

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 (Text with EEA relevance)

CHAPTER III

AUTHORISATION OF CSDs

(Article 17 of Regulation (EU) No 909/2014)

SECTION 6

Prudential requirements

Article 31

Legal risks

1 An application for authorisation shall include all information necessary to enable the competent authority to assess that the rules, procedures, and contracts of the applicant CSD are clear, understandable and enforceable in all relevant jurisdictions in accordance with Article 43(1) and (2) of Regulation (EU) No 909/2014.

2 Where the applicant CSD intends to conduct business in different jurisdictions, the applicant CSD shall provide the competent authority with information concerning the measures put in place to identify and mitigate the risks arising from potential conflicts of laws across jurisdictions in accordance with Article 43(3) of Regulation (EU) No 909/2014. That information shall include any legal assessment on which those measures are based.

Article 32

General business risks

1 The applicant CSD shall provide the competent authority with a description of the risk-management and control systems as well as the IT tools put in place by the applicant CSD to manage business risks in accordance with Article 44 of Regulation (EU) No 909/2014.

2 Where the applicant CSD has obtained a risk rating from a third party, it shall provide it to the competent authority including any relevant information supporting that risk rating.

Changes to legislation: Commission Delegated Regulation (EU) 2017/392, SECTION 6 is up to date with all changes known to be in force on or before 11 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) EUR 2017 No. 392 may be subject to amendment by EU Exit Instruments made by the Bank of England under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 3. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes

Article 33

Operational risks

1 An application for authorisation shall include information that demonstrates the applicant CSD is compliant with the requirements for the management of operational risks in accordance with Article 45 of Regulation (EU) No 909/2014 and Chapter X of this Regulation.

2 An application for authorisation shall also contain the following information concerning the list of services referred to in point (p) of Article 4(2) of this Regulation:

- a a copy of the outsourcing agreements;
- b the methods used to monitor the service level of the outsourced services and activities.

Article 34

Investment policy

An application for authorisation shall include evidence demonstrating that:

- (a) the applicant CSD holds its financial assets in accordance with Article 46(1), (2) and (5) of Regulation (EU) No 909/2014 and Chapter XI of this Regulation.
- (b) the investments of the applicant CSD are compliant with Article 46(3) of Regulation (EU) No 909/2014 and Chapter XI of this Regulation.

Article 35

Capital requirements

An application for authorisation shall include the following information concerning the capital requirements:

- (a) information demonstrating that the capital of the applicant CSD, including retained earnings and reserves of the applicant CSD, meets the requirements of Article 47 of Regulation (EU) No 909/2014;
- (b) the plan referred to in Article 47(2) of Regulation (EU) No 909/2014 and any updates to that plan, and evidence of its approval by the management body or an appropriate committee of the management body of the applicant CSD.

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Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 13](#)