued by third-country issuers are recorded by ICSDs.



Note: Geographical breakdown of issuers recording their securities in EEA CSDs (data in thousands)
 Sources: ESMA Survey

4.1.4 Access between CSDs and other financial market infrastructures

62. For the purpose of this report, financial market infrastructures designate trading venues, central counterparties or clearing houses (CCPs) and CSDs. The ESMA survey aimed at measuring the access of trading venues and CCPs to CSDs and the access of CSDs to the trading feeds of trading venues and CCPs. This section is based on the responses received from only 19 CSDs.

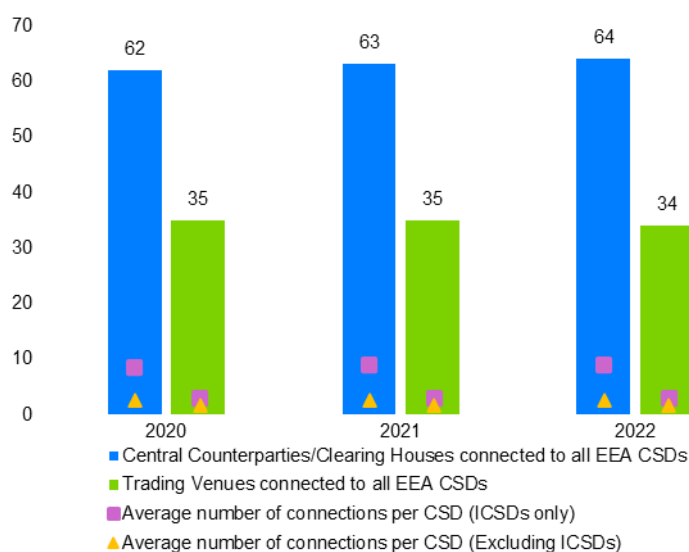
63. All responding CSDs have reported accesses between themselves on the one hand, and CCPs and trading venues on the other hand. Those accesses have remained stable across the survey period, with 7 CSDs reporting accesses only with CCPs, 4 CSDs reporting accesses only with trading venues, and 8 CSDs reporting accesses both with trading venues and CCPs in 2022. On average, ICSDs display more accesses to financial market infrastructures other than CSDs.

COUNTRY	CSD	CENTRAL COUNTERPARTY/CLEARING HOUSE			TRADING VENUE		
		2020	2021	2022	2020	2021	2022
BE	Euroclear Belgium	1	1	1	0	0	0
BE	Euroclear Bank - ICSD	11	12	12	0	0	0
CZ	CSD Prague	0	0	0	3	3	3
DE	CBF	5	5	5	0	0	0

DK	Euronext Securities Copenhagen	4	4	4	0	0	0
ES	Iberclear	5	5	5	3	3	3
FI	Euroclear Finland	4	4	4	0	0	0
FR	Euroclear France	4	4	4	3	3	2
HR	SKDD	0	0	1	1	1	1
IT	Euronext Securities Milan	5	5	5	5	5	7
LU	CBL – ICSD	6	6	6	6	6	6
LV	Nasdaq CSD SE	0	0	0	4	4	4
NL	Euroclear Nederland	4	4	4	4	4	3
NO	Euronext Securities Oslo	5	5	5	0	0	0
PL	KDPW	1	1	1	2	2	2
PT	Euronext Securities Porto	3	3	3	2	2	1
RO	Depozitarul Central	0	0	0	1	1	1
SE	Euroclear Sweden	4	4	4	0	0	0
SK	CDCP SR	0	0	0	1	1	1

Note: No data was received from the following CSDs (country code in brackets): OeKB, CDAD, ATHEXCSD, KELER, LuxCSD, MSE and KDD. Source: ESMA Survey

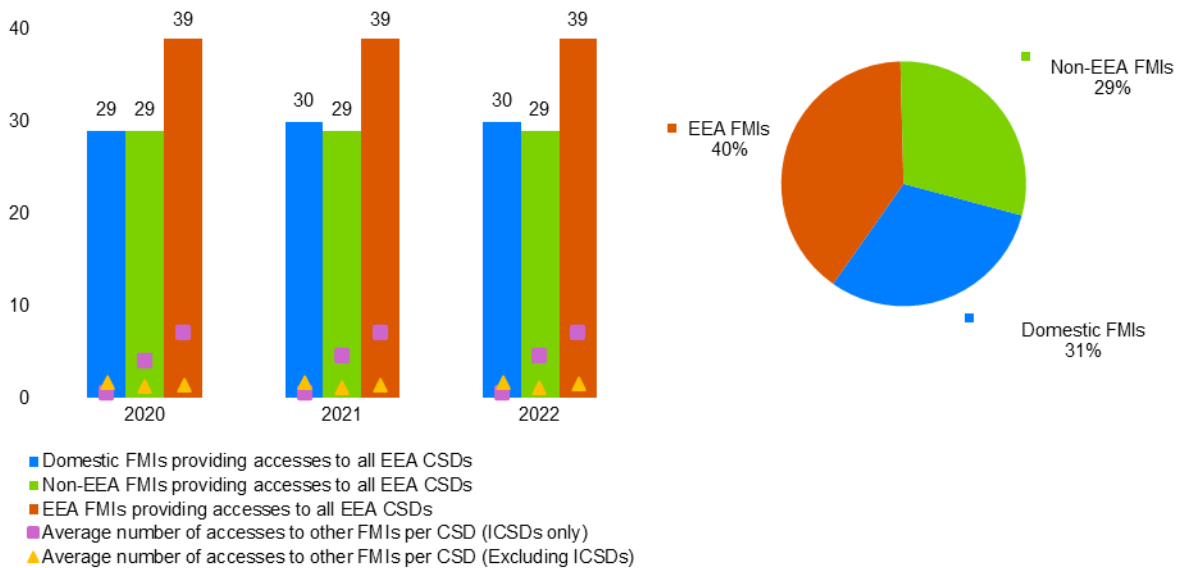
TABLE 12: OVERVIEW OF ACCESSES BETWEEN EEA CSDs AND OTHER MARKET INFRASTRUCTURES, BY TYPE



Note: Overview of accesses between EEA CSDs and other FMIs (Central Counterparties/Clearing Houses and Trading Venues)

Sources: ESMA Survey

64. For 2022, the geographic breakdown shows a slight prominence of access by EEA CSDs to non-domestic market infrastructures (40%), compared to domestic ones (31%) and third-country ones (29%).

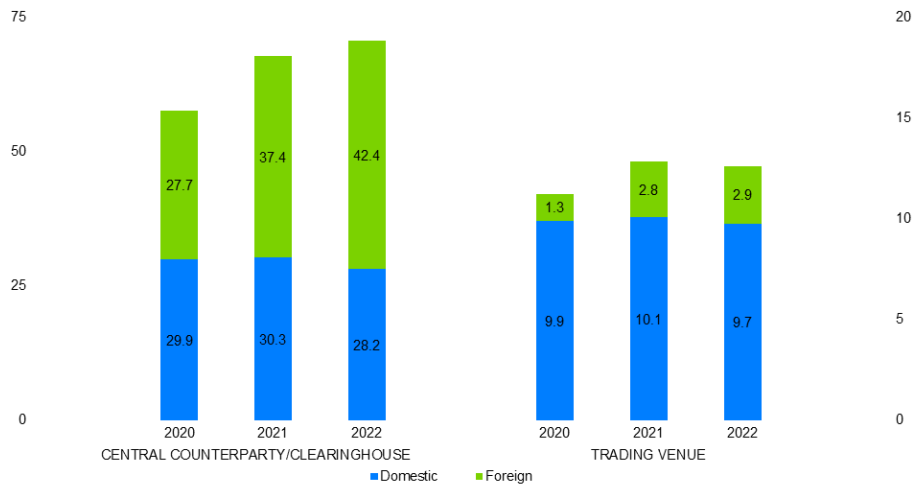


Note: Geographical breakdown of other FMs accesses to EEA CSDs
 Sources: ESMA Survey

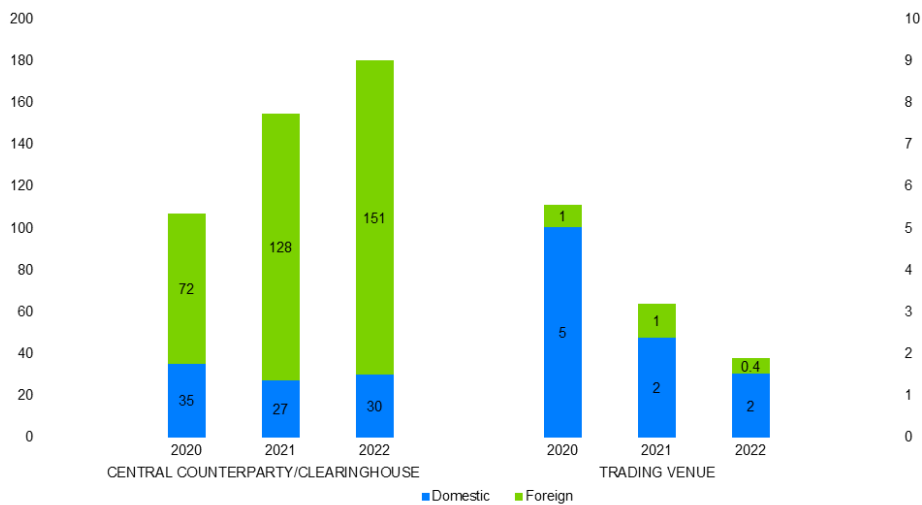
Note: Proportion of accesses between EEA CSDs and other FMs by geographical origin (data for 2022)
 Sources: ESMA Survey

65. Similarly to the use of CSD links, accesses to other financial market infrastructures are used for all types of financial instruments except emission allowances.

66. The volumes and values of instructions settled are significantly higher and increasing overtime in CCPs, compared to lower and stable figures for trading venues (the difference being explained by the fact that instructions from trading venues only relate to uncleared transactions). In particular, an increase in both volume and value of instructions settled in non-EEA CCPs can be noticed.



Note: Volume of settlement instructions from FMIs connected to EEA CSDs (data in millions): Domestic vs Foreign. Volumes for central counterparties/clearing houses are reported on the left-hand side. Volumes for trading venues are reported on the right-hand side.
Sources: ESMA Survey



Note: Value of settlement instructions from FMIs connected to EEA CSDs (data in trillions): Domestic vs Foreign. Values for central counterparties/clearing houses are reported on the left-hand side. Values for trading venues are reported on the right-hand side.
Sources: ESMA Survey

4.2 Quantifying the provision of cross-border services by EEA CSDs

67. This section focusses on the provision of all types of core services by CSDs, i.e. settlement, notary and central maintenance services, to users of CSDs (including issuers, participants in SSSs, and other holders of securities accounts maintained by CSDs in host Member States).

68. The data collected on the substantial importance of CSDs, for the purpose of Article 24(4) of CSDR, in accordance with the Commission Delegated Regulation (EU) 2017/389²⁷ and the ESMA Guidelines on substantial importance²⁸, is used to complement the data collected through the survey.

4.2.1 General indicator: substantial importance in other Member States

69. Under CSDR, the determination of whether the operations of a CSD in a host Member State are of substantial importance triggers the obligation for authorities of the home and host Member States to establish cooperation arrangements for the supervision of that CSD in the host Member States, possibly including colleges of supervisors where a CSD is of substantial importance in more than one host Member State.

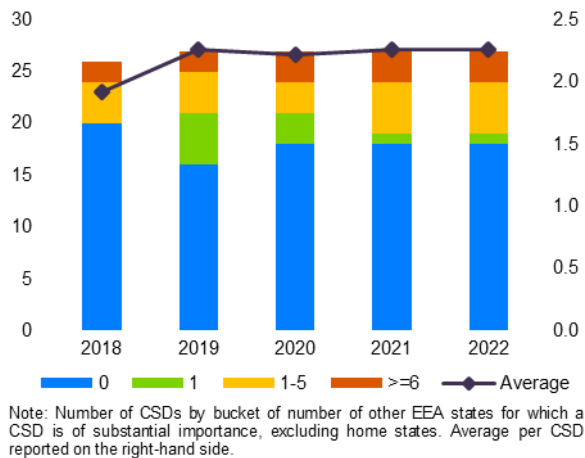
70. For the purposes of assessing the importance of the operations of CSDs in host Member States, the assessment criteria consider the size of the core services provided by CSDs to users from host Member States, including to issuers, participants in securities settlement systems or other holders of securities accounts maintained by CSDs.

71. Where the size of core services provided by CSDs to users from host Member States is sufficiently large, the operations of CSDs in such host Member States is deemed to be of substantial importance for the functioning of the securities markets and the protection of investors given that any failures or deficiencies in the operations of such CSDs may affect the smooth functioning of securities markets and the protection of investors in the host Member States concerned.

72. The assessment is conducted each year and the graph below shows the evolution of this indicator per year since 2018, noting that the EEA States have been included in the scope of these calculations only in 2019:

²⁷ [Commission Delegated Regulation \(EU\) 2017/389](#) of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States, OJ L 65, 10.3.2017, p. 1–8

²⁸ [ESMA Guidelines](#) on the Process for the Calculation of the Indicators to Determine the Substantial Importance of a CSD for a Host Member State, 24 May 2018



73. The number of host Member States in which the activities of CSDs from other Member States are of substantial importance for the functioning of the securities markets and the protection of investors has remained stable since 2020. According to this indicator, most CSDs have no substantially important activity in any host Member State i.e. most CSDs mainly have domestic activity.

74. We will see in the next sections how this unfolds for notary and central maintenance services on one side, and for settlement services, on the other side, from the substantial importance standpoint, but also through the analysis of other aspects of the provision of such services.

4.2.2 Notary and central maintenance services indicators

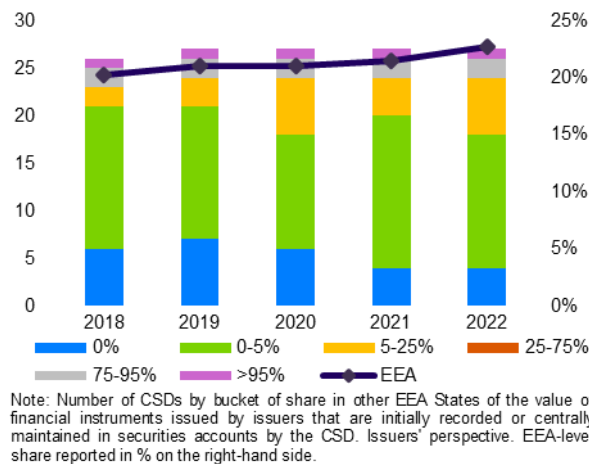
75. CSDR defines “notary service” as the ‘*initial recording of securities in a book-entry system*’, i.e. the initial recording of newly created securities at the level of the CSD that is directly involved in the process of issuing securities, by holding issue accounts opened in the name of the issuers and handling the initial registration of the securities.

