

**WFC Single Disclosure Report 2020****AGC answers**

Date submitted
04/11/2020 08:18:14

**General information**

1 G01Q001 Please indicate the full name of the responding institution:  <i>PFMI: Annex A - CSD disclosure template [CSD name]</i> <i>AGC: 0a</i>
Clearstream Banking A.G.

2 G01Q002 Registered address:  <i>PFMI: n/a</i> <i>AGC: 0c</i>
Mergenthalerallee 61  65760 Eschborn

3 G01Q003 Country of registered address:  <i>PFMI: n/a</i> <i>AGC: 0d</i>
Germany

6 G01Q006 The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?  <i>PFMI: n/a</i> <i>AGC: 99</i>
<p><input type="radio"/> Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.</p> <p><input checked="" type="radio"/> Yes, my response will be public, but only for my answers to AGC questions.</p> <p><input type="radio"/> Yes, my response will be public, but only for my answers to PFMI questions.</p> <p><input type="radio"/> No, I do not wish my response to be publicly available.</p>

7 G01Q007 How will you be making your answers publicly available?  <i>PFMI: n/a</i> <i>AGC: 99a</i>
<p><input checked="" type="checkbox"/> Website</p> <p><input checked="" type="checkbox"/> Upon request</p> <p><input type="checkbox"/> OTHER:</p>

8 G01Q008

This disclosure can also be found at the following web address(es):

*PFMI: Annex A - CSD disclosure template [website URL]**AGC: 99b*

www.clearstream.com

9 G01Q009

First and Last Name of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]**AGC: 99c*

Andrea Polenta

10 G01Q009A

Disclosure submission authorisation

 I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]**AGC: 99h*

andrea.polenta@clearstream.com

12 G01Q011

Telephone number (please include the international country code):

*PFMI: n/a**AGC: 99e*

+ 352-243-36581

13 G01Q012

How do you prefer to be contacted?

*PFMI: n/a**AGC: 99d* Telephone Fax mail/air courier e-mail

14 G01Q013

Fax number

*PFMI: n/a**AGC: 99f*

15 G01Q014

What is the preferred street address for mailing requests?

PFMI: n/a  
AGC: 99g

25 G01Q024

I am submitting up-to-date information in response to:

- The AGC questions and a report with only AGC answers will be generated
- The PFMI questions and a report with only PFMI answers will be generated
- Both the AGC and PFMI questions and a report with answers to both questionnaires will be generated

#### Legal Basis (PFMI Principle 1)

27 G02Q002

Under what regulation or statute is the CSD established and governed?

PFMI: n/a  
AGC: 7

BF is established and governed by various regulations or statutes. CBF is established and incorporated as a stock corporation ("Aktiengesellschaft") in accordance with the German Stock Corporation Act ("SCA" or "Aktengesetz"). Thus, the governance of CBF is performed by an executive board and a supervisory board in accordance with the SCA and the articles of association. Moreover, CBF is a licensed central securities depository (CSD) in accordance with the provisions of the Securities Deposit Act ("SDA" or "Depotgesetz"). CBF is a fully licensed credit institution according to the German Banking Act conducting the custody and administration of securities for others as a banking business in accordance with the German Banking Act.

On 22 July 2019, BaFin issued a declaration of completeness with regards to CBF's application file pursuant to Article 17 CSDR (Core Services). On 21 January 2020, CBF received its CSDR licence.

CBF will hand in its application under Article 55 CSDR on 15 October 2020. For further details, please refer to the following information: <https://www.clearstream.com/clearstream-en/about-clearstream/regulation-1-/central-securities-depository-regulation-csdr->

28 G02Q003

Is the regulation or statute electronically available?

PFMI: n/a  
AGC: 7a

- Yes
- No

29 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

PFMI: n/a  
AGC: 7b

[https://portal.mvp.bafin.de/database/InstInfo/institutDetails.do?  
cmd=loadInstitutAction&institutId=105564](https://portal.mvp.bafin.de/database/InstInfo/institutDetails.do?cmd=loadInstitutAction&institutId=105564)  
<http://www.gesetze-im-internet.de/wpapg/index.html>  
<http://www.gesetze-im-internet.de/aktg/>  
<https://www.gesetze-im-internet.de/kredwg/BJNR008810961.html>

30 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a  
AGC: 7c

0

**Governance and ownership (PFMI Principle 2)**

45 G03Q002  
What type of legal entity is the institution?

PFMI: n/a  
AGC: 3

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

46 G03Q003  
Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a  
AGC: 4

- Not for profit
- For profit

47 G03Q004  
Please provide the names of the owners and their ownership interest percentages.

PFMI: n/a  
AGC: 5

CBF is wholly owned by Clearstream Holding AG who itself is a wholly owned subsidiary of Deutsche Börse Group. A diagram of this shareholding structure is available at <https://www.clearstream.com/clearstream-en/about-clearstream/company-governance/shareholding-structure>.

48 G03Q005  
What is the date of establishment of the CSD?

PFMI: n/a  
AGC: 6a

05/12/1949

49 G03Q006  
What is the date that the CSD's operations began?

PFMI: n/a  
AGC: 6b

05/12/1949

50 G03Q007  
Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

PFMI: n/a  
AGC: 18

- Not applicable
- No
- Yes

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

*PFMI: n/a*  
*AGC: 18a.*

59 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

*PFMI: Q.2.3.1*  
*AGC: 7d*

The Executive Board manages and represents the Company. Its task and responsibilities are:

(1) The Executive Board shall design and establish the Company's business strategy, the risk strategy, the strategy regarding capital adequacy and liquidity as well as the guiding principles governing:

- a) the organisational and operational structure including IT (technology) and internal communications processes,
- b) the internal control, compliance and risk management mechanisms,
- c) the professional conduct and corporate values, including escalation procedures,
- d) the central administration, including administrative, accounting and IT organisation,
- e) outsourcing,
- f) the management of continuing activities and crisis events, and
- g) the appointment and replacement of persons holding key functions.

(2) The Executive Board shall critically assess and approve, at least once a year, the internal governance arrangements of the Company and its implementation and shall inform the Supervisory Board, at least once a year, of the implementation, adequacy, effectiveness and compliance with such internal governance arrangements. (3) The Executive Board shall prepare, as required by law, the financial statements of the Company, a management report and a proposal for appropriation of any net profits. The draft of the financial statements as well as the management report shall be delivered to the Supervisory Board as well as the external auditor within the timeframe set forth by the law.

The composition of the Executive and Supervisory Board members should reflect the knowledge, skills and experience necessary to fulfil its responsibilities. This includes that the

Board collectively has an appropriate understanding of those areas for which the members are collectively accountable, and the skills to effectively manage and oversee the institution.

Further details are available in the "Rules of Procedure for the Executive Board Clearstream Banking AG (CBF)" document published in compliance with CSDR at: <https://www.clearstream.com/clearstream-en/about-clearstream/company-governance>

61 G03Q018

What are the election procedures?

*PFMI: Q.2.3.2*  
*AGC: 7e*

The members of the Supervisory Board are appointed by the general meeting of shareholder which is preceded by an internal assessment and by an assessment of the BaFin which confirms the suitability of the candidate to become a member of the Supervisory Board. The Supervisory Board is responsible for the selection and (re-)appointment of Executive Board members and for election proposals to the Annual General Meeting regarding the election of Supervisory Board members. It therefore identifies candidates for the appointment, taking into account the suitability criteria set out in this Side letter and the underlying Policy, and drafts a job description with a candidate profile. Furthermore, BaFin needs to confirm the suitability of a candidate for an Executive Board membership prior to the appointment.

62 G03Q019

What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2

AGC: 7f

Members of the Supervisory Board shall be elected for a term of office ending at the closing of the General Shareholders' Meeting which votes on the approval for the fourth fiscal year after the commencement of the term of office, not including such fiscal year in which the term of office has commenced. A successor for a member resigning before his/her term of office shall be elected for the remaining term of office of the resigning member. The Supervisory Board appoints the members of the Executive Board for a term not exceeding five years and may appoint one of the members as chairman of the Executive Board. Every member is eligible for re-election.

63 G03Q020

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

PFMI: Q.2.3.2

AGC: 7g

Unless otherwise provided by law or the Articles of Incorporation, resolutions will be adopted by simple majority of the votes cast. The foregoing shall also apply to elections. The method of voting shall be determined by the chairman. In the event of a tie, the chairman's vote shall be decisive. The Executive Board passes a resolution, barring an alternative arrangement, with a simple majority of votes of the members participating in passing of the resolution. Neither the chairman of the Executive Board nor his deputy have a tie-breaking vote.

65 G03Q022

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

PFMI: Q.2.3.4

AGC: 7h

Local and European regulators.

**Comprehensive risk management (PFMI Principle 3)**

88 G04Q003

Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

PFMI: Q.3.1.1

AGC: 66x.

- Not applicable
- No
- Yes

89 G04Q004

If yes, please check all of the following that apply:

PFMI: Q.3.1.1

AGC: 66y.

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

90 G04Q005

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

PFMI: Q.3.1.1  
AGC: 66+

- Not applicable
- No
- Yes

91 G04Q006

Please define the standard of care applied:

PFMI: Q.3.1.1  
AGC: 66\*

#### Credit risk (PFMI Principle 4)

121 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

PFMI: Q.4.3.1  
AGC: 78

- Not applicable
- No
- Yes

122 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

PFMI: Q.4.3.1  
AGC: 78a.

Please refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms-and-conditions>

123 G05Q013

How is the size of the fund determined?

PFMI: Q.4.3.1  
AGC: 78b.

- A fixed amount
- By asset value
- By participant volume
- Other: Please refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms-and-conditions>

124 G05Q014

How is the fund financed?

PFMI: Q.4.3.1  
AGC: 78d.

- Funding from retained earnings
- Contributions from participants
- Contributions from owner
- Other: Please refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms- and-conditions>

125 G05Q015  
If so, what is the amount or percentage per owner?

PFMI: Q.4.3.1  
AGC: 78e.

126 G05Q016  
If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1  
AGC: 78f.

127 G05Q017  
Who is covered by the fund?

PFMI: Q.4.3.1  
AGC: 78h.

- Direct CSD participants only
- The beneficial owner also
- OTHER: Please refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms- and-conditions>

128 G05Q018  
When is the guaranty fund used?

PFMI: Q.4.3.1  
AGC: 78j.

- When a broker defaults
- When a direct participant defaults
- OTHER: Please refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms- and-conditions>

131 G05Q021  
Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

PFMI: Q.4.3.3  
AGC: 91

- Not applicable
- No



Yes

132 G05Q022

What is the amount of the coverage?

*PFMI: Q.4.3.3*

*AGC: 91a*

133 G05Q023

What is the amount of the deductible?

*PFMI: Q.4.3.3*

*AGC: 91b*

134 G05Q024

Please explain other loss or default protections:

*PFMI: Q.4.3.3*

*AGC: 79a*

In order to protect from losses and prepare for potential participant default, CBF has implemented a default management process. The default management of CBF includes preliminary measures (such as monitoring of defined early warning indicators in order to detect potential participant default at an early stage) and corrective measures, which are related to liquidation of pledged securities in order to cover the outstanding exposures, if any.

For further details, please refer to the <https://www.clearstream.com/clearstream-en/strategy-and-initiatives/asset-safety/clearstream-default-management>

135 G05Q025

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

*PFMI: Q.4.3.3*

*AGC: 66q.*

Not applicable

No

Yes

136 G05Q026

If yes, please check all of the following that apply:

*PFMI: Q.4.3.3*

*AGC: 66r.*

Financial limits are imposed on the amount of liability assumed by the CSD

The CSD assumes liability for direct losses

The CSD assumes liability for indirect or consequential losses

OTHER:

#### Collateral (PFMI Principle 5)

141 G06Q001

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as

well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

*PFMI: Annex A - CSD disclosure template - IV.P5*  
*AGC: 35c*

XEMAC is a product that supports market participants to make the most efficient use of their collateral, reducing the amount of administrative monitoring by automating most of the processes involved. Transactions in the following areas can be secured via Xemac:

- Credit facilities with Deutsche Bundesbank;
- Open market transactions of the European Central Bank;
- Collateralisation of Deutsche Bundesbank trades on ones' own behalf;
- Trading of GC Pooling transactions through the Eurex Repo trading platform in EUR and foreign currencies;
- Efficient provision and management of collateral on the basis of the risk-based margining for the benefit of Eurex Clearing AG as a clearing house and a CCP;
- Securities lending in the context of the various programs offered by CBF;
- Credit lines with CBF and Clearstream Banking SA., Luxembourg;
- Bilateral provision of collateral between Xemac participants;
- Collateralised instruments that are issued via CBF and collateralised in Xemac. CBF acts here as the security trustee.

By linking Xemac to Clearstream Banking SA.'s Collateral Management System, CmaX, Xemac participants can also use the securities they hold in Creation for the provision of collateral.

Xemac fulfils the requirements made of a modern system configuration and has been designed as a client/server system and may be installed on a PC or a workstation within the workplace.

#### Liquidity risk (PFMI Principle 7)

#### Settlement finality (PFMI Principle 8)

#### Money settlements (PFMI Principle 9)

217 G09Q003  
Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

*PFMI: Q.9.1.1*  
*AGC: 31*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

218 G09Q004  
Please indicate the name of the banks appointed by the CSD

*PFMI: Q.9.1.1*  
*AGC: 31a*

Payments in relation to securities transactions, income administration, fees and charges settle outside the CASCADE platform. For cash settlement, CBF uses the central banks, correspondent banks (cash agents) and payment and settlement

systems where CBF's customers keep the corresponding cash accounts.

- All EUR payments resulting from the settlement of transactions with CSC securities, interest and redemption payments for German government bonds as well as cross-border market and reverse claims for FCSC securities are settled via T2S.

- All payments resulting from other Corporate Actions with CSC securities and from the settlement of fees and charges in CASCADE are settled in EUR via TARGET2.

- Cash settlement in non-EUR currency resulting from transactions and income administration in relation to CSC and NCSC securities takes place through the Creation platform of CBF's sister company, CBL. Furthermore payments in EUR resulting from transactions and income administration in relation to NCSC securities classes are also settled through Creation.

- A special case is the settlement of payments in CHF through the Swiss National Bank. This link is only used for cash settlement of cross-border transactions in relation to Swiss CSC securities against CHF. Payments in CHF that do not result from transactions in Swiss CSC securities classes and security transactions in Swiss CSC securities between two CBF participants are settled as payments in non-EUR currency via the Creation platform.

The updated list of cash correspondent banks in the Clearstream network (Creation) is always available on our website at <https://www.clearstream.com/clearstream-en/products-and-services/asset-types/cash/cash-timings-matrix-1290324>

219 G09Q005

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

*PFMI: Q.9.1.1*

*AGC: 32*

- CSD
- Central Bank
- Banks appointed by the CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

220 G09Q006

Please name banks appointed by the CSD

*PFMI: Q.9.1.1*

*AGC: 32a*

Please refer to our answer to question 31a.

221 G09Q007

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

*PFMI: Q.9.1.1*

*AGC: 33, 33b*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

222 G09Q008

Please name banks appointed by the CSD

PFMI: Q.9.1.1  
AGC: 33a

Please refer to our answer to question 31a.

223 G09Q009

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

PFMI: Q.9.1.1  
AGC: 34

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

224 G09Q010

Please name banks appointed by CSD

PFMI: Q.9.1.1  
AGC: 34a

Please refer to our answer to question 31a.

#### Physical deliveries (PFMI Principle 10)

239 G10Q005

How are eligible securities lodged in the CSD system?

PFMI: Q.10.1.3  
AGC: 57, 57a

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER: Usually, all securities are lodged either as global note or individual certificate.

240 G10Q006

When are securities lodged into the CSD reflected in a participant's CSD account?

PFMI: Q.10.1.3  
AGC: 58, 58a

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER: Bearer securities are immediately reflected in the participant's depository account after having gone through an intense checking procedure. Registered securities have already been registered prior to being lodged with CBF. Therefore, they are reflected in the participants account immediately after thorough checking procedure.

241 G10Q007

How long does it usually take to lodge securities with the CSD?

*PFMI: Q.10.1.3*

*AGC: 59, 59b*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

242 G10Q008

Please specify

*PFMI: Q.10.1.3*

*AGC: 59a*

243 G10Q009

During the process of lodging securities into the CSD, can the securities be traded?

*PFMI: Q.10.1.3*

*AGC: 60*

- Not applicable
- No
- Yes
- Other: Clearstream acts as settlement agent and therefore the trading of securities is outside its purview.

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3*

*AGC: 60a*

- Not applicable
- No
- Yes

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3*

*AGC: 60b*

- Not applicable
- No
- Yes

246 G10Q012

If they cannot be traded, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60c*

247 G10Q013

If they cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60d*

Securities are not available until confirmation has been received from CBF's agent.

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60e*

Ownership can only be transferred once the process of lodging the securities has been completed.

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3*

*AGC: 61, 61d*

- Not applicable
- No
- Yes

250 G10Q016

If no: Securities are unavailable for

*PFMI: Q.10.1.3*

*AGC: 61a*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

251 G10Q017

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*

*AGC: 61b*

252 G10Q018  
If not applicable, please explain

*PFMI: Q.10.1.3*  
*AGC: 61c*

253 G10Q019  
What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

*PFMI: Q.10.1.3*  
*AGC: 63, 63a*

- Not applicable
- Securities are transferred as is any physical delivery in the market.
- Securities are re-certificated and delivered as bearer instruments.
- Securities are re-certificated and re-registered into the name of the beneficia
- Securities are re-registered into the name of the beneficial owner or a nominee.
- Other: Securities can be transferred by book entry to another account outside the depository. Securities can be delivered physically depending on the terms of issue and if requested by a customer.

254 G10Q020  
How long does it usually take to remove securities from the CSD?

*PFMI: Q.10.1.3*  
*AGC: 64, 64b*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

255 G10Q021  
If more than 4 weeks, please specify

*PFMI: Q.10.1.3*  
*AGC: 64a*

256 G10Q022  
While the securities are being removed from the CSD, can they be traded? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65a*

- Yes
- Not applicable
- No
- Other: Clearstream acts as settlement agent and therefore the trading of securities is outside its purview.

257 G10Q023  
If they cannot be traded please explain

*PFMI: Q.10.1.3*  
*AGC: 65b*

258 G10Q024  
While the securities are being removed from the CSD, can they be settled? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65c*

- Yes
- Not applicable
- No

259 G10Q025  
If they cannot be settled, please explain

*PFMI: Q.10.1.3*  
*AGC: 65d*

Securities have either to be available in physical form or book-entry in order to be used for settlement.

260 G10Q026  
While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

*PFMI: Q.10.1.3*  
*AGC: 65e*

- Yes
- Not applicable
- No

261 G10Q027  
If ownership cannot be transferred, please explain

*PFMI: Q.10.1.3*  
*AGC: 65f*

263 G10Q029  
What are the vault security procedures for the safekeeping of physical paper?

*PFMI: Q.10.2.1*  
*AGC: 75*

- Not applicable, no vault is maintained
- Electronic keys or combinations
- Dual access control
- Visitor logs
- Vault counts



- Intrusion alarms
- Fire alarms
- Guards
- OTHER: Please see 75b

264 G10Q030

Please indicate frequency of vault counts:

*PFMI: Q.10.2.1*

*AGC: 75a.*

A vault reconciliation is performed by Clearstream, including the following:

1) On a daily basis, the Controls Safekeeping unit, controls the receipts and delivery of securities. The controls are processed by Cascade settlement platform (system driven control). Any differences are reported to the impacted business units for further investigation and resolution.

2) On a daily basis, the Controls Safekeeping unit controls that the positions booked end of day in the CASCADE application following settlement of securities instructions are corresponding as well. By loading the balances from Cascade (book balances) and from Carad (the Vaults positions system) in an application DNL (Digital Number Ledger), sub-function RCC (Reconciliation Carad-Cascade), discrepancies will be analysed and investigated by Controls safekeeping unit and allocated to business units for follow-up and corrective actions.

3) As per the frequency defined in the Clearstream deposit control plan, Controls Safekeeping unit performs a manual, physical check of the securities deposited in the Vaults.

- Physical Securities are counted on a three year basis
- Global Notes are counted on a two year basis
- Deposits of in the insourced vaults and precious metal are counted on an annual basis.

4) Additionally there are internal and external audit checks being done on a regular basis or by unannounced spot checks. Furthermore, there are procedures for the acceptance, reconciliation and destruction of physical securities.

265 G10Q031

Please explain:

*PFMI: Q.10.2.1*

*AGC: 75b*

- Pre-advice by CBF Vaults staff for all visitors (other CBF units and third parties).
- ID-card check and admittance badge issuance by our security service.
- Escort of visitors by CBF vaults staff at all times.
- Camera surveillance of all visitors and all rooms where securities can be found.
- Monthly check of access admittance for all CBF vaults staff

#### Central Securities Depositories (PFMI Principle 11)

271 G11Q002

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

*PFMI: n/a*

*AGC: 26*

- Government securities

- Equities
- Corporate bonds
- Corporate money market
- Not applicable
- OTHER:

272 G11Q003

Please name the other security types:

PFMI: n/a  
AGC: 26a.

The following securities are currently and unchanged after migration to T2S admitted to collective safe custody:

- Debt instruments, such as Government bonds (Bunds), mortgage bonds, money market instruments (CP), municipality bonds, corporate bonds, international bonds and convertible bonds;
- Equities, such as bearer shares and registered shares;
- Warrants and certificates;
- Other securities, for example units in collective investment undertakings, and international securities held in collective safe custody, for example German Global Bearer Certificates representing international securities.