76. “Central maintenance service” is defined as ‘*providing and maintaining securities accounts at the top tier level*’ which corresponds to the maintenance of securities accounts by the CSD mostly on behalf of financial intermediaries, mainly custodians, at the top of the securities chain.

77. The extent of the cross-border provision of notary and central maintenance services can be assessed in various ways: through a measure of the services provided to users from other Member States (issuers and participants) and through the services provided in relation to financial instruments constituted under a non-domestic law (through the delivery of passports under Article 23 of CSDR or the choice of law made by issuers).

4.2.2.1 Notary and central maintenance services provided to users from host Member States

78. **Notary services provided to issuers from other Member States.** The graph²⁹ below shows the respective shares, in value of financial instruments issued by issuers from the host Member States that are initially recorded or centrally maintained in securities accounts by each EEA CSD (irrespective of the law under which the financial instruments are constituted).

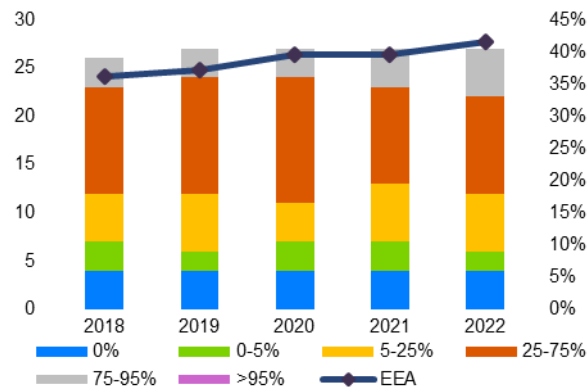


79. While most CSDs provide between 5 and 20% of notary and central maintenance services in relation to securities issued by issuers from other EEA States, 3 of them provide almost all their services in respect of such instruments: the two ICSDs (with Euroclear Bank's rate being in 2022 at 99.9%) and Nasdaq CSD (which operates branches in 3 other EEA States).

80. **Central maintenance services provided to participants from other Member States.** The chart below³⁰ gives a view of the share of central maintenance services provided by each CSD to participants from other Member States, calculated in respect of the value of financial instruments centrally maintained in securities accounts by each CSD for participants and other holders of securities accounts from host Member States.

²⁹ For more detail on the methodology used here, please refer to [ESMA guidelines on the process for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State](#)

³⁰ For more detail on the methodology used here, please refer to [ESMA guidelines on the process for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State](#)



Note: Number of CSDs by bucket of share in other EEA States of the value of financial instruments that are initially recorded or centrally maintained in securities accounts by the CSD for participants from other MS. Participants' perspective. EEA-level share reported in % on the right-hand side.

81. This graph shows that on average, in terms of value of financial instruments, 40% of central maintenance services are provided to the participants from other EEA States. It also shows important differences between CSDs: in 2022 it ranged from less than 5% for 6 CSDs (CDAD, Euronext Securities Copenhagen, ATHEXCSD, SKDD, MSE, KDPW) to up to 75 to 95% for 5 of them (Euroclear Bank, Euroclear Finland, CBL, Nasdaq CSD SE, Euroclear Nederland).

4.2.2.2 Notary and central maintenance services provided in relation to financial instruments constituted under another law

82. **Passports.** Article 23(2) of CSDR requires CSDs to request a passport to the host Member states where they intend to provide notary services and/or central maintenance services.

83. Notary services and central securities accounts maintenance services at the top tier level are two of the three core services provided by CSDs. The process of handling those requests is addressed in detail in the section 5 of this report, we will focus here on the number of passport requests. To date, all EEA CSDs are authorised to provide these two services.

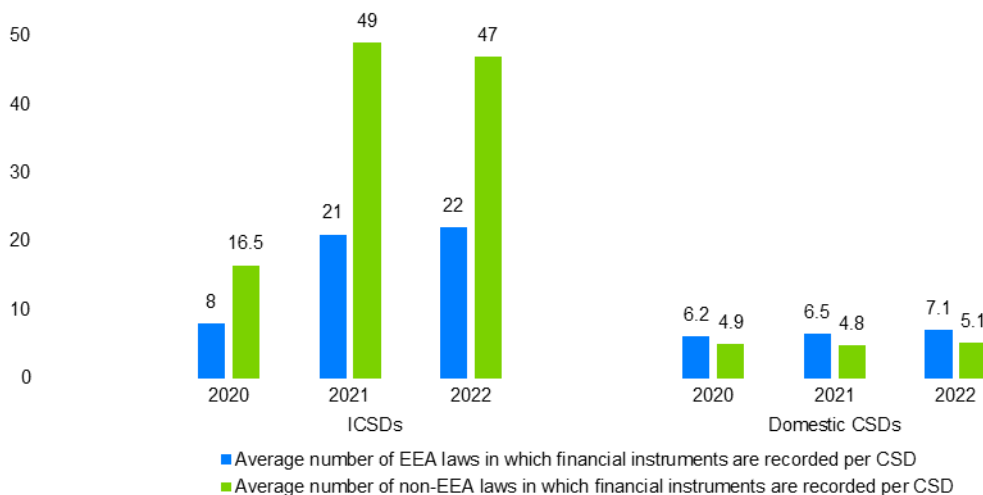
84. To date, while ICSDs have on average 26.5 passports, the average number of passports per CSD excluding ICSDs is 5.5.

85. **Choice of law by issuers.** Among the 19 responding CSDs for 2022: all of them reported settling transactions in financial instruments constituted under a non-domestic EEA law while 14 CSDs reported settling financial instruments constituted under a non-EEA law.

86. Compared to other CSDs, ICSDs record financial instruments issued with a wider range of foreign laws (both EEA non-domestic laws and non-EEA laws): on average 22 EEA laws and 47 non-EEA laws in 2022. A few CSDs other than ICSDs also

display a wider-than-average range of foreign laws used to issue the financial instruments they record:

- Euronext Securities Copenhagen, Euronext Securities Milan, Euronext Securities Oslo, Euroclear France and Euroclear Sweden record financial instruments issued in a wider-than-average range of both third-country and non-domestic EEA laws;
- KDPW records financial instruments issued in a wider-than-average range of non-domestic EEA laws; and
- Euroclear Nederland and Iberclear record financial instruments issued in a wider-than-average range of third-country laws.



Note: Overview of foreign laws under which financial instruments issued by EEA CSDs are recorded: EEA laws vs non-EEA laws
 Sources: ESMA Survey

87. In general, the most used EEA laws are the laws from Belgium, Germany, Ireland and Luxembourg. However, laws used vary depending on the type of financial instrument to which they apply: e.g. German law is the most used EEA law for bonds and IE law is the most used EEA law for ETFs. Another key finding is that the law from the UK and the law of the United States are among the most used foreign laws, surpassing EEA non-domestic laws in most of cases.

Type of instrument	Top 1	Top 2	Top 3
Shares - Article 4(1)(44)(a) of MiFID II	GB	US	LU
Sovereign debt - Article 4(1)(61) of MiFID II	GB	US	DE
Bonds other than sovereign debt - Article 4(1)(44)(b) of MiFID II	GB	US	DE

Certificates, warrants - Article 4(1)(44)(c) of MiFID II	GB	DE	US
ETFs - Article 4(1)(46) of MiFID II	IE	LU	DE
Units in collective investment undertakings, other than ETFs	LU	IE	DE
Money-market instruments, other than sovereign debt - Article 4(1)(61) of MiFID II	GB	DE	US
Other types of financial instruments	GB	LU	BE

Note: For FI constituted under a non-domestic law and settled in EEA CSDs, the top 3 laws used, by type of instruments. No data received for emission allowances.

Source: ESMA Survey

88. Supervision of services provided in relation to financial instruments constituted under a non-EEA law. In this respect, it should be noted that no provision of CSDR specifically relates to the provision of services in relation to financial instruments constituted under non-EEA laws.

89. *Supervision by NCAs:* NCAs reported that they mostly supervise such provision either on a risk-basis or in a holistic view but also through the authorisation process of the relevant CSD under CSDR and the subsequent annual supervisory reviews in case of changes. Additionally, some NCAs stated that, if difficulties arise, they monitor the provision of such services through the regular reports that CSDs are requested to submit or through topical discussions with the CSD in question.

90. *Supervision by third-country authorities:* CSDs indicated that when providing services in relation to financial instruments constituted under the law of the UK, they have been subject to the supervision of the Bank of England, under the temporary regime of the “UK CSDR”.

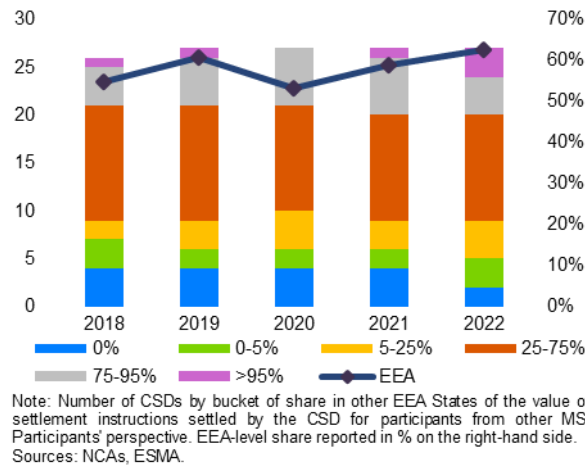
4.2.3 Settlement services indicators

4.2.3.1 Settlement services provided to foreign participants

91. The chart below³¹ shows for each EEA CSD, the share of the value of settlement instructions settled by each CSD for participants and other holders of securities accounts from host Member States (annual value of settlement instructions settled by each CSD for participants and other holders of securities accounts from other Member States). In 2022, while more than half of EEA CSDs settle less than 50% of instructions for participants from other Member States (in value of instructions settled), 7 CSDs settle more than 75% of instructions for participants from other Member States (Euroclear Belgium, Euroclear Bank, Euroclear Finland, CBL, Nasdaq CSD SE, Euroclear Nederland, Euronext Securities Porto), and 4 of them

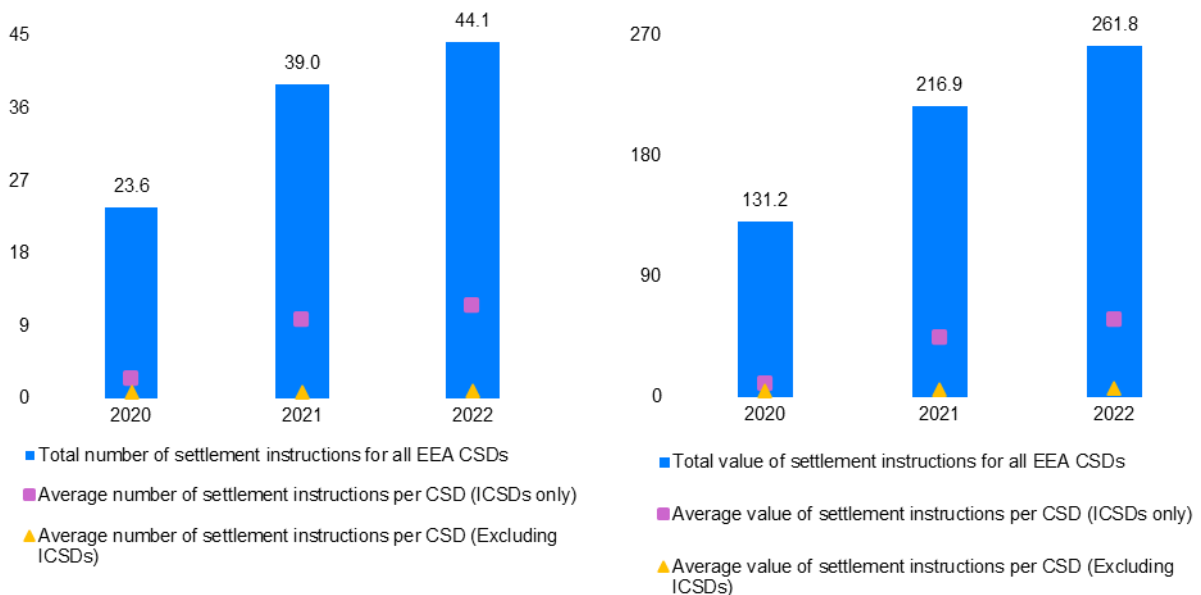
³¹ For more detail on the methodology used here, please refer to [ESMA guidelines on the process for the calculation of the indicators to determine the substantial importance of a CSD for a host Member State](#)

(Euroclear Bank, CBL, Nasdaq CSD SE, Euroclear Finland) settle more than 90% of instructions for participants from other EEA States.



4.2.3.2 Settlement through CSD links at EEA level

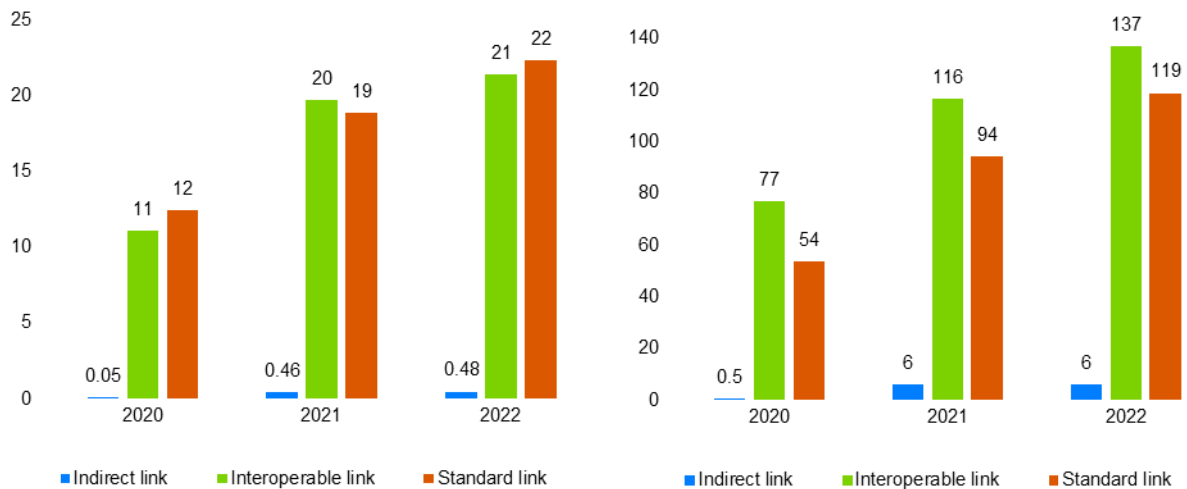
92. The total volumes and value of instructions settled through links between EEA CSDs has steadily increased since 2020. In 2022, the average volume of instructions settled through links is more than 12 times higher in ICSDs than in CSDs other than ICSDs. The value of instructions settled through links is almost 9 times higher in ICSDs than that in the other CSDs.