CBF is establishing account links to all T2S markets. It can be assumed that nearly all T2S eligible securities of the T2S markets will be accepted for collective safe custody. This adaptation takes place in a separate launch.

273 G11Q004

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

PFMI: n/a  
AGC: 27, 27c

- Yes by law for settlement of all instrument types
- Yes by law for safekeeping of all instrument types
- Yes by market practice for settlement of all instrument types
- Yes by market practice for safekeeping of all instrument types
- Yes by law for settlement, but not for all instrument types
- Yes by law for safekeeping, but not for all instrument type
- Yes by market practice for settlement, but not for all instrument types
- Yes by market practice for safekeeping, but not for all instrument types
- Neither

OTHER: For German Federal bonds, which are traditionally dematerialised, the Bundesschuldenwesengesetz (BSchWG) states that German Federal bonds are issued by entry in the Federal Debt Register led by the German Finance Agency (Deutsche Finanzagentur) and registration of a central securities depository ("Wertpapiersammelbank") pursuant to Section 1 paragraph 3 Securities Deposit Act to create a collective registered claim (Sammelschuldbuchforderung). This collective registered claim is deemed by law as a collective holding of single bonds. However, the requirement to register a central securities depository as fiduciary holder of the Federal Bonds does not hinder – opposed to other jurisdictions - cross-border or internal settlement in settlement systems other than CBF as, currently, the only German central securities depository. The Securities Deposit Act imposes on any person undertaking the purchase of securities in its own name and for the commission of others (commission agent) the strict obligation to procure for the principal ownership of individual securities or a respective fractional co-ownership right to a collective holding in a central securities depository except for securities transaction executed abroad. The Exchange Regulation of the main German equity exchange (Frankfurter Wertpapierbörse) requires for the admission of enterprises to the trading at the exchange that the orderly settlement of securities traded is made via a licensed central securities depository in the meaning of Section 1 (3) Securities Deposit Act. Further, Section 9 a (1) of the Securities Deposit Act requires that all securities, including equities, issued in form of global certificates to which numerous rights are attached, which might be issued in interchangeable securities of the same kind (global certificate), shall be delivered to a central securities depository in the meaning of Section 1 (3) of the Securities Deposit Act. CBF is currently the only

central securities depository in the meaning of the Securities Deposit Act. As a consequence of the aforesaid, there exists the current market practice that all Stock Exchange transactions are settled within CBF. The figures for the OTC activity are not available. Please also note that a significant part of equities issued in single certificates are held outside CBF.

274 G11Q005

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

*PFMI: n/a*

*AGC: 27a. (i)*

275 G11Q006

(ii) safekeep in your CSD:

*PFMI: n/a*

*AGC: 27a. (ii)*

276 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

*PFMI: n/a*

*AGC: 27b. (i)*

277 G11Q008

(ii) safekeep in your CSD:

*PFMI: n/a*

*AGC: 27b. (ii)*

278 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

*PFMI: n/a*

*AGC: 28 28a*

CBF cannot provide any figures as the volume of the whole market is not disclosed. Clearstream Banking Frankfurt is the largest participant in T2S, accounting for approximately nearly 40% of all T2S volume in the euro zone.

279 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

*PFMI: n/a*

*AGC: 28b.*

CBF cannot provide any figures as the volume of the whole market is not disclosed.

281 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

*PFMI: Q.11.1.1*

*AGC: 44a*

- Not applicable
- No
- Yes

282 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

*PFMI: Q.11.1.1**AGC: 44b*

283 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

*PFMI: Q.11.1.1**AGC: 44d.* Not applicable No Yes

Other: Pursuant to No XXXII of CBFs General Terms and Conditions, if a public authority issues a decree pursuant to sections 45 et seq. KWG [German Banking Act] or pursuant to corresponding foreign legal regulations, if the client's registered offices are situated abroad, against the client, CBF may freeze that client's securities accounts and cash accounts. This may apply to all client accounts (including accounts holding non-proprietary assets). Whereas it is likely that in case of an insolvency any access to the assets so frozen would have to be exercised through the relevant insolvency administrator, it would need to be assessed on a case by case basis if and under which conditions such access can be granted. Should the blocking occur due to other reasons, such as violation of laws, penalties or other, it would need to be analysed if the reasons for such blocking applies equally to proprietary and non-proprietary accounts and under what circumstances access can be granted.

284 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

*PFMI: Q.11.1.1**AGC: 44e.*

285 G11Q016

By the participant's creditors?

*PFMI: Q.11.1.1**AGC: 44g, 44i* Not applicable No Yes

286 G11Q017

If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

*PFMI: Q.11.1.1**AGC: 44h*

287 G11Q018

By the CSD's creditors?

*PFMI: Q.11.1.1**AGC: 44j.*

- Not applicable
- No
- Yes

288 G11Q019

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

*PFMI: Q.11.1.1*  
*AGC: 44k.*

289 G11Q020

What is your document and record retention policy for documents and records described above in this section?

*PFMI: Q.11.1.1*  
*AGC: 47, 47a*

- 7 years
- 5 years
- 3 years
- 1 year
- 6 months or less
- Other: The German law establishes a 6 years retention period for commercial letters and 10 years for company reports, booking documentation and balance sheets. This is being adhered to by CBF.

290 G11Q021

Does the law protect participant assets from claims and liabilities of the CSD?

*PFMI: Q.11.1.1*  
*AGC: 54*

- Not applicable
- No
- Yes

291 G11Q022

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

*PFMI: Q.11.1.1*  
*AGC: 55*

- Yes
- No
- Not applicable

292 G11Q023

If yes, for what reasons are liens or similar claims imposed?

PFMI: Q.11.1.1  
AGC: 55a

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER:

293 G11Q024  
Please describe:

PFMI: Q.11.1.1  
AGC: 55b

294 G11Q025

Please indicate the limits of this lien as indicated below:

PFMI: Q.11.1.1  
AGC: 55c

- The lien may extend to settled client positions
- The lien is limited to securities in the course of purchase and sale transactio
- The lien is limited to securities in the participant's proprietary account

295 G11Q026  
Please explain:

PFMI: Q.11.1.1  
AGC: 55d

According to Section 5 (3) in connection with Section 3 (1) 1 Securities Deposit Act, a participant may hold his proprietary assets and non-proprietary assets in one single account at CBF. However, pursuant to Section 4 (1) Securities Deposit Act, there is a statutory presumption that all securities deposited with CBF by a participant are non-proprietary assets unless the participant has notified CBF otherwise. As a consequence, CBF cannot acquire any lien on securities except for a statutory lien of CBF under Section 4 (1) 2 German Securities Act as security for outstanding fees (e.g. custody) incurred with respect to these particular securities

296 G11Q027

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

PFMI: Q.11.1.1  
AGC: 55e

- No
- Yes
- Other: Please see below.

297 G11Q028

If yes, please indicate whether:

PFMI: Q.11.1.1  
AGC: 55f

- The lien is placed on the securities with the greatest value in the account
- The lien is placed on the most liquid securities in the account

298 G11Q029

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55g*

In line with the answer given to question 55d, for outstanding fees occurring from settlement activities, CBF does not select certain securities but it is bound by law to take the securities underlying the settlement transaction. For fees resulting from custody business, CBF may select pledged securities to cover outstandings.

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

*PFMI: Q.11.1.1*

*AGC: 55h*

- No
- Yes

300 G11Q031

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

*PFMI: Q.11.1.1*

*AGC: 55j*

- No
- Yes

301 G11Q032

If yes, are the restrictions accomplished by:

*PFMI: Q.11.1.1*

*AGC: 55k*

- Contract between the CSD and the participant

302 G11Q033

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55l*

Pursuant to Section 4 (1) 2 German Securities Deposit Act, the lien is restricted by law, not by a contract between the depository and the participant.

303 G11Q034

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

*PFMI: Q.11.1.1*

*AGC: 56, 56e*

- Not applicable
- No
- Yes

304 G11Q035  
When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56a*

- When the transaction is processed on an intra-day basis
- When corresponding money or other consideration is transferred
- At the end of the business day on which the transfer occurs

305 G11Q036  
Please describe:

*PFMI: Q.11.1.1*  
*AGC: 56b*

306 G11Q037  
Where does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56c*

- On the registrars books
- On the CSD books

307 G11Q038  
Please describe:

*PFMI: Q.11.1.1*  
*AGC: 56d*

309 G11Q040  
In what form does the CSD maintain records identifying the assets of each participant?

*PFMI: Q.11.1.2*  
*AGC: 45*

- Computer file
- Microfiche
- Hard copy
- Computer tape
- OTHER:

310 G11Q041



In which format is the source data maintained?

PFMI: Q.11.1.2  
AGC: 45b

The information is available through the following resources: - CASCADE/CARAD/LIMA (online + batch). - Digital Number Ledger (current + historical). - Archive data-base (DVD + microfilm + microfiche).

315 G11Q046

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

PFMI: Q.11.1.6  
AGC: 52i

Matching book entry and confirmation is executed online via interface between CBF settlement system CASCADE and the system of the German Finance Agency (Deutsche Finanzagentur) or in the register of the issuer for registered shares.

318 G11Q049

How are CSD eligible securities held by the CSD?

PFMI: Q.11.3.1  
AGC: 50, 50a

In dematerialized form

In certificated form

OTHER: Securities can be held in custody with Clearstream under any of the following types: Collective Safe Custody (Girosammelverwahrung, GS/CSC): Holders of securities admitted to collective safe custody have a proprietary right to those securities (a 'right in rem') being a pro rata co-ownership right in a fungible pool of securities represented by a global note or a similar number of physical securities held by Clearstream in its vaults or through a cross border CSD- Link with a foreign CSD based on an account relationship qualified under § 5 clause 4 DepotG. Individual Safe Custody (Streifbandverwahrung): Jacket custody of non-fungible certificates, where each customer is entitled to have the individual certificates with a particular serial number at his disposal. Non-collective safe custody: For securities that are not settled via the T2S platform, Clearstream keeps the positions in the form of book-entry credits on a fiduciary basis, using the technical infrastructure of its sister company CBL, which uses custodians in various countries for purposes of custody. In case of insolvency/bankruptcy, the depositor- as holder of a personal right in rem due to its co-fractional ownership in the securities certificate (CSC)- has a right to segregate (Aussonderungsrecht) in relation to its assets pursuant to section 47 of the German Insolvency Code, i.e. the depositor of securities may ask for the securities to be separated from the debtor's assets. Under section 4 of the German Securities Deposit Act, custodians have to provide for a segregation of investor assets from their own assets in relation to securities held in collective safe custody (in order to protect the investors in case of an insolvency/bankruptcy of the custodian). In case of securities deposited by a depository as intermediate custodian with Clearstream, Clearstream must assume that the securities are not owned by the depository (Fremdvermutung) unless expressly notified otherwise. Clearstream is a member of a deposit guarantee fund – Einlagensicherungsfonds - organised by the Banking Association of Private Banks. In the case of a bankruptcy procedure against a Clearstream participant, the guarantee fund meets the obligations arising from pending settlements. Please also refer to the final provisions listed in section C of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms-and-conditions>

320 G11Q051

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

PFMI: Q.11.3.2  
AGC: 51

- Not applicable
- Certain designated securities may be held outside the CSD
- Once entered into the CSD, eligible securities must remain in the CSD
- Securities may move freely into and out of the CSD
- All eligible securities must be held in the CSD

321 G11Q052

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

*PFMI: Q.11.3.2*  
*AGC: 51a*

322 G11Q053

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

*PFMI: Q.11.3.2*  
*AGC: 51b*

323 G11Q054

Are these certificates:

*PFMI: Q.11.3.2*  
*AGC: 51c*

Bearer

Registered

OTHER: General remarks: • The German securities holding regime based on ownership rights (rights in rem) is different from the common law based or Anglo-American securities holding schemes. The latter are characterised by a split between legal ownership (i.e. verified by registration mostly of nominees in the share register) and beneficial ownership (usually with investor). • CASCADE-RS is an expanded function for keeping positions of registered shares in CASCADE, and enhanced settlement processes to take account of the particular requirements regarding the reporting of the shareholders for registration in the share ledger, with electronic interfaces to the issuer and the share ledger manager.