Note: Volume of settlement instructions through links between EEA CSDs (data in millions)
 Sources: ESMA Survey

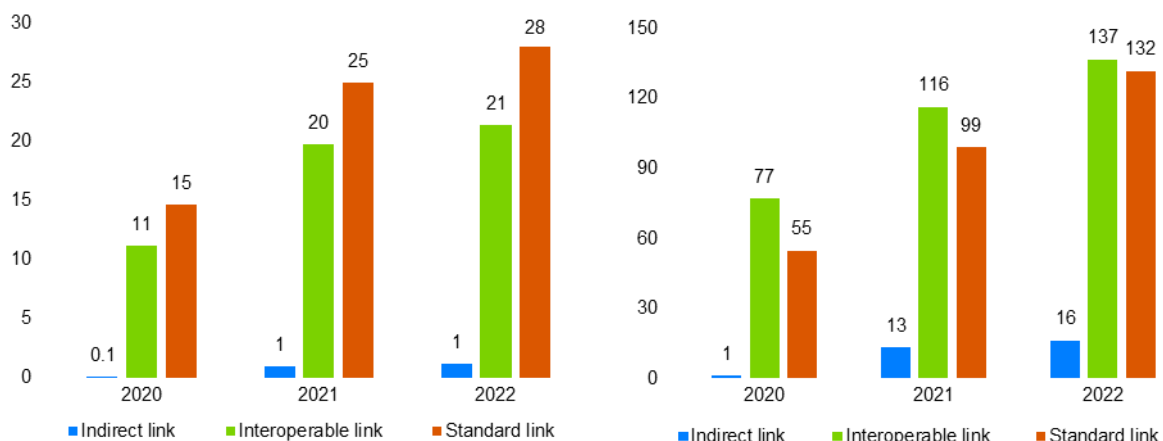
Note: Value of settlement instructions through links between EEA CSDs (data in trillions)
 Sources: ESMA Survey

93. Both in terms of volume and value, most settlement instructions are settled through interoperable and standard links both at EEA level and at worldwide level, with a notable increase of the number of instructions through standard links in 2022, while in 2021 the volume of instructions in interoperable links was higher at EEA level. Despite the increase in value for the instructions settled through standards links in 2022, it did not reverse the prominence of interoperable links in terms of value of instructions settled observed already in 2021.



Note: Volume of settlement instructions between EEA CSDs by link type (data in millions)
 Sources: ESMA Survey

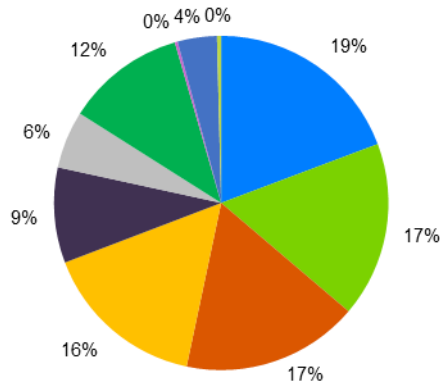
Note: Value of settlement instructions between EEA CSDs by link type (data in trillions)
 Sources: ESMA Survey



Note: Volume of settlement instructions between EEA CSDs' links worldwide by link type (data in millions). Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
 Sources: ESMA Survey

Note: Value of settlement instructions between EEA CSDs' links worldwide by link type (data in trillions). Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
 Sources: ESMA Survey

94. All types of financial instruments listed in MiFID 2 are settled through links between EEA CSDs. In addition to the preponderance for equity (category a)) and bonds (categories b) and c)) noted in the previous report, the current survey also includes more links settling other transferable securities³² (category d)).



- a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU
- b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU
- c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU
- d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU
- e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/UE
- f) units in collective investment undertakings, other than ETFs
- g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU
- h) emission allowances
- i) other types of financial instruments
- j) Multiple instrument types

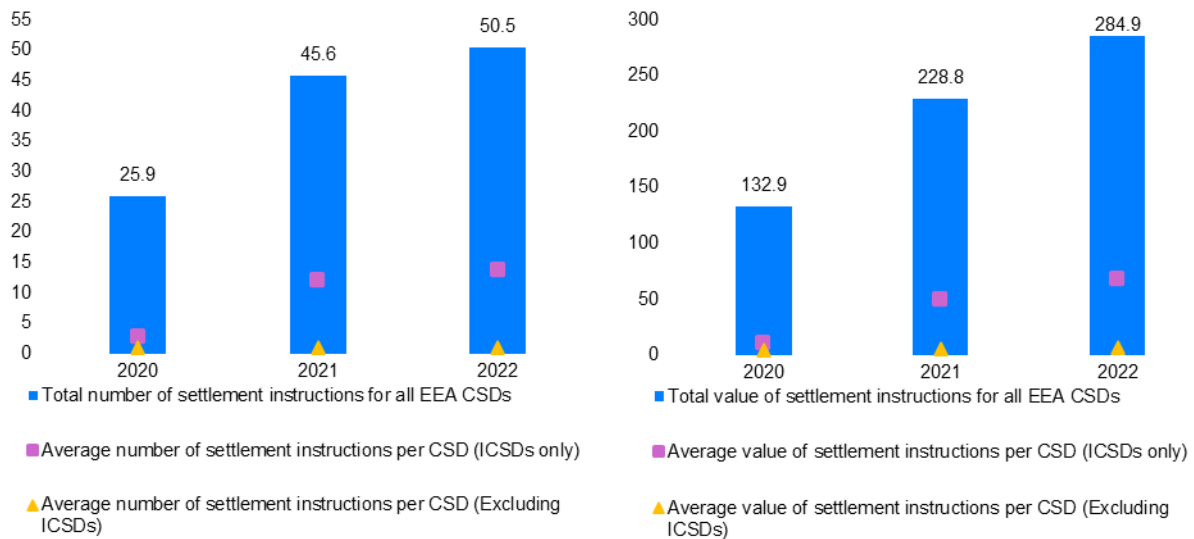
Note: Proportion of links between EEA CSDs by type of financial instrument settled through those links (data for 2022)

Sources: ESMA Survey

4.2.3.3 Settlement through CSD links worldwide (EEA and non-EEA)

95. The increase of total volumes and value of instructions settled by EEA CSDs through their links worldwide (i.e. links with both EEA and non-EEA CSDs) is equivalent to the increase measured for settlement solely between EEA CSDs. The difference between ICSDs and the other CSDs is even more pronounced for these worldwide links, both in terms of volume (almost 14 times more instructions settled through ICSDs' links than through other CSDs) and value (instructions settled through ICSDs' links valued 10.6 times more than instructions settled through other CSDs' links).

³² transferable securities referred to in point (c) of Article 4(1)(44) of MiFID, i.e. 'any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures'



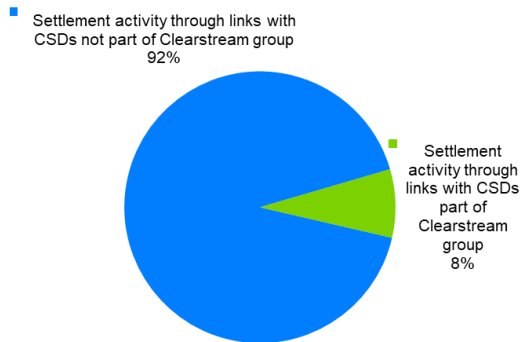
Note: Volume of settlement instructions through EEA CSDs' links worldwide (data in millions). Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
Sources: ESMA Survey

Note: Value of settlement instructions through EEA CSDs' links worldwide (data in trillions). Worldwide links refer to a link between a EEA CSD and another EEA or non-EEA CSD.
Sources: ESMA Survey

4.2.3.4 Focus: settlement through links in place within groups of CSDs

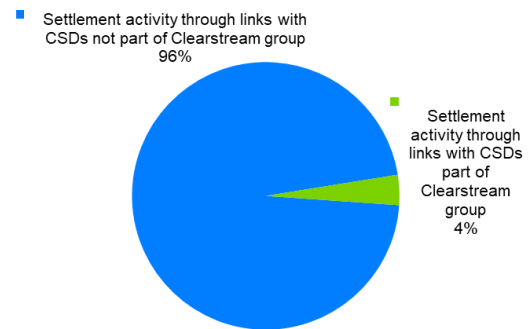
96. The analysis of the volume and value of settlement instructions for each CSD group demonstrates the existence of heterogeneous models for the use of links within CSD groups.
97. In the Clearstream group, the large majority of instructions settled through links in place for Clearstream CSDs are settled through links with CSDs outside of the Clearstream group, both in terms of volume and value of instructions. In particular, CBL is reporting no settling of instructions through the links established with other CSDs of the Clearstream group.
98. The same model is noticeable for Euroclear group to a lesser extent. Instructions settled through the links in place for CSDs of the Euroclear group tend to occur mostly through links between the CSDs of the group, with Euroclear Bank settling a third of their link-based instructions through links with other CSDs of the Euroclear group, and the 4 domestic CSDs settling the majority of their link-based instructions through links within the group.
99. As noted above, there is no intragroup link within the Euronext group.

CLEARSTREAM GROUP



Note: Distribution of the volume of instructions settled through links in place for Clearstream CSDs.

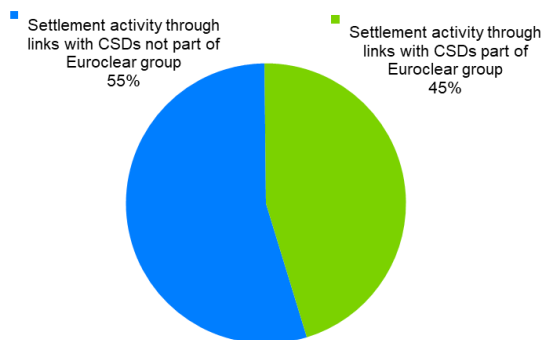
Sources: ESMA Survey



Note: Distribution of the value of instructions settled through links in place for Clearstream CSDs.

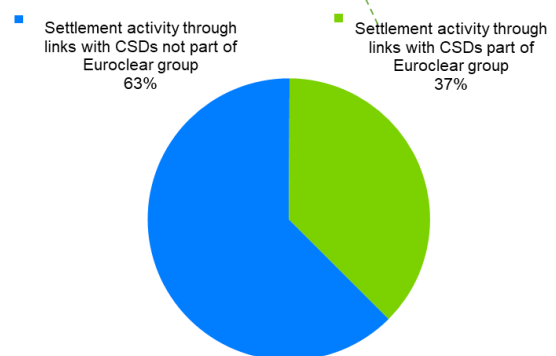
Sources: ESMA Survey

EUROCLEAR GROUP



Note: Distribution of the volume of instructions settled through links in place for Euroclear CSDs

Sources: ESMA Survey



Note: Distribution of the value of instructions settled through links in place for Euroclear CSDs

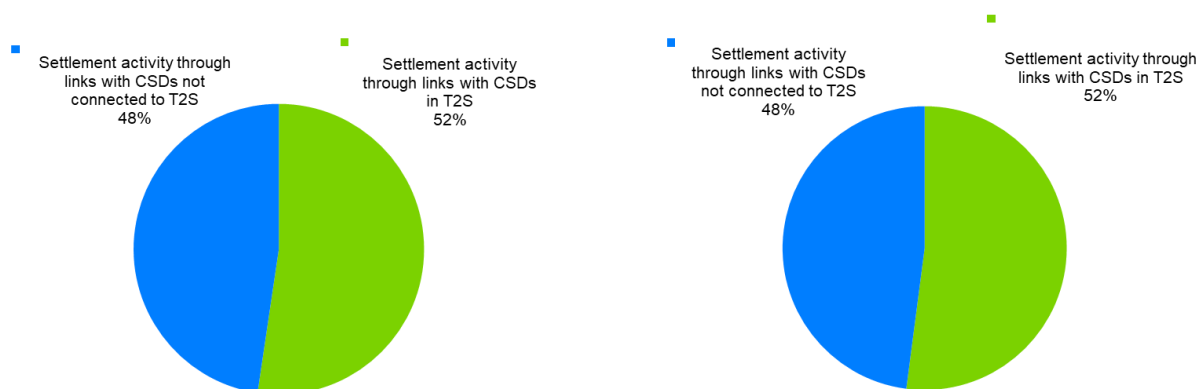
Sources: ESMA Survey

4.2.3.5 Focus: settlement through links established between T2S CSDs

100. A focus on T2S CSDs shows that a majority of their instructions through their links with other CSDs, both in terms of volume and value, are settled via links with other T2S CSDs in 2022.

101. The value of instructions settled by T2S CSDs through links between T2S CSDs has increased with a magnitude similar to that of the instructions settled through links with CSDs not connected to T2S. However, the volume of instructions settled through links between T2S CSDs has increased in 2022 compared to 2021, when this volume was lower than the volume of instructions settled through links with CSDs not connected to T2S. It should be recalled that by the end of 2022, a bit less than half of EEA CSDs was not yet connected to T2S.

102. As for the settlement that occurs through links between T2S CSDs and CSDs not connected to T2S, almost 95% occur with the ICSDs.



Note: Distribution of the volume of instructions settled through links in place for T2S CSDs

Sources: ESMA Survey

Note: Distribution of the value of instructions settled through links in place for T2S CSDs

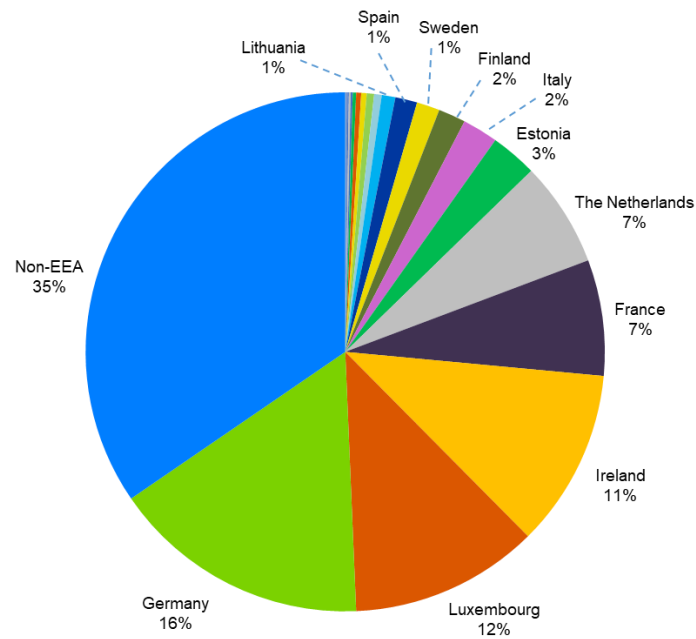
Sources: ESMA Survey

4.2.3.6 Settlement related to financial instruments governed by non-domestic laws

103. Both in terms of volume and value of settlement instructions processed by EEA CSDs, it appears that the biggest share of settlement of transactions in financial instruments constituted under foreign laws (both EEA non-domestic laws and non-EEA laws) goes to transactions in financial instruments governed by non-EEA laws (35% in volume, 32% in value).

104. As for settlement of transactions in financial instruments governed by non-domestic EEA laws: the highest number of settlement instructions relate to financial instruments constituted under German, Irish and Luxembourg laws – this could

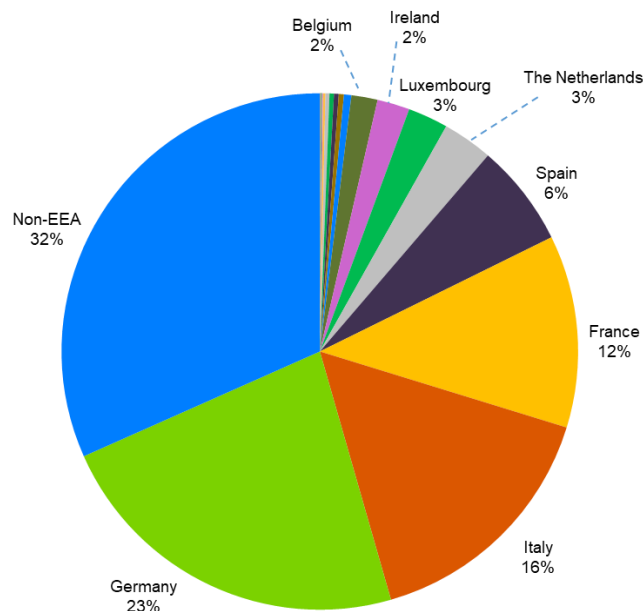
reflect their prominence in the issuance of warrants and certificates, ETFs and UCITS.



Note: Proportion of settlement instructions relating to transactions in financial instruments constituted under foreign laws by foreign law (data for 2022)

Sources: ESMA Survey

105. In terms of value of settlement instructions, the highest values relate to transactions in financial instruments constituted under German, Italian and French laws.



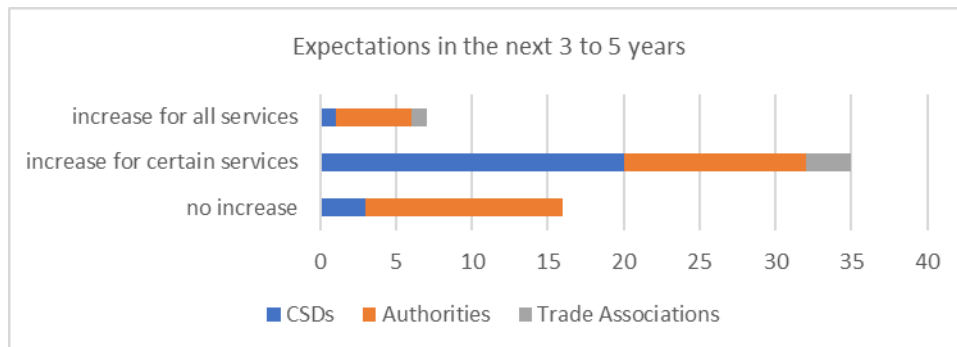
Note: Proportion of value of settlement instructions relating to transactions in financial instruments constituted under foreign laws by foreign law (data for 2022)

Sources: ESMA Survey

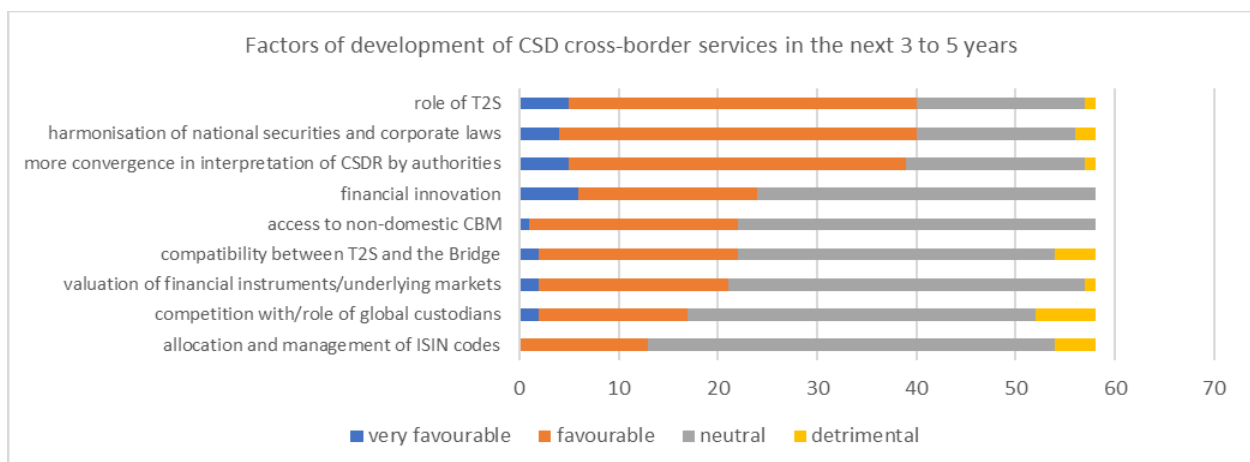
4.3 Provision of cross-border services: analysis of the main drivers

106. The 2020 Report identified a number of factors that could drive the development of cross-border services. To follow up on this, the ESMA 2022 Survey has been designed to further investigate these factors and this section examines the responses received. Note that ‘cross-border services’ are understood here in a broad way, even if certain answers focus on certain aspects of them (e.g. CSD links). More details on the submitted questions are available hereafter in [Annex II, Part II \(Cross-border services: qualitative feedback from CAs, RAs, CSDs and trade associations\)](#).

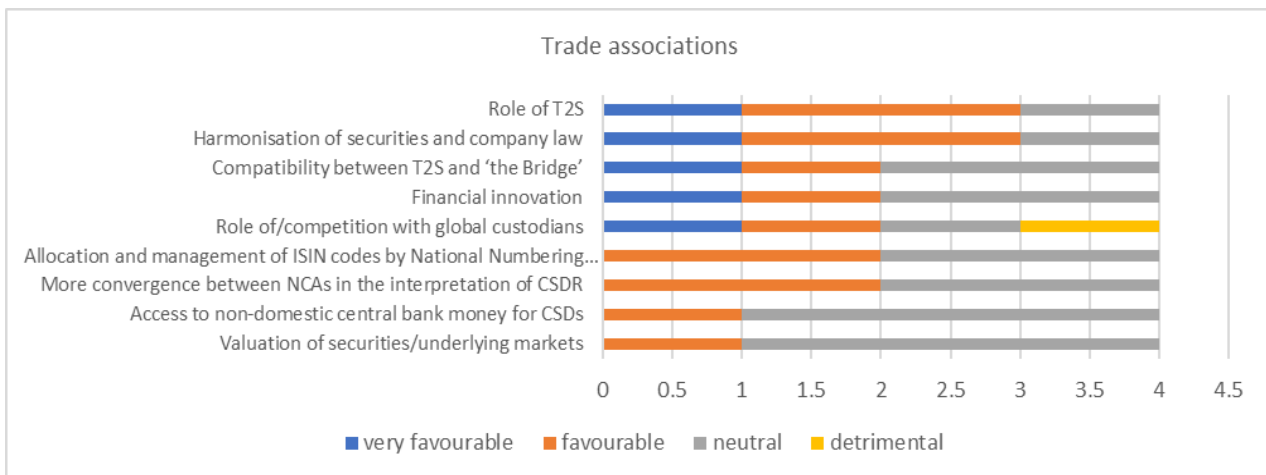
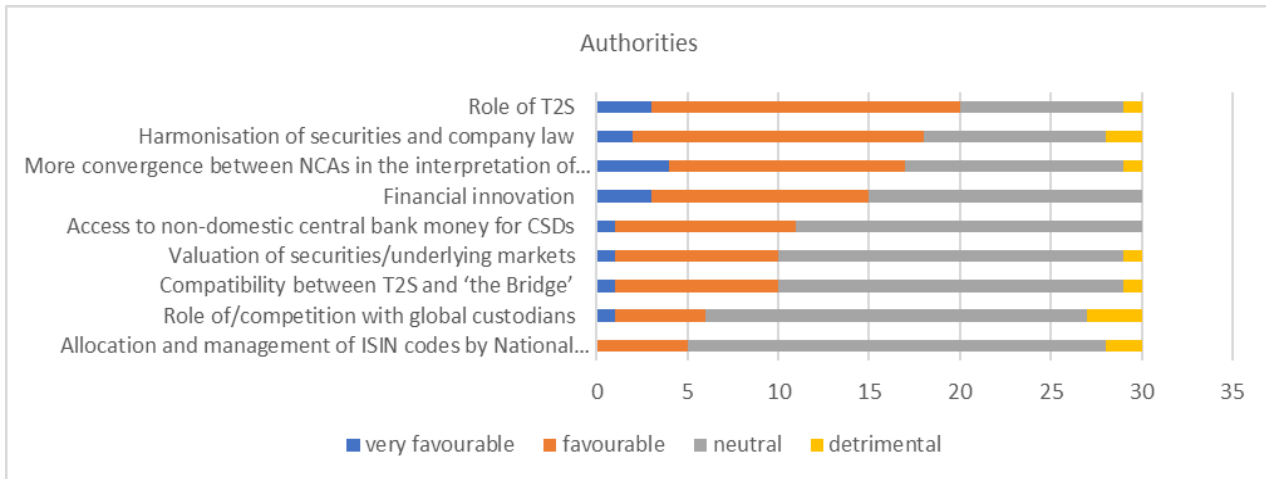
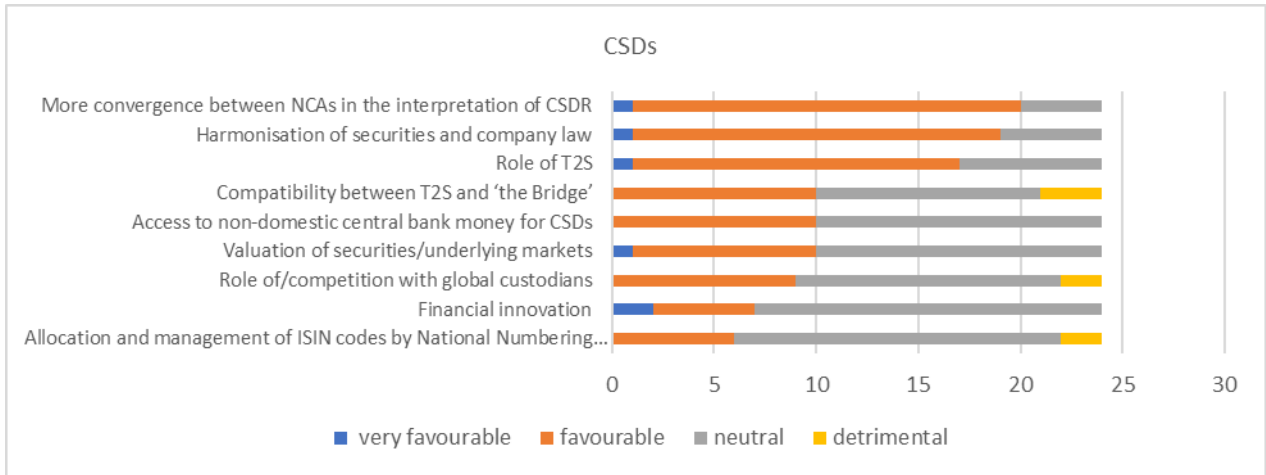
107. **Expected increase.** Most respondents expect an increase of CSD services provided on a cross-border basis in the near future. However, while a majority of CSDs and trade associations considered that the provision of cross-border services will increase for certain services in the next 3 to 5 years, views are more mixed among authorities:



108. When expecting an increase of certain services only, CSDs mentioned notary services as well the provision of services such as corporate action execution, collateral availability, billing service processes and adoption of global messaging standards.
109. In the survey, several factors considered as contributing to the increase of cross-border services were identified based on the responses received to the previous survey in 2020, and submitted to the appreciation of the respondents, both for the period covered by the survey (2020 – 2022) and for the next 3 to 5 years. Some factors were more of a regulatory nature (interpretation of CSDR by authorities, differences between national laws, access to non-domestic central banks) and others related more to the market itself or to its organisation (e.g. T2S, financial innovation, role of global custodians in cross-border settlement, etc.).
110. Overall, respondents identified the role of T2S, more convergence between NCAs in the interpretation of CSDR and greater harmonisation of national securities and company law as the top 3 drivers for the development of the provision of cross-border services:



111. Please see in more detail how each factor was assessed by each category of respondents:



4.3.1 Regulatory factors

112. **CSDR:** Overall, the majority of the respondents perceived that CSDR, although having been helpful for increasing the levels of harmonisation across the different CSDs, has not so far led to a variation with respect to the provision of cross-border services within the Union. One CSD reported that CSDR has led to a decrease in particular of issuer-related services, as the passport process complexified things in this respect.
113. Nevertheless, for the future, a number of respondents expects that the simplification of the passporting process envisaged under CSDR Refit³³ could allow for an increase of the provision in cross border services in the upcoming years.
114. **Divergences in the interpretation by authorities of legal and regulatory requirements by the authorities:** CSDs rank the divergences of interpretation between NCAs of CSDR as the factor most detrimental to the passported activities pointing out heterogeneous interpretations of Article 23 of CSDR on the freedom to provide services in another Member State, in particular for the identification of the law under which securities are constituted as per Article 23(2) and for the assessment of intended measures to ensure compliance with that law as per Article 23(3)(e) (see also Section 5.2 on challenges and suggested improvements in respect of the handling of passport applications). Some CSDs mentioned challenges associated with authorities requiring more than strict compliance with CSDR, *de facto* leading in their view to excluding operational models of foreign CSDs authorised and compliant with CSDR, in turn restricting access to their domestic markets and limiting the provision of cross-border services. One CSD noted that some NCAs are more proactive than others in asking further information, investigating issues and keeping track of progress.
115. NCAs recognise their role in driving more convergence in the interpretation of CSDR as instrumental to cater for clear and unambiguous conditions for the provision of cross-border services and suggested the use of supervisory workshops and on-site visits to reduce divergences.
116. **Differences in national securities, corporate and tax laws.** A large number of CSDs highlight the existence of differences in national laws, including securities, insolvency, fiscal and corporate laws, as one of the most detrimental factors to the provision of cross-border services, notably for the admission of foreign securities. Authorities agreed that the unharmonised corporate legal provisions will for long be a “stumbling stone” for the development of cross-border services within the EEA, as well as administrative costs and burdens (some of which being also related to the currency).