324 G11Q055

If registered, how are the CSD eligible securities registered?

*PFMI: Q.11.3.2*  
*AGC: 51d*

In the name of the CSD

In the name of the depositing participant or its nominee

In the name of a separate nominee of the CSD

OTHER:

325 G11Q056

If in the name of a separate nominee, please identify by name the nominee used:

*PFMI: Q.11.3.2*  
*AGC: 51f*

326 G11Q057

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

*PFMI: Q.11.3.2*  
*AGC: 51h*

Registered

Bearer

Other: The following list of actions are undertaken when receiving physical securities: - check-up to ensure completeness (receipt vs. securities), particularly security code number, denomination, number of certificates, security serial number, control

signature. - verification of deliverability (i.e. ability of collective safe custody, terms and conditions of validity, intactness and authenticity of securities, 'Opposition' = list of stopped securities). - observance of target dates (e.g. capital repayment, var. payments, increase in capital, accuracy of coupons etc.). The check-up process is completed on the next working day following the delivery.

327 G11Q058

What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

*PFMI: Q.11.3.2*  
*AGC: 51i*

328 G11Q059

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

*PFMI: Q.11.3.2*  
*AGC: 52*

- Not applicable
- No
- Yes

329 G11Q060

Are the securities held:

*PFMI: Q.11.3.2*  
*AGC: 52a, 52k*

- Through book-entry at the CSD
- Through book-entry at a registrar or issuer
- OTHER:

330 G11Q061

Please identify which types of entities may act as registrars:

*PFMI: Q.11.3.2*  
*AGC: 52b*

- Issuers
- Separate companies that perform registrar functions
- CSD
- OTHER:

331 G11Q062

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

*PFMI: Q.11.3.2*  
*AGC: 52d*

- No
- Yes

332 G11Q063

If yes, how are securities held at the registrar for the account of the CSD?

PFMI: Q.11.3.2

AGC: 52e

- In the name of a separate nominee of the CSD
- In the name of the CSD

333 G11Q064

Please describe:

PFMI: Q.11.3.2

AGC: 52f

334 G11Q065

If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

PFMI: Q.11.3.2

AGC: 52g

- A nominee
- The beneficial owner

335 G11Q066

Please describe:

PFMI: Q.11.3.2

AGC: 52h

338 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

PFMI: Q.11.4.1

AGC: 66, 66a, 66d

- Yes
- Not applicable
- No

339 G11Q070

If yes, please check all of the following that apply:

PFMI: Q.11.4.1

AGC: 66b 66c

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses

OTHER:

340 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

*PFMI: Q.11.4.1*

*AGC: 66e, 66g, 66h*

- Not applicable
- Yes
- No

341 G11Q072

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66f*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1*

*AGC: 66i, 66l.*

- Not applicable
- Yes
- No

343 G11Q074

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66j, 66k*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1*

*AGC: 66m, 66p.*

- Yes
- No
- Not applicable
- OTHER:

345 G11Q076

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*  
*AGC: 66n.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

347 G11Q078

Is the CSD immune from legal action in its own jurisdiction?

*PFMI: Q.11.4.2*  
*AGC: 68*

- No
- Yes

349 G11Q080

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

*PFMI: Q.11.4.3*  
*AGC: 92*

- Not applicable
- No
- Yes

350 G11Q081

What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 92a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate.

351 G11Q082

What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 92b.*

The amount of the deductible is EUR 5 million.

352 G11Q083  
Does the CSD have insurance for Operational Errors?

*PFMI: Q.11.4.3*  
*AGC: 93*

- Not applicable
- No
- Yes

353 G11Q084  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 93a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate.

354 G11Q085  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 93b.*

The deductible of EUR 5 million.

355 G11Q086  
Does the CSD have Errors and Omissions insurance?

*PFMI: Q.11.4.3*  
*AGC: 94*

- Not applicable
- No
- Yes

356 G11Q087  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 94a.*

Comprehensive Crime and Professional Liability Insurance (CCPL), which is a policy that covers Clearstream against claims made by customers for financial losses that include infidelity of employees, civil liability and electronic crime. Coverage includes a comprehensive crime and professional liability limit of EUR 20 million any one loss/claim and in the aggregate

357 G11Q088  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 94b.*

The deductible of EUR 5 million on the Professional Liability Insurance.

358 G11Q089

Does the CSD have insurance for the Premises?

*PFMI: Q.11.4.3**AGC: 95*

- Not applicable
- No
- Yes

359 G11Q090

What is the amount of the coverage?

*PFMI: Q.11.4.3**AGC: 95a.*

The amount of coverage is up to EUR 260 million

360 G11Q091

What is the amount of the deductible?

*PFMI: Q.11.4.3**AGC: 95b.*

The level of the deductible depends on category of risk.

361 G11Q092

Does the CSD have any other insurance?

*PFMI: Q.11.4.3**AGC: 96, 96d*

- Not applicable
- No
- Yes

362 G11Q093

If so, what is it for?

*PFMI: Q.11.4.3**AGC: 96a.*

CBF has a Directors and Officers' Liability insurance in place. Additionally, Deutsche Börse AG, including CBF, is covered by a Cyber Risk Insurance Policy.

363 G11Q094

What is the amount of the coverage?

*PFMI: Q.11.4.3**AGC: 96b.*

We consider this information as confidential.

364 G11Q095

What is the amount of the deductible?

*PFMI: Q.11.4.3**AGC: 96c.*

We consider this information as confidential.



365 G11Q096  
 Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

*PFMI: Q.11.4.3*  
*AGC: 97*

Comprehensive Crime and Professional Liability Insurance: The lead insurer is Zurich Insurance All Risks of Physical Loss or Damage of Shipment of Securities and at the Premises, which is an "All Risk" policy: The carrier is Liberty Directors' and Officers' Liability: The lead insurer is Zurich Insurance. Cyber Insurance Policy: Munich RE

366 G11Q097  
 Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

*PFMI: Q.11.4.3*  
*AGC: 97a.*

N/A

367 G11Q098  
 What is the term of the policy?

*PFMI: Q.11.4.3*  
*AGC: 97b.*

Annual. Please refer to the insurance certificates attached to this questionnaire.

368 G11Q099  
 Who does the insurance cover?

*PFMI: Q.11.4.3*  
*AGC: 97c, 97d*

CSD

Direct CSD participants

Final investors

Not applicable

OTHER:

369 G11Q100  
 If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

*PFMI: Q.11.4.3*  
*AGC: 98*

Please note that the answers contained in the Questionnaire of the Association of Global Custodians are provided for information purposes only. Information in this document is subject to change and does not represent a commitment on the part of Clearstream Banking AG, or any other entity in the Clearstream group of companies. Clearstream Banking AG, its subsidiaries and affiliates expressly disclaim liability for errors or omissions in the information contained in this document.

370 G11Q101  
 filecount - Upload document here:

*PFMI: Q.11.4.3*  
*AGC: 98a.*

Insurance Certificate_combined 2020-2021.pdf (557KB)	DBAG 2020-2021 INSURANCE
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CERTIFICATES

1

371 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

*PFMI: Q.11.4.3**AGC: 67a, 67b.*

- Yes
- No
- Not applicable
- OTHER:

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3**AGC: 67b.*

In performance of its obligations and in accordance with its GTCs in its most current form, CBF shall be liable for any fault of its employees and of persons CBF uses for performing its obligations. Should the Special Conditions for certain kinds of services or other agreements specify otherwise, such special regulations shall prevail. The liability of CBF pursuant to sect. 5 paragraph 4 sentence 2 and sect. 3 paragraph 2 sentence 1 DepotG [German Securities Deposit Act] shall remain not affected. If negligence of the client leads to the occurrence of a damage or loss (e.g. by violating its cooperation duties as set forth in no. V of these Terms and Conditions), such damage/loss shall be borne by CBF and the client shall be determined according to the principle of contributory negligence. Further details are described in article VII. of CBF's GTCs. CBF shall not be liable for damage/loss caused by force majeure, uproar, war or natural disasters or by other circumstances CBF is not responsible for (for instance strike, lock-out, traffic disruptions or order of higher authority in its home country or abroad).

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67c.*

This information can be found in Section 5 paragraph (4), sentence 2 in conjunction with § 3 paragraph (2), sentence 1 of the Securities Deposit Act.

374 G11Q105

Insurance

*PFMI: Q.11.4.3**AGC: 67d.*

- Yes
- No
- Not applicable
- OTHER:

375 G11Q106

Please explain (then please answer 67f):

*PFMI: Q.11.4.3**AGC: 67e.*

CBF has concluded a "Comprehensive Crime and Professional Liability Insurance" policy against claims made by clients for financial losses that include infidelity of employees, civil liability and electronic crime. In addition, there is an "All Risks of Physical Loss or Damage of Shipment of Securities and at the Premises of DBAG" which covers all risk of physical loss or

damage of securities held on our premises and during transport. There is also a "Directors' and Officers' Liability" covering all Directors and Officers of DBAG. This covers any natural person who is a past, present or future director or officer of the company, duly elected or appointed. Last, Deutsche Börse AG, including Clearstream Banking Frankfurt, is covered by a Cyber Insurance Policy. It provides insurance cover in the event that claims for compensation of a financial loss are made against the insured by other parties due to a breach of information security and on the basis of legal liability provisions under private law.

376 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3*

*AGC: 67f.*

Copies of certificates are enclosed in this questionnaire.

377 G11Q108

Acknowledgement of liability for losses caused by CSD's own actions.

*PFMI: Q.11.4.3*

*AGC: 67g.*

Not applicable

No

Yes

Other: In performance of its obligations and in accordance with its GTCs in its most current form, CBF shall be liable for any fault of its employees and of persons CBF uses for performing its obligations. Should the Special Conditions for certain kinds of services or other agreements specify otherwise, such special regulations shall prevail. The liability of CBF pursuant to sect. 5 paragraph 4 sentence 2 and sect. 3 paragraph 2 sentence 1 DepotG [German Securities Deposit Act] shall remain not affected. If negligence of the client leads to the occurrence of a damage or loss (e.g. by violating its cooperation duties as set forth in no. V of these Terms and Conditions), such damage/loss shall be borne by CBF and the client shall be determined according to the principle of contributory negligence. Further details are described in article VII. of CBF's GTCs. CBF shall not be liable for damage/loss caused by force majeure, uproar, war or natural disasters or by other circumstances CBF is not responsible for (for instance strike, lock-out, traffic disruptions or order of higher authority in its home country or abroad)

378 G11Q109

Please explain (then please answer 67i):

*PFMI: Q.11.4.3*

*AGC: 67h.*

379 G11Q110

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*

*AGC: 67i.*

The liability of CBF is governed by Section VII. of the General Terms and Conditions of CBF.

380 G11Q111

Other

*PFMI: Q.11.4.3*

*AGC: 67j.*

Yes

No

381 G11Q112

Please explain (then please answer 67):

*PFMI: Q.11.4.3*  
*AGC: 67k.*

382 G11Q113

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*  
*AGC: 67l.*

384 G11Q115

Are participants permitted to maintain more than one account at the CSD?

*PFMI: Q.11.5.1*  
*AGC: 41*

- Not applicable
- No
- Yes

385 G11Q116

If yes, please indicate number:

*PFMI: Q.11.5.1*  
*AGC: 41a, 41c*

- An unlimited number of accounts
- More than one account
- OTHER:

386 G11Q117

If more than one account what is the maximum?

*PFMI: Q.11.5.1*  
*AGC: 41b*

388 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

*PFMI: Q.11.5.2*  
*AGC: 42*

- Yes
- No
- Not applicable
- OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

*PFMI: Q.11.5.2*  
*AGC: 42a*

- Permitted
- Required

390 G11Q121  
How does segregation occur?

*PFMI: Q.11.5.2*  
*AGC: 42b, 42c*

- By separately designated participant accounts.
- By sub-accounts within a single participant account.
- By separately designated beneficial owner accounts.
- OTHER:

391 G11Q122  
Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

*PFMI: Q.11.5.2*  
*AGC: 43, 43b*

- Not applicable
- No
- Yes

392 G11Q123  
If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

*PFMI: Q.11.5.2*  
*AGC: 43a*

- Yes
- No

394 G11Q126  
Please indicate services you provide.

*PFMI: Q.11.6.1*  
*AGC: 35*

- Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.
- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).

Not applicable

OTHER: See 35d

395 G11Q127

Automatic securities lending facility is provided for:

*PFMI: Q.11.6.1*

*AGC: 35a*

Brokers

Banks

Other financial institutions

OTHER:

396 G11Q128

If collateral handling, please provide details

*PFMI: Q.11.6.1*

*AGC: 35c*

XEMAC is a collateral management platform that supports market participants to make the most efficient use of their collateral, reducing the amount of administrative monitoring by automating most of the processes involved. Transactions in the following areas can be secured via Xemac:

- Credit facilities with Deutsche Bundesbank;
- Open market transactions of the European Central Bank;
- Collateralisation of Deutsche Bundesbank trades on ones' own behalf;
- Trading of GC Pooling transactions through the Eurex Repo trading platform in EUR and foreign currencies;
- Efficient provision and management of collateral on the basis of the risk-based margining for the benefit of Eurex Clearing AG as a clearing house and a CCP;
- Securities lending in the context of the various programs offered by CBF;
- Credit lines with CBF and Clearstream Banking SA., Luxembourg;
- Bilateral provision of collateral between Xemac participants;
- Collateralised instruments that are issued via CBF and collateralised in Xemac. CBF acts here as the security trustee.

By linking Xemac to Clearstream Banking SA.'s Collateral Management System, CmaX, Xemac participants can also use the securities they hold in Creation for the provision of collateral.

Xemac fulfils the requirements made of a modern system configuration and has been designed as a client/server system and may be installed on a PC or a workstation within the workplace.

397 G11Q129

Other, please explain:

*PFMI: Q.11.6.1*

*AGC: 35d*

GC Pooling® is a cash-driven general collateral market of Eurex Repo® and offers a unique combination of collateralised money market trading with the efficiency and security of Eurex Clearing AG's central counterparty. It is easy to trade extremely large tickets and deals can be seamlessly completed and then processed automatically without any issues over credit or security allocation.

The compelling advantage of GC Pooling® is the re-use possibility of received collateral for further money market transactions and refinancing within the framework of Bundesbank open market operations. The OneWeek Tender term with flexible value dates for term legs enables participants to utilize surplus liquidity resulting from the European Central Bank tender in an efficient manner.

398 G11Q130

What procedures are in place for the processing of corporate action entitlements?

*PFMI: Q.11.6.1**AGC: 36*

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the securities account upon actual receipt by the CSD.
- Corporate action entitlements are handled by an entity separate from the CSD.
- Not applicable
- OTHER:

399 G11Q131

Credited to the securities account:

*PFMI: Q.11.6.1**AGC: 36a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

400 G11Q132

Name of entity:

*PFMI: Q.11.6.1**AGC: 36c*

401 G11Q133

What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1**AGC: 37, 37d.*

- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the cash account upon actual receipt by the CSD.
- Income and dividend collection is handled by an entity separate from the CSD.
- Not applicable
- OTHER:

402 G11Q134

Credited to the cash account:

*PFMI: Q.11.6.1**AGC: 37a*

- On pay date.
- On pay date +1.

On pay date +2.

OTHER: Cash settlement takes normally place on payment date. The crediting of funds can only be effected once CBF has received the funds from the Issuer CSD or agent and once they have been fully reconciled. The amount paid out, less tax if applicable, is debited to the paying agent and credited to customers with entitled positions.

403 G11Q135

Name of entity:

*PFMI: Q.11.6.1*

*AGC: 37c*

#### Exchange-of-value settlement systems (PFMI Principle 12)

408 G12Q003

Does the CSD guaranty settlement?

*PFMI: Q.12.1.1*

*AGC: 66u.*

- Not applicable
- Yes
- No

409 G12Q004

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

*PFMI: Q.12.1.1*

*AGC: 66v.*

411 G12Q006

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

*PFMI: Q.12.1.2*

*AGC: 48*

- Model1
- Model2
- Model3
- Not applicable
- OTHER:

412 G12Q007

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

*PFMI: Q.12.1.3*

*AGC: 48a*

CBF has outsourced the securities settlement in central bank money of transactions in German and international securities to the T2S platform provided by the Eurosystem. Within the securities settlement, T2S takes over the entry and the processing of instructions, the validation, the matching and the settlement of the transmitted instructions, the administration of positions as well as the reporting of transactions and of positions for the securities accounts on the T2S platform (SAC - Security Accounts). Thereby, the settlement, that is, the regulation of the security and cash side, takes place directly on the



T2S platform. For the cash side there are dedicated cash accounts (DCA) available. The instructions that are transmitted to T2S for settlement are delivery instructions resulting from OTC and stock exchange trading (Xetra, floor trading), clearing through Eurex Clearing AG (CCP) for trading at the Frankfurt Stock Exchange (Xetra) and Eurex Repo and the Eurex derivatives market (exercises and assignments, resp. notifications and allocations) as well as from CCP service for securities lending, and deposit transfers. The CBF CASCADE system covers the administration of positions in collective safe custody and the related services as for example corporate actions, dividend payments or services related to general meetings. In addition, a reconciliation of the T2S positions takes place. Instructions transmitted to T2S are processed in different settlement cycles in T2S. For cash and securities settlement, T2S offers a sequential night-time processing (night-time settlement - NTS) with two cycles and up to two real-time processing cycles (real-time settlement - RTS). Cash entries which result from securities settlement or from interest and redemption payments for German government bonds as well as cross-border market and reverse claims for FCSC securities are booked on the DCA. Other cash bookings are processed separately in two processing cycles, Direct Debit 1 (DD1) and Direct Debit 2 (DD2). In addition, manually entered payments and automatically generated bookings of the subscription price for subscription rights can be carried out in Direct Debit 3 (DD3). In the settlement of securities transactions, a distinction must be made between (a) the finality of instructions to transfer securities and/or cash amounts in a clearing and settlement system in the meaning of European Directive 98/26/EC (EC Directive on Settlement Finality) and (b) the lawful settlement of securities and/or cash delivery obligations. For the finality on the T2S platform the rules determined in the General Terms and Conditions of CBF apply. From a legal point of view, the settlement of instructions takes place when the counterparties to a securities transaction have performed their entire obligations (such as the transfer of rights to a security or effecting a cash payment) so that all reciprocal claims arising from the transaction have been satisfied in full and are consequently extinguished. The instruction is settled with the binding booking in T2S, related with the associated re-registering has taken place in the custody ledger (Section 14 of the German Securities Deposit Act). Cash settlement for payments made in EUR takes place through the T2S DCA of the participant. Cash settlement for payments made in currencies other than EUR take place through Creation, the custody and settlement platform of CBF's sister company, CBL. Further information is provided in chapter 1.4 of the CBF Customer Handbook: <https://www.clearstream.com/clearstream-en/keydocuments-1/-/csd-1/-/customer-handbook>

415 G12Q010

Are the cash and security movements simultaneous?

PFMI: Q.12.1.3

AGC: 49

- Not applicable
- No
- Yes

416 G12Q011

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

PFMI: Q.12.1.3

AGC: 49a

- 2 days
- Overnight
- 5 hours
- 4 hours
- 3 hours
- 2 hours
- 1 hour

**Participant default rules and procedures (PFMI Principle 13)**

421 G13Q004

During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

PFMI: Q.13.1.2

AGC: 77

- Not applicable
- No
- Yes

422 G13Q005

How was the situation resolved? Or if you answered "Other," then please explain:

*PFMI: Q.13.1.2*

*AGC: 77a*

423 G13Q006

Does the stock exchange have default protections that extend to the CSD, such as the following?