³³ OJ L, 2023/2845, 27.12.2023, ELI: <http://data.europa.eu/eli/reg/2023/2845/oj>

117. The following areas were mentioned as candidates for harmonisation: tax regimes (e.g. the different tax treatments applying to securities issued via domestic CSDs and to those issued via foreign EEA CSDs), securities and corporate laws (e.g. issuance processes and requirements, corporate law requirements, corporate action processes, restrictions to the holding of securities issued via a foreign CSD, additional reporting requirements for non-domestic CSDs and the requirement to open a CSD branch).
118. In more detail, linked CSDs may offer different products and different levels of services, and the applicable liability regime may also differ as the national law of each CSD's jurisdiction determines the nature of the rights of the beneficiaries in the securities, the level of their legal protection, as well as any property rights, rights of use in the securities granted and exercised by the CSD for its own account, or any of the CSD's rights for the provision of collateral over the registered securities to cover the CSD's own exposure. In addition, the creation of a new CSD link may imply a mandatory acceptance of these new conditions by the CSD's participants, with potentially an adverse legal impact, including on the participants' downstream clients.
119. Trade associations generally echoed concerns from CSDs on the differences in national securities, insolvency, fiscal and corporate laws as the most detrimental factor to the provision of cross-border services. In particular, they called for a renewed effort to tackle the multitude of barriers identified in the work of the European Post-Trade Forum³⁴ (and its predecessors) and highlighted the lack of a harmonised definition of 'shareholder' is particularly problematic with regards to cross-border custody chains.
120. As the EU does not have a harmonised definition of the term "shareholder", but instead relies on national corporate and securities laws of the country of issuance of a given security, in practice it means that the party identified as the shareholder may differ from country to country. Typically, cross-border custody chains are longer and more complex than domestic custody chains so this increases the probability that the true 'end investor' is not identified as the 'shareholder'. According to one trade association, this makes it more difficult for both issuers to meaningfully identify their shareholders, and for investors to exercise their rights, in particular in the exercise of voting rights (requirements for the provision of paper-based power of attorney documents, badly placed record dates for voting entitlements (i.e. record dates that are too close to or after the market deadline for voting instructions), and difficulties in message formats).
121. A trade association also highlighted that despite the rights granted by Article 38 of CSDR, different tax treatments, with some limiting the ability to use omnibus accounts in certain Member States (e.g. the X/N system at the NBB, which makes

³⁴ [Report of the European Post-Trade Forum](#), 2017

it difficult for non-Belgian banks and CSDs to hold 'tax liable' accounts at the SSS operated by the Belgian central bank, NBB) can be a significant obstacle for cross-border activity, as the use of omnibus accounts is a critical requirement for an intermediary accessing a CSD, and for an investor CSD accessing another CSD.

122. In addition, some CSDs voiced their support for a common framework for withholding tax relief at source, based on fully harmonised definitions, and procedures for sharing and reporting information, in order to overcome differences in national fiscal regimes and procedures. CSDs would welcome continuous supervisory convergence efforts in that area. Trade associations strongly encourage the removal of unjustified barriers in this regard.
123. NCAs however point out the limited evidence demonstrating that the lack of harmonisation in securities/company laws prevents issuers from choosing non-domestic CSDs. Most of them agree that the harmonisation of securities and company law may in theory be favourable for the provision of cross-border services but also note that significant progress towards harmonisation of such areas at EU level would take some time and would require to overcome a general tendency to maintain the status quo, given the delicate choice to be made between alignment with an existing national model, to the detriment of all the CSDs forced to change their approach, and creation of a new or hybrid model, with risks of unintended consequences.
124. This is in line with the 2020 CMU Action Plan which acknowledges the progresses in the last years as concerns the integration and harmonisation of the securities markets, the only actions for securities markets being those on legal and fiscal barriers and passporting. Furthermore, the CMU Action Plan includes several actions to foster and facilitate cross-border investments, to enhance the financing framework and to enhance the safety of individual investments, which can be seen as key preconditions for increased cross-border settlement and an increase in the demand for links.
125. **Different holding models:** This refers to the differences in holding models that can be identified across Europe: direct (mostly in the Nordic countries, where investors can be direct participants in the CSD) vs. indirect or layered holding models (in most EU jurisdictions). Some CSDs consider that such differences are not strongly detrimental to the provision of cross-border services as T2S solves them at system level (as T2S is agnostic to direct/indirect holding) but with limited harmonisation.
126. **Access to central bank money:** certain CSDs highlight obstacles, technical limitations and high costs to gain direct access to non-domestic central bank money as hindering the competitiveness of European CSDs in relation to the issuance of

securities denominated in, and settlement in, foreign currencies³⁵. They therefore call for better access to non-domestic central bank money to increase customer reach and offering in different currencies to develop cross-border services further.

127. The use of commercial bank money for settlement is mentioned as a potential solution. However, a trade association highlights that settlement in commercial bank money via banking vehicles is not a viable alternative to access to non-domestic central bank money for CSDs due to additional credit and market risks on top of the normal operational risks run by CSDs. ESMA notes that this issue had been identified and is expected to be addressed to a certain extent by CSDR Refit.

4.3.2 Market factors drivers

128. **T2S:** A large majority of the respondents across the three categories see T2S as the main driver for the development of CSD cross-border services, both for the period covered by this report and in the near future.

129. One CSD highlights that the technical harmonisation provided by T2S has helped developing projects that increase the cross-border activity of each CSD.

130. Another CSD mentions a relatively high impact on local settlement costs. It should be noted however that T2S pricing principles ensure non-discriminatory treatment between CSDs (all CSDs in T2S are subject to the same scheme of fees) and no distinction between intra-CSD and cross-CSD settlement. Although the migration of a CSD to T2S might require certain investments for a CSD, once migrated to T2S, CSDs pay only for their usage of the settlement platform.

131. NCAs praise the benefits of a common platform for simplifying the settlement of euro-denominated transactions, by allowing market participants to pool their cash in a single central bank account and their securities into one single CSD, and to settle in all T2S CSDs via their respective links. Some NCAs however note that the overall volume of transactions settled via links between CSDs participating in T2S does not seem to have significantly increased and that T2S may be of limited use for CSDs servicing a relatively small local market, due to related costs.

132. Trade associations also rank T2S as the most favourable factor to the provision of cross-border services, calling however for investigations on cross-CSD settlement to reap the benefits of T2S as a single settlement platform.

133. In the future, CSDs anticipate that T2S would continue playing a prominent role in the development of cross-border services, as more CSDs should connect to T2S, and that more non-euro currencies could be covered. NCAs also expect that more Member States will join the euro area.

³⁵ The issue relating to settlement in foreign currencies is described in more details in [ESMA report to the EC on the provision of banking-type ancillary services under CSDR](#) (2021), p. 24 et seq.

134. T2S is also mentioned by an authority as an “enabler of cross-border settlements”, through the joining of more CSDs including the ICSD Euroclear Bank³⁶ which will automatically increase the number of links between T2S CSDs. Furthermore, the delivery of the Eurosystem Collateral Management System (ECMS) should contribute to facilitating the circulation of collateral for Eurosystem credit operations based on the existing collateral mobilisation channels.

135. A number of respondents from the various categories also highlighted that the rate of cross-CSD settlement in T2S has remained very low compared to the intra-CSD settlement. Indeed, cross-CSD traffic only concerns roughly 1% in volume and 3% in value of instructions settled in T2S³⁷.

136. In the 2020 T2S Annual Report³⁸, the following reasons were provided for the “low level of cross-CSD market activity in T2S”:

- While the consolidation of the domestic markets is still ongoing, the CSDs and their communities have started focusing on other priorities, such as the CSDR. As a result, strategic initiatives, such as developing the use of CSD links or reshaping the operating model for centralising activities for CSD participants, have often slowed or put on hold.
- CSDs currently use T2S to offer an enhanced service to their customers investing across borders. This increases competition and decreases the demand for direct cross-CSD settlement.
- Some barriers to cross-border settlement integration remain, but their resolution lies to a great extent outside the competence of T2S stakeholders – e.g. remaining gaps in compliance with corporate action (non-T2S) market standards and lack of harmonisation of withholding tax relief procedures.”

137. Certain technical changes in T2S may further facilitate cross-CSD settlement in T2S. This could support additional settlement volume in T2S without recourse to realignments via external CSDs (including the ICSDs).

138. More broadly, and among other objectives, T2S aims to help cross-border settlement activity in general by facilitating access to multiple CSDs through a single

³⁶ The migration of Euroclear Bank to T2S took place in September 2023, with the development of settlement activity expected to be gradual.

³⁷ “Intra-CSD traffic refers to securities transfers where the delivering and receiving parties belong to the same CSD; Cross-CSD traffic occurs when the delivering and receiving parties belong to different CSDs; External-CSD traffic occurs when the delivering and receiving parties belong to different CSDs, one of which is not in T2S.”

	cross-CSD settlement transactions daily average volume, in share of all settlement volumes	cross-CSD settlement transactions daily average value, in share of all settlement value
2020	0.99%	2.74%
2021	1.05%	3.10%
2022	1.25%	3.63%

(Source: T2S Annual Reports for 2020, 2021, 2022)

³⁸ [TARGET2-Securities Annual Report 2020](#), p.26

connectivity and set of harmonised rules. Hence, cross-CSD settlement figures in T2S should not be used as a sole parameter to define the contribution of T2S to market integration. Furthermore, the expansion of cross-border services is driven by business needs and demand from T2S users and not by T2S itself (there is a limited demand for cross-border settlement (merely none in some markets)).

139. The **differences in settlement conditions on T2S and on ‘the Bridge’** were pointed out in the 2020 Report as detrimental to the provision of cross-border services, given operators are required to maintain two different technical solutions to gain access to both settlement platforms, in turn increasing the complexity of post-trading processes and making settlement more expensive for operators. A few CSDs confirmed it through the 2022 ESMA survey. In this respect, it should be noted that Euroclear Bank migrated technically to T2S in September 2023 and will progressively roll-out settlement activities in T2S. This should bring further settlement volumes to T2S and reduce the need for settlement via the Bridge. In parallel, T2S indicated that an additional technical solution is planned to be implemented to increase settlement choices in T2S, also for securities issued outside T2S.
140. Trade associations mentioned on-going efforts to improve settlement connectivity and collateral mobility between the ICSDs and T2S, mentioning that Euroclear Bank joining T2S could increase the mobility of assets across the two systems, which could be complemented with discussions at industry level to reduce the remaining differences in timing and methodology. CSDs and NCAs however note the importance of relayed links to use T2S and settle on the Bridge, e.g. via CSDs connected to T2S and part of a group linked to the Bridge. One CSD also notes that moving towards compatibility between T2S and ‘the Bridge’ could lead to second-order effects on their compatibility with other issuer CSDs.
141. **Role of global custodians:** The 2020 Report noted a perceived trend of global custodians opening accounts in the different issuer CSDs (directly or via local sub-custodians), as an alternative to cross-CSD settlement. Respondents to this survey expressed mixed views on the role of global custodians, stating that they could have some positive but also some negative impact on the development of cross-border services by CSDs.
142. As to the role of global custodians in the market for the provision of settlement and notary services on a cross-border basis, CSDs expect that global custodians should continue to benefit from first-mover advantages in the provision of cross-border services for which they are not regulated under CSDR. Authorities note network effects benefitting global custodians with a well-established sub-custodian pan-European network connected to T2S negatively impact the competitiveness of CSDs servicing smaller-scale domestic markets. However, although global custodians may absorb the largest share of issuances from local CSDs, they are unlikely to gain direct access to every investor, leaving space for CSDs to maintain

local networks. One NCA noted that, on one hand global custodians may compete over smaller local custodians or CSDs, absorbing largest share of issuances; on the other hand, global custodians still would need to have a local network, as it is rather unlikely that there would be direct access to global custodians for every investor, thus this will leave space for local custodians. Global custodians can be sometimes considered as direct competitors of the CSDs in particular for certain cross-border services or accessing foreign securities. In this case, the development of new cross-border services could not be of the interest of the CSDs as these global custodians have the majority of the potential clients with them.