*PFMI: Q.13.1.2*

*AGC: 80*

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- No
- Not applicable
- OTHER:

424 G13Q007

Please explain:

*PFMI: Q.13.1.2*

*AGC: 80a*

427 G13Q010

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

*PFMI: Q.13.1.4*

*AGC: 76, 76d*

- CSD insurance covers the loss
- The CSD guaranty fund covers the loss
- Loss is shared among participants
- Not applicable
- OTHER: Please see 76d

428 G13Q011

Please explain the process:

*PFMI: Q.13.1.4*

*AGC: 76a*

429 G13Q012

Please explain the process of how the loss is shared:

*PFMI: Q.13.1.4*

*AGC: 76b*

- Limited to participants with transactions with failing counterparty
- Pro-rata based on participant's volume
- Equally, among participants

430 G13Q013

Please explain:

*PFMI: Q.13.1.4*

*AGC: 76d*

Clearstream has the status of a payment and securities settlement system ('SSS') for the settlement of credit operations of the European System of Central Banks, and as such Clearstream has to comply with the strictest standards for managing and mitigating custody risk. The counterparty risk is addressed by:

- Legal provisions on finality (once a transaction is final, bankruptcy of counterparty does not impact transaction).
- The DVP model, where securities and cash are effectively exchanged between the counterparties, minimising the settlement risk.
- To reduce settlement failure, Clearstream offers securities lending, enhancing settlement efficiency through automated loans to prevent failures. The assessment of the credit risk depends on the underlying agreement between participants and is addressed by the securities being pledged as collateral. Clearstream meets all standards to use the 'Advanced Measurement Approach' of BASEL II for the regulatory capital charge for operational risk. Please also refer to the final provisions listed in section C.XXXIII of Clearstream's CSD GTCs, available at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/generalterms-and-conditions> Furthermore, please refer to the description of our default management processes which is published at the following link: <http://www.clearstream.com/clearstream-en/strategy-andinitiatives/asset-safety/clearstream-default-management>

#### General business risk (PFMI Principle 15)

440 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.3*

*AGC: 15*

- Yes
- No

441 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

*PFMI: n/a*

*AGC: 15a.*

CBF's external auditor is KPMG Audit, Frankfurt.

442 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: n/a*

*AGC: 15b.*

31/12/2019

443 G14Q005

Please list the period that the audit covered:

PFMI: n/a  
AGC: 15c.

Start date: 01/01/2019  
End date: 31/12/2019

444 G14Q006  
How frequently does the financial audit occur?

PFMI: n/a  
AGC: 15d.

- Less than annually
- Annually
- Two or more times a year

445 G14Q007  
If less than annually, please explain:

PFMI: n/a  
AGC: 15e.

446 G14Q008  
Please select the statement that most accurately characterizes the results of the last financial audit:

PFMI: n/a  
AGC: 15g.

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

447 G14Q009  
If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: n/a  
AGC: 15h.

448 G14Q010  
Has there been any material loss by the CSD during the past three years?

PFMI: n/a  
AGC: 86

- Not applicable
- No
- Yes

449 G14Q011  
If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

PFMI: n/a

AGC: 86a.

450 G14Q012

Has the CSD been subject to any litigation involving a participant during the past three years?

PFMI: n/a

AGC: 87

- Not applicable
- No
- Yes

451 G14Q013

Please explain the circumstances and resolution:

PFMI: n/a

AGC: 87a.

452 G14Q014

Has the CSD realized revenues sufficient to cover expenses during the past three years?

PFMI: n/a

AGC: 88, 88a

- Not applicable
- None of the last three years
- Yes for one of the last three years
- Yes for two of the last three years
- Yes for all three years

453 G14Q015

Has any participant suffered any losses in the past three years due to the CSD's performance?

PFMI: n/a

AGC: 30, 30m

- Not applicable
- No
- Yes

454 G14Q016

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

PFMI: n/a

AGC: 30a, 30j

- Corporate Action
- Settlement Process - Securities

Settlement Process - Cash

System Outage

OTHER:

455 G14Q017

Corporate Action. Please specify number of instances:

*PFMI: n/a*

*AGC: 30b.*

456 G14Q018

Corporate Action. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30c.*

457 G14Q019

Settlement Process - Securities. Please specify number of instances:

*PFMI: n/a*

*AGC: 30d.*

458 G14Q020

Settlement Process - Securities. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30e.*

459 G14Q021

Settlement Process - Cash. Please specify number of instances:

*PFMI: n/a*

*AGC: 30f.*

460 G14Q022

Settlement Process - Cash. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30g.*

461 G14Q023

System Outage. Please specify number of instances:

*PFMI: n/a*

*AGC: 30h.*

462 G14Q024

System Outage. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30i.*

463 G14Q025

For Other, please specify number of instances:

PFMI: n/a  
AGC: 30k.

464 G14Q026

For Other, please specify total loss in USD:

PFMI: n/a  
AGC: 30l.

468 G14Q030

Does the CSD maintain a reserve for operating losses?

PFMI: Q.15.2.1  
AGC: 89, 89b

- Not applicable
- No
- Yes

471 G14Q033

Please describe and indicate reserve (for operating losses) amount:

PFMI: Q.15.2.2  
AGC: 89a.

For a detailed description of the Clearstream segment within Deutsche Börse Group please refer to the Annual Financial Report of DBAG. The report as well as Clearstream's annual accounts are available at the following link:  
<https://www.clearstream.com/clearstream-en/about-clearstream/reports-and-ratings/annual-reports>

**Custody risk (PFMI Principle 16)**

485 G15Q003

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

PFMI: Q.16.1.1  
AGC: 29, 29i

- Yes
- No
- Not applicable
- OTHER:

486 G15Q004

If third parties are employed, please indicate which services they supply:

PFMI: Q.16.1.1  
AGC: 29a.

CBF has outsourced some operational functions to its sister companies Clearstream Banking S.A., Clearstream Operations Prague sro and Clearstream Global Securities Services Ltd. IT development and maintenance for Clearstream's systems are being handled by Clearstream Services S.A. and the IT department of Deutsche Börse AG in Frankfurt. Additionally, we offer proxy voting services in co-operation with ISS. This brings a number of additional benefits to our customers throughout the life cycle of a proxy voting event. ISS is headquartered in the United States.

Also, the securities settlement in central bank money of transactions in German in collective safe custody (CSC) has been outsourced to the T2S platform provided by the Eurosystem. In this context, EUR cash settlement against central bank money takes place via the T2S Dedicated Cash Account (DCA) and foreign currencies via correspondent banks. Agents used by CBF are depositories abroad to which CBF has opened a mutual account relationship in the meaning of Section 5 paragraph 4 Securities Deposit Act. CBF will gradually establish CSD links to all markets participating in T2S. CBF has outsourced the IT processing for transactions regarding its international securities held in non-collective safe custody (NCSC securities, so called Wertpapierrechnung) to Clearstream Services S.A., Luxembourg. In this framework settlement and custody transactions for these securities on the so called 6-series accounts is technically executed via the Creation platform, based on a service level agreement between CBF and Clearstream Services S.A., Luxembourg. However, the execution of such services and securities transfers happens under German law.

487 G15Q005

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

*PFMI: Q.16.1.1*

*AGC: 29b.*

Yes

No

488 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1*

*AGC: 29c, 29e.*

regardless of whether such loss was caused by any action or inaction of the agent

if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent

if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent

if the loss was caused by the willful default or other willful conduct on the part of the agent

OTHER:

489 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

*PFMI: Q.16.1.1*

*AGC: 29d, 29h.*

without limit

which are not consequential losses

subject to a monetary limit not based on insurance limits

subject to a monetary limit based on insurance limits

OTHER: Please refer to Article VII of our General Terms and Conditions for details concerning CBF's liability. Our GTCs are published on our website at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/general-terms-and-conditions>

490 G15Q008

Please specify limit:

*PFMI: Q.16.1.1*

*AGC: 29f.*



491 G15Q009  
Please specify limit:

*PFMI: Q.16.1.1*  
*AGC: 29g.*

496 G15Q014

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

*PFMI: Q.16.3.1*  
*AGC: 62*

CBF is the CSD for Germany and accordingly the services offered in relation to income, corporate actions and proxy services for German CSC securities ("Giro sammelverwahrung") are the best available. Thanks to partnerships with local agents, Clearstream delivers best-in-class asset servicing for the T2S markets covered in the Investor CSD offering. Clearstream's Investor CSD roll-out continues on a market-by-market basis with further T2S connected markets being added over time. CBF offers its customers custody services for NCSC securities, using the technical and functional services offered by its sister company, CBL

#### Operational risk (PFMI Principle 17)

514 G16Q011  
Internal Audit. Is an internal audit undertaken in your CSD?

*PFMI: Q.17.2.3*  
*AGC: 14*

Yes

No

515 G16Q012

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

*PFMI: Q.17.2.3*  
*AGC: 14a.*

The role of CBF's internal audit department encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and the quality of performance. The Chief Auditor and audit staff remain independent from any other group activities in order to allow them to carry out their work freely and objectively and render impartial and unbiased judgments. In order to ensure independence of the Internal Audit functions, the Head of Internal Audit (Chief Internal Auditor) reports to the Executive Board, to the Audit Committee and the Supervisory Board with an administrative reporting line to the CEO and a functional reporting line to the Head of Internal Audit DBAG. Internal Audit is authorised to have unrestricted access to all records, personnel and physical properties. The professional standards of the department are primarily based on those set out by the Institute of Internal Auditors, the Information Systems Audit and Control Association and the Basel Committee for Banking Supervision as well as by the German Institute for Internal Auditing. An Audit Universe of all auditable units, processes and IT systems has been set up by Internal Audit and is reviewed annually. A three-year rotational plan is prepared, based on a risk analysis of the audit universe, from which the detailed plan for the coming year is determined. The three-year rolling plan and detailed annual plan are both approved by the Executive Board, the Supervisory Board and the Audit Committee.

516 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

*PFMI: Q.17.2.3*  
*AGC: 14b.*

Start date: 01/01/2020  
End date: 30/10/2020  
Audit date: 30/11/2020

517 G16Q014

How frequently does the internal audit occur?

*PFMI: Q.17.2.3*  
*AGC: 14c.*

- Less than annually
- Annually
- Two or more times a year

518 G16Q015  
If less than annually, please explain:

*PFMI: Q.17.2.3*  
*AGC: 14d.*

519 G16Q016  
Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3*  
*AGC: 14e.*

- Yes
- No

520 G16Q017  
Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3*  
*AGC: 14f.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

521 G16Q018  
If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3*  
*AGC: 14g.*

523 G16Q020  
Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4*  
*AGC: 16*

- Yes
- No

524 G16Q021  
If yes, please state the name(s) of the entity(ies) who perform the operational audit.

PFMI: Q.17.2.4  
AGC: 16a.

525 G16Q022

Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

PFMI: Q.17.2.4  
AGC: 16b.

30/10/2020

526 G16Q023

Please list the period that the audit covered:

PFMI: Q.17.2.4  
AGC: 16c.

Start date: 01/01/2020

End date: 30/10/2020

527 G16Q024

How frequently does the operational audit occur?

PFMI: Q.17.2.4  
AGC: 16d.

- Less than annually
- Annually
- Two or more times a year

528 G16Q025

If less than annually, please explain:

PFMI: Q.17.2.4  
AGC: 16e.

529 G16Q026

Please select the statement that most accurately characterizes the results of the last operational audit:

PFMI: Q.17.2.4  
AGC: 16g.