143. On the positive side, some respondents note that the competition with global custodians provides incentives for CSDs to build an attractive offering on the provisions of cross-border services and to pinpoint inefficiencies in local markets (according to respondents, global custodians allow today a wider access to different markets than CSDs), and also that competition between global custodians is beneficial and may increase cross-border services.
144. On the negative side, other respondents mention an unlevel playing field between global custodians and CSDs which may be detrimental to the development of cross-border services by CSDs, as global custodians are not subject to CSDR. Respondents point out to the less strict rules that apply to custodians in many areas (e.g banking services, as global custodians can grant credit lines, pre-fund corporate actions). This competition appears likely to remain detrimental in particular to the smaller-scale CSDs for the provision of cross-border services: indeed, global custodians can also offer a gateway to investors to settle in a multitude of countries and currencies including many markets where CSDs have difficulties to provide services mainly due to their obligation to settle in central bank money or to become a CSD authorised to provide banking-type ancillary services. By contrast, the global custodians with significant scale can connect directly to T2S (as 'directly connected participants') to offer a single connectivity point to all T2S markets, enabling them to limit their network costs over the long term. Trade associations also caution against a confusion between the roles of investor CSDs, local settlement agents (sub-custodians), and global custodians and their diverse service offerings. Some respondents also highlight some unfair competition e.g. for CSDs offering intermediary services such as collateral management. This is considered an example of an unlevel playing field with competitors not applying the same set of rules. A trade association however also emphasizes that CSDs, as market infrastructure, and custodians, as providers of services mainly to non-domestic or third-country investors, both play different, but essential, roles for the EU financial markets.
145. **Financial innovation:** Although at this stage no respondent has witnessed significant developments impacting the provision of cross-border services, financial innovation ranks high among the drivers for the development of CSD services provided on a cross-border basis, for various reasons: CSDs, as it may significantly

improve the user experience across the settlement chain and cater for alternative settlement solutions in the future; NCAs, as a driver of more economical and efficient solutions, and citing the use of DLT and the provision of depository services as areas of interest; trade associations as a favourable factor to increase the depth and breadth of CSD cross-border services, provided that current limitations linked to market fragmentation and a lack of connectivity between CSDs/ICSDs are overcome. These latter also note that DLT-based systems, including those permitted under the DLT Pilot Regime, would need to interoperate with each other and with traditional infrastructures to reap the full benefits of innovation.

146. **The movements of underlying securities markets:** the variations in the evaluation of securities at trading level do not appear to significantly impact the development of cross-border services by CSDs. Indeed, such variations are generally related to broader market movements, making it difficult to assess the specific impact of such valuation on the provision of cross-border services.
147. One NCA however notes that advanced and liquid financial markets are more attractive for investors and stimulate the demand for additional cross-border investments and singles out demand for ETFs offering a synthetic exposition to foreign markets as an example of a factor stimulating the demand for additional cross-border investments.
148. One trade association mentioned that the set-up of an EU issuance service, in the context of the NextGenerationEU program³⁹, in close collaboration with the SSS operated by the Belgian Central Bank (NBB-SSS) as an issuer CSD and with settlement in T2S, may lead to the creation of additional links⁴⁰.
149. **Allocation and management of ISIN codes by national numbering agencies:** a few CSDs note that complex practices to allocate ISINs create barriers to the recording of cross-border issuances, and call for harmonised and non-discriminatory standards for the allocation of ISIN, which could also touch upon specific codes only used by ICSD (e.g. 'XS'). One NCA also notes that the assignment and management of ISIN codes by the national numbering agencies may represent a barrier for challengers (CSD or trading venue) willing to enter a domestic market, although appreciating the central role of the ISIN code for both the primary and secondary market activities. However, most of the respondents deemed it neutral, some of them highlighting that the standardisation of the identification of securities does improve the cross-border activity.
150. **CSD groups.** Some NCAs also wonder if the increased role of CSD groups in the EU, often associated with a consolidation and reorganisation of CSD services across the group, may be favourable to the development of cross-border services.

³⁹ [EU Budget policy brief on "The EU as issuer: the EU NextGenerationEU Transformation"](#), European Commission, July 2022

⁴⁰ This trend may indeed be observed as for example, a new eligible link was established from Iberclear-ARCO to NBB-SSS in mid-2023.

151. **Demand.** Ultimately, a few NCAs note that the demand from domestic issuers and investors for non-domestic CSD services should remain the main driver of future trends and wonder whether a significant demand for cross-border services exist among issuers, while another NCA noted that the CSD market remains fragmented along national borders, with EEA investors/issuers typically favouring issuance/investment via their respective domestic CSD.
152. Lastly, a few CSDs mentioned that the resolution of technical constraints to handle multiple “places of settlement” at the level of the CSDs and their participants would help to increase cross-border settlement activity in future.

4.3.3 Pricing of CSD cross-border services

153. The majority of the respondents did not contribute to this part of the survey.
154. The vast majority of NCAs did not provide any opinion, except for one NCA who reported a slight increase in CSD’s fees for host markets, while another one observed fee increases due to the regulatory compliance and IT investments stemming from the implementation of the CSDR.
155. A few CSDs reported that CSDR has led to higher costs for clients, mentioning the fact that global custodians and sub-custodians have increased their prices regarding cross-border services and that T2S has also increased slightly the pricing of settlement services, (without distinction between intra-CSD and cross-CSD settlement, since this is a key principle of T2S). On this last point, it should be noted that, for fair competition reasons, T2S has a full-cost recovery target (which should be achieved in a reasonable time horizon), so actually the lower-than-expected volumes settled previously led to the current T2S pricing policy, applied since January 2019.
156. When designing price arrangements, CSDs mentioned considering a large number of factors including: the investments undertaken in the relevant service offering, the risk profile, the cost base, the value offered to clients, the client activity volumes and the evolving needs of the latter ones, the high qualitative standards, the continuity of services offered, the prices of the receiving CSD as well as the direct variable cost to access the market.
157. A trade association reported an increase in the pricing of the cross-border services since 2017, complaining that some CSDs charge excessive costs for ancillary services related for instance to general meetings preparations, in comparison with average costs charged by other intermediaries, while also requiring an excessive number of documents before approving a shareholder identification request (other CSDs requiring only an authorisation letter).

5 Handling of passport applications

5.1 Findings on the processes

5.1.1 Handling of applications by home and host NCAs

158. **Responses received:** ESMA received information on the handling of passport applications from 16 authorities in their capacity of home CA and from 24 authorities in their capacity of host NCA, leading to discrepancies between the number of applications reported on both sides. These data limitations apply throughout this section, with the perspective of home CA taking priority in case of discrepancies.
159. **Overview of passports:** to remedy data limitations, ESMA has used the [CSD Register](#) to assess the passports granted and on-going passport applications. This overview allows to identify that CBL and the CSDs from the Euroclear group have been granted passports in nearly all EEA Member States, indicating that passports can also be used as a vehicle for cross-border integration for CSDs.
160. **Applications received between 2020 and 2022.** 13 NCAs acting as home authorities reported that 15 CSDs have submitted 102 passport application requests between 2020 and 2022. 24 NCAs as host authorities reported 101 applications from 16 CSDs.
161. **Targeted services.** all applications requests reported by home CA were for both notary and central maintenance services.
162. **Modality of provision of services:** there was one request to provide services through a branch from Euronext Securities Oslo to Luxembourg.
163. **Targeted host Member States/laws:** from the perspective of the home NCAs, applications were made to all EEA states. 2 applications requests targeting the UK were also reported: from CBF in January 2020, and from Euroclear Finland in September 2020.

Targeted host MS	Number of applications received between 2020 and 2022
NL	8
FR	7
DE, LU, IS	6
CZ, ES, FI, IE, LI, MT	5
CY, DK	4
AT, HR, IT, CZ	3
BG, EE, GB, GR, PL, PT, SE	2
BE, HU, LT, LV, NO, RO, SI, SK	1

164. **Targeted financial instruments:** from the perspective of home NCAs, bonds were the first type of financial instruments targeted in applications received.

Type of financial instruments targeted	Number of applications received in their respect
c) bonds or other forms of securitised debt, including depositary receipts in respect of such securities, other than sovereign debt	92
d) any securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures	81
a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares	75
b) sovereign debt	71
g) money-market instruments, other than sovereign debt	65
e) exchange-traded funds	52
f) units in collective investment undertakings, other than ETFs	49
h) emission allowances	16
i) other types of financial instruments	2

165. **Information received by host NCAs.** Out of the 101 requests received as reported by authorities acting as host NCAs, 26 requests (i.e., 25.7%) included measures the CSD intends to take to comply with the law of the home Member State. As to the documents received from the CSDs: independent legal opinions were provided in 42 files, while self-assessments of the necessity of such measures were provided by the CSDs in 66 files.

166. Applications were communicated to the competent authorities of the targeted host Member States in all cases.

167. **Clarifications** were requested by host NCAs in 50 cases.

168. **Granting of passports.** Over the survey period, there were 2 cases where the assessments provided by the CSDs have not been approved by the host NCA, in both cases the CZ National Bank. Both applicants (LuxCSD and KDPW) withdrew their requests.

169. **Communication of their decision by host NCA to CSDs.** Article 23(6) of CSDR allows for two methods: silence for at least three months or explicit notification of their decision to the CSD. 49 letters to the requesting CSD versus 39 silent decisions were reported over the survey period. The method of approval was not reported by host CA in the remaining 11 cases.

5.1.2 Handling of applications as host relevant authorities

170. **Existing process.** Under Article 23 of CSDR, the relevant authorities of host Member States have no active role. Pursuant to the second subparagraph of Article 23(4) of CSDR they shall only be informed by the competent authorities of the same Member State of any communication received from the competent authority of home Member State.
171. **Information received.** Only three authorities (the central banks from Lithuania, Latvia and Slovakia) have responded to the ESMA survey in this capacity, having received notifications from 3 home Member States NCAs (Luxembourg, Belgium, the Netherlands), for four CSDs (LuxCSD, CBL, Euroclear Nederland, Euroclear Bank). The information received by the host Member State Relevant Authorities under Article 23(4), second paragraph, of CSDR varies:
- information listed under Article 23(3) of CSDR (i.e. the full application file) for one application from LuxCSD;
 - information listed under Article 23(3) and additional information such as the CSD's CPMI-IOSCO disclosure framework, the CSD's annual report and a note on the Rights of Clients to Securities deposited in the CSD from Euroclear Nederland.
172. **Follow-up information on the procedure:** two RAs out of three received information on the conclusion of the passporting procedure from the host Member State NCA (information on letter sent or on elapse of the 3-month silence approval procedure).

5.2 Challenges and suggested improvements to the passporting process

173. A significant part of the NCAs that contributed to the survey reported that the main challenge throughout the passporting process relates to the analysis of the compliance of all the CSD systems with all the legal requirements for the host Member States. According to the answers provided, the scrutiny of all specific conditions and obligations under the host Member State law is a burdensome process to both the CSD and the home Member State competent authority.
174. Other challenges reported by the NCAs are related to the lack of harmonisation of corporate and securities law but also to the need to ensure that a CSD passporting application will be handled within the three-month deadline.
175. Overall, NCAs were of the view that the passporting process could be standardised and clarified in order to streamline and harmonise the procedure but also limit the bureaucratic burden on the CSDs and the NCAs that transmit their applications.

176. As the survey was conducted during the legislative discussion on the CSDR Refit, some of the responding CSDs noted that they welcome the proposal of the European Commission in limiting the passporting to shares under Article 23(3) CSDR, which is aligned with the ESMA's proposal to streamline the current passporting process. Furthermore, the main challenges reported by CSDs throughout the passporting process are mostly related to the disproportionate length and costs of the process.

177. More precisely, CSDs reported that they have encountered the following difficulties during the process of obtaining a passport under the CSDR regime:

- Disproportionate length of time to obtain the “green light” for applications;
- Administrative burdens;
- Supplementary reporting requirements;
- Disproportionate direct involvement in the supervision of the requesting CSD;
- Transparency issues with regard to the remaining processing time, possible queries and requests for additional information;
- Bureaucracy and unpredictability with regard to the costs of applying the passport;
- Lack of common understanding in the interpretation of the concept “corporate or similar law” under Article 49 of CSDR.

6 Conclusions

6.1 CSD cross-border services

178. **Main findings.** The analysis of the EEA CSDs' ecosystems (i.e. their participants, links, issuers to which they provide services, and access between EEA CSDs and other market infrastructures) identifies an overall stability in the landscape of EEA CSDs, with only limited changes affecting the diverse networks serving as vehicles for cross-border services. This is in line with the conclusions of the previous report, which noted a 'limited progression' of the provision of CSD services on a cross-border basis within the EU since 2017 and in the context of the progressive entry into force of CSDR'.
179. This description also confirms the clear dichotomy between ICSDs on the one hand, and CSDs other than ICSDs on the other hand. ICSDs attract the vast majority of non-EEA participants while the other CSDs are on average more focussed on EEA participants. ICSDs have established a higher number of links, although a few CSDs other than the ICSDs also display a dense network of links. ICSDs are significantly more involved in the recording of securities, in particular for third-country issuers compared to the other CSDs that display a stronger focus on EEA issuers. ICSDs have access on average to a higher number of CCPs and trading venues, although the discrepancy with the other CSDs is not as stark as for other indicators.
180. Focused analysis on the groups of CSDs and on CSDs connected to T2S reveals the diversity of the approaches to cross-border integration, ranging from the establishment of a dense network of standard and interoperable links between all CSDs, to the use of an ICSD as a central node from which to connect to other CSDs within the EEA and worldwide (possibly through relayed links).
181. **Main drivers of development of cross-border services.** Two sets of drivers have been submitted to the survey addressees: regulatory factors and market factors.
182. *As to CSDR and other regulatory factors.* Lack of harmonisation is seen as the most unfavourable factor for the development of cross-border services: CSDR, although positive in terms of harmonisation of CSDs processes, has raised many issues with the implementation of its complex passporting procedure. In this respect, the new CSDR Refit requirements are expected to provide an important improvement. In addition, more convergence in its application across the Union is expected from authorities. Regarding other regulatory issues, the usual claims have been made in relation to the harmonisation at European level of securities, corporate and tax laws, which could support demand for more cross-border services.

183. *As to market factors:* T2S is seen by all categories of stakeholders as one of the main drivers for the development of CSD cross-border services. Although we lack precise data on this, the role of global custodians is seen as mostly negative in this respect, given the unlevel playing field created by the lighter regulatory framework applying to custodians compared to CSDs, but also as an incentive to improve CSD services.

6.2 Handling of passport applications

184. There have been slightly less applications reported in this survey, despite a higher number of respondents compared to the previous one. This is an indication that less passport applications were submitted and processed during the period covered by this second report, while the 2020 Report covered the period of authorisation under CSDR and immediately following it. A few CSDs have been granted passports to nearly all EEA Member States, signalling the potential of the passporting regime for further cross-border integration.

185. Applicants and competent authorities have identified in this survey the same challenges regarding the handling of passport applications as in the previous report and have indicated high expectations from the changes introduced by the CSDR Refit.

6.3 Topics for further consideration

186. The scope of the present report and data limitations linked to the ad-hoc nature of the survey have not allowed to perform a more in-depth analysis on a number of relevant topics for the cross-border provision of services and the handling of passport applications.

187. In particular, the reasons underpinning the specific form of cross-border integration (e.g. use of links, choice of link types, use of passport) for each CSD could be further explored in the next report. The importance of relayed links, although not specifically defined under CSDR, is also worthy of additional research in the future. Broader market drivers, including the role of global custodians in the provision of services also provided by CSD, and the benefits of connection to T2S, are additional areas of interests.

7 Annexes

7.1 Annex I – Respondents

Country	Addressees of the survey, by type	Responses received to Part 1- Cross-border services: Quantitative survey	Responses received to Part 2- Cross-border services: qualitative survey	Responses received to Part 3- Passport requests: handling of applications
AUTHORITIES (if not indicated otherwise, as competent authority under Article 11 of CSDR)				
AT	FMA	n/a	No answer	No answer
	Oesterreichische Nationalbank (Austrian Central Bank)	n/a	No answer	No answer
BE	National Bank of Belgium	n/a	✓ as NCA and as RA	✓ as home and host CA
BG	Financial Supervision Commission	n/a	✓	✓ as host CA
CZ	Czech National Bank	n/a	✓	✓ as host CA
DE	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	n/a	✓	✓ as home and host CA
	Deutsche Bundesbank	n/a	No answer	No answer
DK	Finanstilsynet	n/a	✓	✓ as home and host CA
	Nationalbanken (Danmarks Nationalbank)	n/a	No answer	No answer
EE	Finantsinspektsioon - Estonian Financial Supervision and Resolution Authority	n/a	✓	✓ as host CA
	Eesti Pank	n/a	No answer	No answer
ES	CNMV-ES	n/a	✓	✓ as home and host CA
	Banco de España (Bank of Spain)	n/a	No answer	No answer
FI	Financial Supervisory Authority (FIN-FSA)	n/a	✓	✓ as home and host CA
	Bank of Finland	n/a	✓ as RA	No answer
FR	Autorité des Marchés Financiers	n/a	✓	✓ as home and host CA

	Banque de France	n/a	No answer	No answer
GR	Hellenic Capital Market Commission	n/a	✓	✓
	Bank of Greece	n/a	No answer	No answer
HR	Croatian Financial Services Supervisory Agency (HANFA)	n/a	✓	as host CA
	Croatian National Bank	n/a	as RA	No answer
HU	National Bank of Hungary (Magyar Nemzeti Bank)	n/a	✓	as host CA
IE	Central Bank of Ireland	n/a	✓	as host CA
IS (EEA)	The Central Bank of Iceland	n/a	✓	as host CA
IT	CONSOB	n/a	✓	as home and host CA
	Bank of Italy	n/a	No answer	No answer
LI (EEA)	Financial Market Authority (FMA) Liechtenstein	n/a	✓	as host CA
LT	Lietuvos bankas	n/a	as RA	✓
LU	CSSF	n/a	✓	as home and host CA
	Banque centrale du Luxembourg	n/a	No answer	No answer
LV	Latvijas Banka	n/a	as NCA and as RA	as home and host CA, and as RA
NL	Autoriteit Financiële Markten (AFM)	n/a	✓	as home and host CA
	De Nederlandsche Bank (Dutch National Bank)	n/a	✓	No answer
NO (EEA)	Finanstilsynet - The Financial Supervisory Authority of Norway	n/a	✓	as home and host CA
	Norges Bank (Central Bank of Norway)	n/a	No answer	No answer
PL	Komisja Nadzoru Finansowego (KNF - The Polish Financial Supervision Authority)	n/a	✓	No answer
	Narodowy Bank Polski (National Bank of Poland)	n/a	No answer	No answer

PT	Comissão do Mercado de Valores Mobiliários (CMVM)	n/a	✓	✓ as home CA
RO	Romania Financial Supervisory Authority	n/a	✓	✓ as host CA
	Banca Națională a României (National Bank of Romania)	n/a	No answer	No answer
SE	Finansinspektionen	n/a	✓	✓ as home and host CA
	Sveriges Riksbank (The Riksbank)	n/a	No answer	No answer
SI	Securities Market Agency	n/a	✓	✓ as home CA
	Bank of Slovenia	n/a	No answer	No answer
SK	National Bank of Slovakia	n/a	✓ as NCA and as RA	✓ as host CA and as RA
CSDs				
AT	Oesterreichische Kontrollbank (OeKB)	No answer	No answer	n/a
BE	Euroclear Belgium	✓	✓	n/a
BE	Euroclear Bank (ICSD)	✓	✓	n/a
BG	Central Depository AD (CDAD)	✓	✓	n/a
CZ	Central Securities Depository Prague (CSD Prague)	✓	✓	n/a
DE	Clearstream Banking AG (CBF)	✓	✓	n/a
DK	Euronext Securities Copenhagen	✓	✓	n/a
ES	Iberclear	✓	✓	n/a
FI	Euroclear Finland	✓	✓	n/a
FR	Euroclear France	✓	✓	n/a
GR	ATHEXCSD	✓	✓	n/a
HR	Croatian Central Depository & Clearing Company Inc.	✓	✓	n/a
HU	KELER	✓	✓	n/a

IT	Euronext Securities Milan	✓	✓	n/a
LU	Clearstream Banking SA – ICSD (CBL)	✓	✓	n/a
LU	LuxCSD	✓	✓	n/a
LV	Nasdaq CSD SE	✓	✓	n/a
MT	Malta Stock Exchange (MSE)	✓	✓	n/a
NL	Euroclear Nederland	✓	✓	n/a
NO	Euronext Securities Oslo	✓		n/a
PL	Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)	No answer	No answer	n/a
PT	Euronext Securities Porto	✓	✓	n/a
RO	Depozitarul Central	✓	✓	n/a
SE	Euroclear Sweden	✓	✓	n/a
SI	Central Securities Clearing Corporation (KDD)	✓	✓	n/a
SK	CSD of the Slovak Republic (CDCP SR)	✓	✓	n/a
TRADE ASSOCIATIONS				
	AFME (Association for Financial Markets in Europe)	n/a	✓	n/a
	Association of Global Custodians	n/a	No answer	n/a
	EACH (European association of clearing houses)	n/a	No answer	n/a
	EBF (European Banking Federation)	n/a	No answer	n/a
	ECSDA (European Central Securities Depository Association)	n/a	✓	n/a
	EFAMA	n/a	No answer	n/a
	European Issuers	n/a	✓	n/a

	EVIA	n/a	No answer	n/a
	FESE	n/a	No answer	n/a
	ICI	n/a	No answer	n/a
	ICMA (International Capital Market Association - Brussels Office)	n/a	✓	n/a

7.2 Annex II – Questionnaire

7.2.1 Part 1 – Cross-border services - Quantitative data to be collected from CSDs

- 1 In cooperation with NCAs, CSDs were asked to compile six spreadsheets with data on CSD participants (two tables), on CSDs links in place (two tables), on pending and unapproved requests for CSDs links, on connections to other financial market infrastructures (FMI), on issuers to which the CSD provides services, and on relevant laws.
- 2 To indicate the volume and value of settled instructions, the same principles as the ones used for the data for the substantial importance and relevant currencies indicators were used.
- 3 For all participants (EEA participants, non-EEA participants, and linked EEA CSDs and third-country CSDs) in each securities settlement system (SSS) operated by each CSD, CSDs were asked to provide the following data per CSD and per year, with two distinct tables to gather information both per type and per jurisdiction of participants.

Table 1: Information per type of participants	
<i>Please fill in data on CSD participants (including those established in the EEA or in a third country), non-EEA participants, linked EEA CSDs and third-country CSDs for each securities settlement system (SSS) operated by the CSD.</i>	
<i>To indicate the volume and value of transactions, please use the same principles as the ones used for the data for the substantial importance indicators (cf. ESMA70-708036281-67).</i>	
Name of the CSD	<i>[list from CSD register]</i>
Name of the SSS	<i>[list from CSD register]</i>
Year	<i>[single choice]</i> - 2022 - 2021 - 2020
Type of participant	<i>[single choice]</i> - EEA CSDs (all types of direct links) - Third-country CSDs (all types of direct links) - EEA issuers participating for its own securities/shareholders - Third-country issuers participating for its own securities/shareholders - EEA direct participants (other than CSDs and issuers) - Third-country direct participants (other than CSDs and issuers) - if known to the CSD, EEA indirect participants other than CSDs - if known to the CSD, third-country indirect participants other than CSDs
Number of participants	<i>[free text]</i>
Volume (number) of instructions involving the participants	<i>[free text]</i>

Value (EUR) of instructions involving the participants	<i>[free text]</i>
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Table 2: Information per jurisdiction of participants	
Name of the CSD	<i>[list from CSD register]</i>
Name of the SSS	<i>[list from CSD register]</i>
Year	<i>[single choice]</i> - 2022 - 2021 - 2020
Jurisdiction of participants	<i>[country code]</i>
Number of participants	<i>[free text]</i>
Volume (number) of instructions involving the participants	<i>[free text]</i>
Value (EUR) of instructions involving the participants	<i>[free text]</i>

- 4 For CSD links in place, CSDs were asked to provide the datapoints in table 1 per CSD and per year, covering both links with EEA CSDs and links with third-country CSDs, as well as additional information in table 2 in case the CSD has indirect or operated links in place.

Table 1: information on all CSD links		
<i>Please indicate all links (either EEA or third-country, both requesting and receiving) in place, per SSS and per year in Table 1. In case the CSD has indirect or operated links in place, please fill in Table 2. For the volume and value of settled instructions, please use the same principles as the ones used for the data for the substantial importance and relevant currencies indicators. For the purpose of this survey, relayed links are understood as 'a combination of two or more direct links', and a direct link is understood as either a standard link or a customised link.</i>		
Name of the CSD	<i>[list from CSD register]</i>	
If relevant, name of the SSS	<i>[list from CSD register]</i>	
Year	<i>[single choice]</i> - 2022 - 2021 - 2020	
Name of the linked CSD (EEA and third country)	<i>[free text]</i>	
When relevant, name of the CSD linked through a relayed link	<i>[free text]</i>	
Characteristics of each CSD link:	Type of link	<i>[single choice]</i> - standard - customised

		<ul style="list-style-type: none"> - indirect - interoperable
	Linked CSD	<i>[single choice]</i> <ul style="list-style-type: none"> - receiving linked CSD - requesting linked CSD
	FoP/DvP	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Free of Payment (FoP) link - Delivery versus Payment (DvP) link
	Activity status	<i>[single choice]</i> <ul style="list-style-type: none"> - in operation - inactive
For each indirect link, please provide the following information on the third party For standard links, if operated by an intermediary, please provide the following information		<ul style="list-style-type: none"> - Name of third-party/account operator - Jurisdiction of establishment - type of entity (EEA credit institution, third-country financial institution)
Type of financial instruments settled through the link		<i>[multiple choice]</i> <ul style="list-style-type: none"> - a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU - b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU - e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU - f) units in collective investment undertakings, other than ETFs - g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - h) emission allowances - i) other types of financial instruments
Volume (number) of instructions settled through the link per year		<i>[free text]</i>
Value (EUR) of instructions settled through the link per year		<i>[free text]</i>

Table 2: information on indirect links and on CSD links operated by an intermediary which is not a CSD

Name of the CSD	<i>[list from CSD register]</i>
If relevant, name of the SSS	<i>[list from CSD register]</i>

Indirect link or operated link: name of the receiving CSD (EEA and third country)	<i>[free text]</i>
In case of indirect link through a third party other than a CSD, indicate the name of that third party	<i>[free text]</i>
In case of a CSD link operated by an intermediary, indicate the name of the intermediary	<i>[free text]</i>
Process to measure, monitor and manage additional risks arising from the use of that indirect link or intermediary established under Article 48(5) of CSDR	<i>[free text]</i>

- 5 CSDs were also invited to provide information on link requests during the assessment period.

<i>Please indicate all link requests that were either introduced earlier but still pending in January 2020 or introduced since January 2020, until December 2022.</i>	
Name of the CSD	<i>[list from CSD register]</i>
If relevant, name of the SSS	<i>[list from CSD register]</i>
Date of request submission	<i>[free text]</i>
Name of the requesting/receiving CSD	<i>[list from CSD register]</i>
Jurisdiction of the requesting/receiving CSD (EEA and third-country)	<i>[country code]</i>
Characteristics of requested CSD link	Type of link <i>[single choice]</i> - standard - customised - indirect - interoperable
	Linked CSD <i>[single choice]</i> - receiving linked CSD - requesting linked CSD
	FoP/DvP <i>[multiple choice]</i> - Free of Payment (FoP) link - Delivery versus Payment (DvP) link
For indirect links, please provide the following information on the third party	- Name of third-party/account operator - Jurisdiction of establishment

For standard links, if operated by an intermediary, please provide the following information	- <i>type of entity (EEA credit institution, third-country financial institution)</i>
Type of financial instruments settled through the link	<i>[multiple choice]</i> - <i>a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU</i> - <i>b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU</i> - <i>e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU</i> - <i>f) units in collective investment undertakings, other than ETFs</i> - <i>g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>h) emission allowances</i> - <i>i) other types of financial instruments</i>
Status of the request	<i>[single choice]</i> - <i>pending</i> - <i>not approved</i>
Reason for current status	<i>[free text]</i>

- 6 On connections with other financial market infrastructures, CSDs were asked to indicate all trading venues and CCPs (either EEA or third-country, directly or indirectly) to which each securities settlement system (SSS) has/had access or whose trading feeds the CSD has/had access to, per year.

<i>For the volume and value of settled instructions, please use the same principles as the ones used for the data for the substantial importance indicators (cf. ESMA70-708036281-67).</i>	
Name of the CSD	<i>[list from CSD register]</i>
If relevant, name of the SSS	<i>[list from CSD register]</i>
Year	<i>[single choice]</i> - <i>2020</i> - <i>2021</i> - <i>2022</i>
Type of the FMI	<i>[single choice]</i> - <i>trading venue</i> - <i>central counterparty/clearing house</i>
Jurisdiction of the FMI	<i>[country code]</i>
Name of the FMI	<i>[free text]</i>

In case of indirect access, please provide the following information on the intermediary	<ul style="list-style-type: none"> - <i>Name of the intermediary</i> - <i>Jurisdiction of establishment of the intermediary</i> - <i>Type of entity (EEA credit institution, third-country financial institution)</i>
Type of financial instruments settled through the link	<p><i>[multiple choice]</i></p> <ul style="list-style-type: none"> - <i>a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU</i> - <i>b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU</i> - <i>e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU</i> - <i>f) units in collective investment undertakings, other than ETFs</i> - <i>g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU</i> - <i>h) emission allowances</i> - <i>i) other types of financial instruments</i>
Volume (number) of instructions settled per year	<i>[free text]</i>
Value (EUR) of instructions settled per year	<i>[free text]</i>

7 For EEA and third-country issuers, CSDs were asked to provide data per CSD and per year on the numbers of issuers recording financial instruments in the CSD in accordance to Article 49(1) of CSDR, the type of financial instruments and their law of issuance as follows.