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

530 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: Q.17.2.4  
AGC: 16h.

537 G16Q034

How is access to the physical building controlled?

*PFMI: Q.17.5.1*  
*AGC: 74*

- By guards
- By electronic keys
- personal ID card
- By alarm system
- OTHER: Please see 74a

538 G16Q035  
Please explain:

*PFMI: Q.17.5.1*  
*AGC: 74a.*

An access control system is in place for all premises and respective logs are kept. In addition, a CCTV system is in place and access is monitored 24 hours a day. A Security Management System (SMS) is connected to the fire central and its fire detectors. Furthermore, the SMS is connected to an intrusion alert system. A surveillance of technical installations (temperature etc.) is also installed. 6 security guards are on duty during the day and 3 during the night. Visitors are required to sign in at reception providing valid proof of identity. The building is therefore restricted to authorised personnel and accompanied visitors. All staff are issued with picture ID cards that must be used to gain entrance. Approximately 100 cameras are installed in and outside the building. Access for technicians and visitors is only granted after written authorisation from the person, responsible for his/her area. Access to the Data Center is controlled with card readers and biometric reader.

541 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

*PFMI: Q.17.5.3*  
*AGC: 71 71a.*

- Not applicable
- No
- Yes

542 G16Q039

Does each user have a unique user ID?

*PFMI: Q.17.5.3*  
*AGC: 71c.*

- Not applicable
- No
- Yes

543 G16Q040

Are passwords regularly changed?

*PFMI: Q.17.5.3*  
*AGC: 71e.*

- Not applicable
- No

- Yes

544 G16Q041  
How often?

*PFMI: Q.17.5.3*  
*AGC: 71f.*

Passwords have to be changed every 90 days on CASCADE. For Xact Web Portal, CreationOnline and Xact File Transfer, a set of passwords will be communicated to the customer upon setup. Thereafter access rights and password protocols will be defined and managed by the administrator at the customer institution.

545 G16Q042

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3*  
*AGC: 71h.*

- Not applicable
- No
- Yes

546 G16Q043

How many?

*PFMI: Q.17.5.3*  
*AGC: 71i.*

For CASCADE this is unlimited, although logon attempts are tracked. For the Xact Web Portal, user accounts are locked after 10 failed logon attempts. The account is suspended until a local administrator resets the user's password. For CreationOnline after 3 failed logon attempts due to wrong password the session is temporarily locked. After a couple of minutes the user can login again. In case the OU is secured with an additional PIN after 3 failed logon attempts due to wrong PIN the user is suspended and the local administrator must recreate the users certificate and password. In case the OU is secured with smartcard, after 15 failed logon attempts due to wrong smartcard password the smartcard is locked and the local administrator must recreate the users certificate and password.

550 G16Q047

How quickly can the main system be reactivated in the event of an outage?

*PFMI: Q.17.6.2*  
*AGC: 82*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours
- Other: CBF's overall business continuity plan Recovery Time Objective (RTO) is set to two hours. Within the RTO, CBF has included decision, travel and systems/ business resumption time. However, depending on the nature of the incident, actual recovery can be achieved more quickly. However, IT production is distributed over two remote data centres that provide online and full redundancy to allow data processing and communications with clients to be sustained should any primary equipment experience a failure. The two centres are interconnected with high-speed lines to provide real-time data mirroring. This ensures the online availability and integrity of all transactions at the time of a disruption. In addition to this real-time data duplication, data is also kept offline on backup copies in a secure location.

553 G16Q050

Will the CSD publicly announce any system interruption?

PFMI: Q.17.6.4  
AGC: 84

- Not applicable
- No
- Yes

554 G16Q051

To whom will the CSD disclose any system interruptions?

PFMI: Q.17.6.4  
AGC: 84a.

- To the CSD regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet
- In the press
- OTHER:

555 G16Q052

If so, please list webpage address:

PFMI: Q.17.6.4  
AGC: 84b.

www.clearstream.com

556 G16Q053

If so, please list all publications:

PFMI: Q.17.6.4  
AGC: 84c.

557 G16Q054

Please explain:

PFMI: Q.17.6.4  
AGC: 84d.

558 G16Q055

How will the CSD disclose any system interruptions?

PFMI: Q.17.6.4  
AGC: 84e.

- By e-mail
- By telephone
- Public announcement
- Press release

OTHER: Please see 84e.

559 G16Q056  
Please explain:

*PFMI: Q.17.6.4*  
*AGC: 84f.*

Information on incidents/crises and related actions taken by Clearstream is made available to customers via the regular communication channels: direct contact with Client Services and the relationship management teams, website and email, as well as via the online tool. Such communication will happen as soon as the incident/crisis is known and once related actions are defined.

561 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

*PFMI: Q.17.6.5*  
*AGC: 83*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

565 G16Q062

**BUSINESS RECOVERY PLAN.** This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

*PFMI: Q.17.6.8*  
*AGC: 81*

- Yes
- No

566 G16Q063

Does your Business Recovery Plan include:

*PFMI: Q.17.6.8*  
*AGC: 81a, 81h.*

- Back-up of all computer files
- Off-site data storage
- Back-up files stored and locked
- Off-site operations facility
- OTHER: BCM arrangements implemented at CBF address not only the unavailability of systems, workspace and suppliers, but also the loss of significant numbers of staff in order to ensure the continuity of the most critical operations even in cases of catastrophe scenarios.

567 G16Q064

Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

*PFMI: Q.17.6.8*  
*AGC: 81b.*

Customers participate automatically and transparently in the periodic switch of production between the primary and secondary data centres and testing of other aspects of the plan which may be conducted during business hours. The most recent tests were conducted on the following dates:

- Workspace unavailability (relocation exercise of staff in combination with all mission critical activities performed out of secondary location for several business days; unannounced): October 2019
- Staff unavailability (mission critical activities performed by dispersed operations staff and via business transfer to remote units for several business days; unannounced): December 2019
- Systems unavailability (simulating the loss of one data centre including production processing on remaining site): October 2020

568 G16Q065

Please identify both the frequency and the last date of testing for the following third party: Stock exchange

*PFMI: Q.17.6.8*  
*AGC: 81c.*

Contingency tests involving the trading platforms within Deutsche Börse Group are typically performed on an bi-annual basis in March and November every year.

569 G16Q066

Please identify both the frequency and the last date of testing for the following third party: Central bank

*PFMI: Q.17.6.8*  
*AGC: 81d.*

Test of contingency procedures with the German Central Bank are performed from time to time.

570 G16Q067

Please identify both the frequency and the last date of testing for the following third party: Local brokers

*PFMI: Q.17.6.8*  
*AGC: 81e.*

n/a

571 G16Q068

Please identify both the frequency and the last date of testing for the following third party: Any other third party

*PFMI: Q.17.6.8*  
*AGC: 81f.*

Clearstream invites customers to participate in its annual systems unavailability tests, when customers can submit instructions which are processed in production and receive reports.

572 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

*PFMI: Q.17.6.8*  
*AGC: 85*

- Not applicable
- No
- Yes

573 G16Q070

If yes, how much time was needed to implement the recovery plan?

*PFMI: Q.17.6.8*



AGC: 85a.

- Longer than 4 hours
- 2 - 4 hours
- 1 - 2 hours
- Less than 1 hour

574 G16Q071

How much time was needed to recover and restore business to normal operations?

PFMI: Q.17.6.8

AGC: 85b.

- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

575 G16Q072

What was the impact to the market?

PFMI: Q.17.6.8

AGC: 85c, 85d.

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER:

576 G16Q073

If no or other, please explain

PFMI: Q.17.7.4

AGC: 40a.

578 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

PFMI: Q.17.7.1

AGC: 39

- Yes
- No
- Not applicable

579 G16Q076

Please explain

PFMI: Q.17.7.1

AGC: 39a

Data and applications within CBF are protected by coherent security architecture. This architecture has been designed to meet the specific needs of CBF and combines a number of

components in order to ensure true end-to-end security and defense in depth. The major components of this architecture are as follows:

- Perimeter defence components (Multilayered Firewalls and Network Intrusion Detection Systems (NIDS));
- Cryptographic protocols on exposed network segments;
- Cryptographically enabled applications;
- A Public Key Infrastructure (PKI) system, using hardware key storage, to support cryptographic services;
- A multitiered framework for handling viruses and malicious code;
- Secure mail and SPAM filtering software;
- Access control software;
- Host-based and network-based scanning software for detecting vulnerability;
- Privilege management software for controlling and monitoring the use of powerful accounts;
- Standard secure configurations for all major native operating systems;
- Extensive use of Oracle security mechanisms, such as password protected roles, to prevent access to data from unauthorised individuals or applications;
- Centralised logging and event management: collection/normalisation of event data, and correlation of impact of incidents based on criticality to business operations;
- Strong authentication: Two factor authentication, biometrics, network access control (NAC);
- Managed file transfer;
- Protection of Web Interfacing Systems against Cyber Threats (e.g. DDoS, Web defacement);
- Real-time database security and monitoring.

For its online access applications, CBF provides a security subsystem that has been designed with true end-to-end security in mind and based on sound architectural principles. This

subsystem is deployed as a series of components designed to work together to deliver a number of security services, such as:

- Authentication
- Protection of confidentiality
- Protection of integrity (both session and data integrity)
- Authentication
- Non-repudiation
- Logging and audit trail

583 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

PFMI: Q.17.7.4

AGC: 40

- Yes
- No
- Not applicable
- Other

**Access and participation requirements (PFMI Principle 18)**

587 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

PFMI: Q.18.1.1

AGC: 19

- Not applicable
- No
- Yes

591 G17Q007

What governs the relationship between the CSD and the participants?

PFMI: Q.18.2.2

AGC: 20

- Relevant law and regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- Not applicable
- OTHER:

592 G17Q008

Please explain:

PFMI: Q.18.2.2

AGC: 20a

594 G17Q010

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

PFMI: Q.18.2.3

AGC: 17, 17q

- Banks
- Brokers

- Individuals
- Foreign Institutions
- Not applicable
- OTHER:

595 G17Q011  
How many Bank participants are there currently? (then please answer 17b)

*PFMI: Q.18.2.3*  
*AGC: 17a.*

The Clearstream group including the entities in Frankfurt and Luxembourg maintains relationships with around 2,500 financial institutions in over 110 countries around the world. Clearstream's core franchise is composed of banks, including local, regional and global custodians, central banks and universal banks. A list of CBF customers is available to logged in premium users of the Clearstream website at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/referencedata/customer-listings>

596 G17Q012  
Please select the features included in the eligibility requirements for Banks.

*PFMI: Q.18.2.3*  
*AGC: 17b, 17d*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

597 G17Q013  
Please explain:

*PFMI: Q.18.2.3*  
*AGC: 17d.*

Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

598 G17Q014  
How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3*  
*AGC: 17e.*

The Clearstream group including the entities in Frankfurt and Luxembourg maintains relationships with around 2,500 financial institutions in over 110 countries around the world. Clearstream's core franchise also includes brokers, investment banks, and asset and investment managers. A list of CBF customers is available to logged in premium users of the Clearstream website at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/referencedata/customer-listings>

599 G17Q015  
Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3*  
*AGC: 17f, 17h*

- Financial Thresholds
- Regulatory Oversight
- Market Experience

OTHER:

600 G17Q016  
How many Individual participants are there currently? (then please answer 17j)

*PFMI: Q.18.2.3*  
*AGC: 17i.*

601 G17Q017  
Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3*  
*AGC: 17j.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

602 G17Q018  
How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3*  
*AGC: 17m.*

The Clearstream group including the entities in Frankfurt and Luxembourg maintains relationships with around 2,500 financial institutions in over 110 countries around the world. Clearstream's core franchise also includes brokers, investment banks, and asset and investment managers. A list of CBF customers is available to logged in premium users of the Clearstream website at <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-referencedata/customer-listings>

603 G17Q019  
Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3*  
*AGC: 17n, 17p.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

604 G17Q020  
If you have selected "Other entities" above, please explain:

*PFMI: Q.18.2.3*  
*AGC: 17q.*

CBF will accept corporates, subject to limitations.