Name of the CSD	<i>[list from CSD register]</i>
If relevant, name of the SSS	<i>[list from CSD register]</i>
Year	<p><i>[single choice]</i></p> <ul style="list-style-type: none"> - 2020 - 2021 - 2022
Issuers' jurisdiction (EEA and third country)	<i>[country code]</i>
For each jurisdiction, number of issuers recording financial instruments in the CSD	<i>[free text]</i>

Type of financial instruments centrally maintained in the CSD [multiple answers possible]	[multiple choice] <ul style="list-style-type: none"> - a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU - b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU - e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU - f) units in collective investment undertakings, other than ETFs - g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - h) emission allowances - i) other types of financial instruments
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- 8 On relevant laws, both the jurisdiction of incorporation of the issuers and the law under which the financial instruments are constituted, per type of financial instruments settled by the CSD, were asked from CSDs.

<i>For the volume and value of settled instructions, please use the same principles as the ones used for the data for the substantial importance indicators.</i>	
Name of the CSD	[list from CSD register]
If relevant, name of the SSS	[list from CSD register]
Year	[single choice] <ul style="list-style-type: none"> - 2020 - 2021 - 2022
Type of financial instruments settled by the CSD	[multiple choice] <ul style="list-style-type: none"> - a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU - b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU - e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU - f) units in collective investment undertakings, other than ETFs

	<ul style="list-style-type: none"> - g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - h) emission allowances - i) other types of financial instruments
Jurisdiction of incorporation of the issuers (including EEA and third countries)	[country code]
Law under which the financial instruments are constituted (including EEA and third countries)	[country code]
Volume (number) of instructions settled per law of issuance	[free text]
Value (EUR) of instructions settled per law of issuance	[free text]

7.2.2 Part 2 – Cross-border services: qualitative feedback from CAs, RAs, CSDs and trade associations

- 9 In the 2020 survey respondents noted that the limited period of application of CSDR did not allow to evaluate thoroughly the impact of CSDR. To complement the quantitative dataset with qualitative feedback, CSD national competent authorities (NCAs), relevant authorities as defined in Article 12 of CSDR (RAs), CSDs, and trade associations representing CSDs and their users were asked to fill up a survey.
- 10 Beyond general information (capacity, jurisdiction, name of the authority/the organisation, supervised CSD for home CA, contact details of the person responding, name(s) of other authorities/market participants contributing to the answers), all respondents were firstly asked to share their perception of the trends and impact of CSDR on the provision of services on a cross-border basis in other Member States.

Questions to all respondents
Trends in CSD cross-border services <ul style="list-style-type: none"> - Have you noticed a variation in the provision of CSD cross-border services within the EEA? [Increase ; decrease ; none ; no opinion] <ul style="list-style-type: none"> o If you have noticed an increase, please provide explanations and evidence, if relevant per type of service. o If you have noticed a decrease, please provide explanations and evidence, if relevant per type of service. - Do you consider the provision of CSD cross-border services within the EEA will increase in the next 3 to 5 years? [Yes for all services ; yes for certain services ; no] <ul style="list-style-type: none"> o If yes, for all services. Please provide explanations and evidence.

<ul style="list-style-type: none"> ○ If yes, for certain services. Please provide explanations and evidence, for each service that may be concerned. ○ If no, please provide explanations and evidence, in particular on what would be the main challenges for the concerned services.
<p>Impact of CSDR on the provision of CSD cross-border services</p> <ul style="list-style-type: none"> - Do you consider that CSDR has led to a variation in the provision of cross-border services within the EEA? [Increase ; decrease ; none ; no opinion] <ul style="list-style-type: none"> ○ If you selected "increase", please specify the CSDR requirement(s) that have had the most significant impact in your view. ○ If you selected "decrease", please specify the CSDR requirement(s) that have had the most significant impact in your view. ○ None ○ No opinion

11 The 2020 Report identified a number of factors other than CSDR that could drive the development of cross-border services. The 2022 survey has been designed to further investigate these factors.

<p>Questions to all respondents</p>
<p>Impact of factors other than CSDR on the provision of CSD cross-border services</p> <ul style="list-style-type: none"> - How do you rate the impact of the following factors on the development of cross-border services within the EEA <u>so far</u>? [Very detrimental; detrimental ; neutral; favourable; very favourable] <ul style="list-style-type: none"> ○ Difference in national laws (in particular securities laws, including in relation to holding models (e.g. direct holding models vs. indirect holding model)) ○ Valuation of securities/of underlying markets ○ Role of T2S ○ Compatibility between T2S and 'the Bridge' ○ Access to non-domestic central bank money for CSDs ○ Financial innovation ○ Role of/competition with global Custodians ○ Allocation and management of ISIN codes by National Numbering Agencies ○ Divergences of interpretation of CSDR between NCAs - For each factor, please provide explanations and, if possible, evidence. If any, please specify other factor(s) that impacted the development of CSD cross-border services so far. - How do you rate the following factors for the development of cross-border services within the EEA <u>in the next 3-5 years</u>? [Very detrimental; detrimental ; neutral; favourable; very favourable] <ul style="list-style-type: none"> ○ Harmonisation of securities and company law ○ Valuation of securities/of underlying markets ○ Role of T2S ○ Compatibility between T2S and 'the Bridge' ○ Access to non-domestic central bank money for CSDs ○ Financial innovation ○ Role of/competition with global Custodians

- Allocation and management of ISIN codes by National Numbering Agencies
- More convergence between NCAs in the interpretation of CSDR
- For each factor, please provide explanations and, if possible, evidence. If any, please specify other factor(s) that impacted the development of CSD cross-border services in the next 3 to 5 years.

12 The 2020 Report provided initial findings on pricing of cross-border services by CSDs, noting that further investigation with more substantiated data on the pricing of cross-border services would be warranted. A few qualitative questions were included in the 2022 survey to this effect.

Question to all respondents

- Did you notice any trends in the pricing of cross-border services since 30 March 2017 (entry into force of the relevant CSDR provisions)? [Increase; decrease; none; no opinion] Please elaborate and if possible provide evidence.

Question to CSDs and trade associations

- As a provider of cross-border CSD services, what factors do you take into account when designing the pricing arrangements (for arrangements with participants being CSDs or other FMIs)? Please specify if such factors differ depending on the type of link (requesting vs receiving) and/or your position in the link.

13 Finally, the survey included a few qualitative questions to NCAs and to CSDs, supplementing quantitative data on services in relation to third-country financial instruments.

Questions to NCAs

- Does the CSD you supervise provide services in relation to financial instruments constituted under the law of a third country (non-EEA)? [Yes; no]
- If yes, how do you supervise provision of such services in this respect? (what do you monitor, at which frequency, etc.)

Question to CSDs

- Did (or does) your CSD provide services in relation to financial instruments constituted under the law of a third country (non-EEA)?
- If yes, is your CSD, or has your CSD been, subject to a specific supervision in this respect, from an EEA authority or from a third country authority? If so, please describe (information provided, interactions, etc.)

7.2.3 Part 3 - Handling of passport applications under Article 23 of CSDR

14 CAs and RAs were asked to provide data on the handling of passport requested covers passport requests processed between 1 January 2020 and 31 December 2022.

15 **Home CAs** were be asked to provide the following **details on each application** to provide services in another Member State that they received as a home Member State CA.

<p><i>As home Member State NCA, please detail each application to provide services in another Member State received by your authority as a home Member State NCA, as requested below.</i></p>	
Date of reception of the application from the CSD	<i>[date, DD/MM/YYYY]</i>
Applying CSD	<i>[free text]</i>
Provision of services through a branch	<i>[single choice]</i> - Yes - No
Targeted host MS	<i>[multiple choice] [list of EEA States]</i>
Targeted services	<i>[multiple choice]</i> - Notary - Central maintenance
Targeted financial instrument types	<i>[multiple choice]</i> - a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU - b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU - e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU - f) units in collective investment undertakings, other than ETFs - g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - h) emission allowances - i) other types of financial instruments
National law under which financial instruments are constituted	<i>[multiple choice] [list of EEA States]</i>
Has the applying CSD been informed by at least one issuer that it had to comply with the national law of the issuer, in accordance with CSDR Q&A 9(h) ?	<i>[single choice]</i> - Yes - No

Information received with respect to compliance with applicable national law(s)	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Assessment by the CSD on the necessity of measures - Independent legal opinion on measures - Measures the CSD intends to take to comply
Targeted issuers' jurisdictions (per types of financial instruments and if relevant, per service)	<i>[multiple choice] [list of EEA States]</i>
Date of communication of application to host MS NCA	<i>[date, DD/MM/YYYY]</i>
In case of non-communication, justification	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Inadequacy of the administrative structure - Financial situation of the CSD - Notification withdrawn following discussions with host NCAs

16 **Host CAs** will be asked to provide the following details on each application to provide services in their jurisdiction that they received as host Member State CA. For each case of disapproval of assessment, host CAs will also be asked to share the grounds for refusal and the follow-up actions taken at the date of the survey.

<i>Table 1 - Applications. Please detail as requested below the applications to provide services in your jurisdiction received by your authority as host Member State NCA.</i>	
Date of reception of the application	<i>[date, DD/MM/YYYY]</i>
Name of the applying CSD	<i>[list from CSD register]</i>
Home MS of the applying CSD	<i>[list of EEA States]</i>
Targeted services	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Notary - Central maintenance
Targeted financial instrument types	<i>[multiple choice]</i> <ul style="list-style-type: none"> - a) transferable securities referred to in point (a) of Article 4(1)(44) of Directive 2014/65/EU - b) sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - c) transferable securities referred to in point (b) of Article 4(1)(44) of Directive 2014/65/EU, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - d) transferable securities referred to in point (c) of Article 4(1)(44) of Directive 2014/65/EU - e) exchange-traded funds as defined in point (46) of Article 4(1) of Directive 2014/65/EU

	<ul style="list-style-type: none"> - f) units in collective investment undertakings, other than ETFs - g) money-market instruments, other than sovereign debt referred to in Article 4(1)(61) of Directive 2014/65/EU - h) emission allowances - i) other types of financial instruments
Provision of services through a branch	<i>[single choice]</i> <ul style="list-style-type: none"> - Yes - No
Information received with respect to compliance with applicable national law(s)	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Assessment by the CSD on the necessity of measures - Independent legal opinion on measures - Measures the CSD intends to take to comply
Date of information of the RAs of that host MS of the communication received If not informed, please leave blank	<i>[date, DD/MM/YYYY]</i>
Informed RAs	<i>[multiple choice] [list of EEA States]</i>
"Date of request by host CA for clarifications or additional documents If not requested, please leave blank"	<i>[date, DD/MM/YYYY]</i>
Approval of assessment in accordance with Article 23(6)(a) of CSDR	<i>[single choice]</i> <ul style="list-style-type: none"> - Yes - No
In case of non-communication, date of communication of decision of non-communication to host MS NCA	<i>[date, DD/MM/YYYY]</i>
In case of non-communication, justification	<i>[single choice]</i> <ul style="list-style-type: none"> - Inadequacy of the administrative structure - Financial situation of the CSD

Table 2 - Disapproval of assessment. If your authority decided not to approve any assessment referred to in point (e) of Article 23(3) of CSDR in accordance to Article 23(6)(a) of CSDR i.e. the answer is ""No"" in the column "Approval of assessment..." in the table 1.

Date of disapproval with the assessment	<i>[date, DD/MM/YYYY]</i>
Grounds for refusal	<i>[free text]</i>
Follow-up (on the date of this survey)	<i>[multiple choice]</i> <ul style="list-style-type: none"> - Termination of the application procedure (no follow-up to disapproval) - Provision of updated CSD assessment of measures - Approval of updated assessment by your authority

- 17 **Host CAs** were also asked to describe the activities performed by the requesting CSDs for the provision of each service, as well as the measures taken by the requesting CSD to allow its users complying with the law of your jurisdiction, as follows.

<i>Please provide the following information for each application you received:</i>		
Service	Brief description of activities performed to provide each service (if needed per type of financial instrument)	If any, measures taken by the CSD to allow its users to comply with the national law referred to in Article 49(1) (if needed per type of financial instrument)
Notary service (Initial recording of securities in a book-entry system)	<i>[free text]</i>	<i>[free text]</i>
Central maintenance (Providing and maintaining securities accounts at the top tier level)	<i>[free text]</i>	<i>[free text]</i>

- 18 **Host RAs** will be asked to provide the following information for each application by a CSD to provide services in another Member State in which you have been involved in accordance with Article 23(4) of CSDR.

<i>As host Member State RA, in respect of each application by a CSD to provide services in another Member State in which you have been involved in accordance to Article 23(4) of CSDR, please indicate the following information.</i>	
Date of reception of the information	<i>[date, DD/MM/YYYY]</i>
Name of the applying CSD	<i>[list from CSD register]</i>
Home Member State of the applying CSD	<i>[list of EEA States]</i>
Have you received information on the progress of the application process?	<i>[single choice]</i> - Yes - No
Please describe the type of information received	<i>[free text]</i>
Please describe the follow-up information received in the course of the application process	<i>[free text]</i>

- 19 The CSDR Refit proposal introduces amendments to the passporting process, which are currently being discussed by EU co-legislators. As a result, the 2022 survey was focused on a limited set of qualitative questions on the handling of applications.

Questions for all respondents

- Please indicate the main challenges encountered throughout the passporting process in general.
- Do you consider that the differences in securities laws (for instance differences in holding models) could
 - o have an impact on the success of a passport request?
 - o lead to challenges once a passport has been granted (for instance in the case of dual listing of financial instruments)?
- Do you consider the passporting process could be improved? What would be your main suggestions for improvement?