605 G17Q021  
Indicate how many "Other entities" are currently participants?

*PFMI: Q.18.2.3*  
*AGC: 17r.*

The Clearstream group including the entities in Frankfurt and Luxembourg maintains relationships with around 2,500 financial institutions in over 110 countries around the world.

606 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

*PFMI: Q.18.2.3**AGC: 17s, 17u* Financial Thresholds Regulatory Oversight Market Experience OTHER:

609 G17Q025

Where can a description of the specific eligibility requirements for Bank participants be found?

*PFMI: Q.18.2.5**AGC: 17c.*Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

610 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

*PFMI: Q.18.2.5**AGC: 17g.*Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

611 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

*PFMI: Q.18.2.5**AGC: 17k.*Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

612 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

*PFMI: Q.18.2.5**AGC: 17o.*Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

613 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

*PFMI: Q.18.2.5**AGC: 17t.*Please refer to the "Becoming a Clearstream customer" page of our website <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstreamcustomer>

614 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

*PFMI: Q.18.2.5**AGC: 22*

- By e-mail
- By telephone
- By public announcement
- By press release
- Not applicable
- OTHER: See 22a

615 G17Q031

Please explain:

*PFMI: Q.18.2.5*

*AGC: 22a.*

CBF reserves the right to modify and amend the Conditions at any time. Modifications and amendments of the Conditions shall be disclosed to the client (i) via the electronic communication channel and (ii) be published on the website of CBF ([www.clearstream.com](http://www.clearstream.com)). If not provided otherwise in the Conditions, modifications and amendments of the Conditions shall be communicated at least six weeks prior to the effective date indicated in the respective notification. Please note, that it is also provided for a shorter communication period of three weeks applicable in specific circumstances. The modifications and amendments of the Conditions shall be deemed to be approved unless the customer submits a written objection to CBF via notification or via the email address: [conditions@clearstream.com](mailto:conditions@clearstream.com) within the respective provision for notice. CBF shall expressly draw the client's attention to such consequence in the announcement of the amendment. Please note that an amended version of the Conditions is effective October 2020. Please find the document at the following link <https://www.clearstream.com/clearstreamen/keydocuments-1-/csd-1-/general-terms-and-conditions>

617 G17Q033

Who enforces compliance with the CSD's conditions of participation?

*PFMI: Q.18.3.1*

*AGC: 23*

- The CSD
- The exchange
- The CSD's regulator
- Not applicable
- OTHER:

618 G17Q034

Please explain:

*PFMI: Q.18.3.1*

*AGC: 23a*

Customers are subject to the CBF General Terms and Conditions. Please find the document at the following link <https://www.clearstream.com/clearstreamen/keydocuments-1-/csd-1-/general-terms-and-conditions>

619 G17Q035

Does the CSD have forms of oversight management for assessing and monitoring of the following?

*PFMI: Q.18.3.1*

*AGC: 79*

- Participant eligibility requirements
- Participant volumes
- Participant financial strength
- Other loss or default protections the CSD maintains

- Collateral requirements for participants
- Debit caps for participants
- Settlement controls that minimize or eliminate the risk of default by a participant
- Blocking of securities movement before receipt of payment
- Blocking payment until securities are moved
- Not applicable
- OTHER:

620 G17Q036

Please explain other loss or default protections:

*PFMI: Q.18.3.1*  
*AGC: 79a*

In order to protect from losses and prepare for potential participant default, CBF has implemented a default management process. The default management of CBF includes preliminary measures (such as monitoring of defined early warning indicators in order to detect potential participant default at an early stage) and corrective measures, which are related to liquidation of pledged securities in order to cover the outstanding exposures, if any. For further details, please refer to the <https://www.clearstream.com/clearstream-en/strategy-and-initiatives/asset-safety/clearstream-default-management>

621 G17Q037

Please explain the requirements:

*PFMI: Q.18.3.1*  
*AGC: 79b*

CBF may grant credit limits that serve to facilitate the settlement of securities transactions as well as to support the securities financing business. Credit is primarily granted on a collateralised basis. Borrowers in Clearstream are central banks, banks and financial institutions. Furthermore, credit limits are set for the placement of funds with counterparties. The credit processing is arranged in guidelines and work instructions. Credit limits are set in accordance with the customer's financial standing, as indicated by factors such as the customer's credit rating and net worth, as well as having regard for the level of activity on the customer's accounts and the level of collateralisation. Credit lines must be collateralised to the maximum extent possible. The monitoring of recoverability of collateral is also operated by the Credit section. Further information is provided in our Pillar III report which can be found at the following link: <https://www.clearstream.com/clearstream-en/about-clearstream/regulation-1-/pillar-iiidisclosure-report/pillar-iii-disclosure-report-1278114>

622 G17Q038

Please explain how these debit caps work:

*PFMI: Q.18.3.1*  
*AGC: 79c*

623 G17Q039

What type or types of settlement controls

*PFMI: Q.18.3.1*  
*AGC: 79d.*

- Blocking or freezing of securities positions
- Controlling DVP settlement
- Simultaneous DVP
- OTHER:

624 G17Q040

Please explain:



*PFMI: Q.18.3.1*  
*AGC: 79e.*

According to its GTCs CBF may freeze a customer's securities accounts and cash accounts, if a public authority issues a decree pursuant to sections 45 et seq. KWG [German Banking Act] or pursuant to corresponding foreign legal regulations, if the customer's registered offices are situated abroad, against the customer. The performance by CBF of irrevocable orders of the client for the transfer of securities, fractions of collective holdings, claims to surrender of securities or rights shall remain unaffected.

625 G17Q041  
Please explain:

*PFMI: Q.18.3.1*  
*AGC: 79f.*

The cash settlement of securities transactions and certain Corporate Actions generally involves the following instruction types:

- Transfer of securities against payment in EUR: Delivery versus Payment (DvP), Receive versus Payment (RvP)
- Transfer of securities with payment in EUR: Delivery with Payment (DwP), Receive with Payment (RwP)
- Payment in EUR without transfer of securities: Payment Free of Delivery Debit (PFoD-DBIT), Payment Free of Delivery Credit (PFoD-CRDT)

These transactions can settle in T2S during night-time settlement (NTS) as well as during real-time settlement (RTS), until 16:00. In both cases, the cash is settled directly via a DCA

linked to the respective Securities Account (SAC). The DCA can either be stated in the instruction or be set up as a default DCA at CBF.

Customers participating in settlement of RvP, DwP or PFoD-DBIT instructions in T2S must generally ensure that there is sufficient cash or credit line available on the DCA. The liquidity is

transferred from an RTGS main account and such a liquidity transfer can be instructed – depending on the technical connectivity of the customer – either in T2S, TARGET2 or CASCADE Online.

626 G17Q042  
Please explain:

*PFMI: Q.18.3.1*  
*AGC: 79g.*

CBF is a Model 1 DvP system, ensuring simultaneous settlement of securities and funds transfers on a gross (trade-by-trade) basis for batch processing; only the technically netted funding requirements are reserved on a Bundesbank account.

627 G17Q043  
Please identify and explain:

*PFMI: Q.18.3.1*  
*AGC: 79h*

628 G17Q044  
Please explain briefly how these work:

*PFMI: Q.18.3.1*  
*AGC: 79i*

We monitor customers throughout our relationship with them to ensure they continue to fulfil the customer acceptance criteria. Transactions are monitored by an automated tool in order to assess account activity and in order to identify unusual and potentially suspicious activity.

631 G17Q047  
What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3*  
*AGC: 24*

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER:

632 G17Q048

Please explain:

*PFMI: Q.18.3.3**AGC: 24a*

633 G17Q049

Has there been any such enforcement actions in the last three years?

*PFMI: Q.18.3.3**AGC: 25*

- Yes
- No

634 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

*PFMI: Q.18.3.3**AGC: 25a.***Tiered participation (PFMI Principle 19)****Links (PFMI Principle 20)**

651 G19Q004

Please list all depositories or settlement systems to which you have an electronic link.

*PFMI: Q.20.1.2**AGC: 38*

For foreign securities eligible for collective safe custody pursuant to the German Securities Deposit Act, CBF maintains links into central securities depositories to serve foreign securities markets, so called CSD links. In this context, EUR cash settlement against central bank money takes place via the T2S Dedicated Cash Account (DCA) and foreign currencies via correspondent banks. CBF will gradually establish CSD links to all markets participating in T2S. For securities that are not settled via the T2S platform, CBF keeps the positions in the form of bookentry credits on a fiduciary basis, using the technical infrastructure of its sister company CBL, which uses custodians in various countries for purposes of custody.

**Efficiency and effectiveness (PFMI Principle 21)****Communication (PFMI Principle 22)**

676 G21Q003

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

*PFMI: Q.22.1.1**AGC: 69*

- By direct electronic link
- By receipt of physical account holding statements
- Not applicable
- OTHER:

677 G21Q004

Please explain:

PFMI: Q.22.1.1

AGC: 69a.

SWIFT, file transfer, CASCADE-Host, CASCADE-PC and MQ file transfer. Customers can choose from a wide range of reports. Reporting profiles can be tailored to meet specific client business requirements. Customers can choose to receive/retrieve reports by more than one communication media, and can select versions of reports to receive/retrieve according to the frequency with which updated information on transaction status and positions are needed. A key component in our communications strategy is a commitment to support all SWIFT and ISO message standards that are applicable to our particular business environment and to use them in industry-standard ways. To this end, we work closely with both SWIFT and ISO, making active contributions to message development, to ensure that your needs are met. For the non-collective safe custody business, the ClearstreamXact channels provided by Clearstream Banking S.A., Luxembourg, may be used by the customer. These connectivity channels are also available to those CBF customers that have chosen or will choose to use the OneClearstream service.

678 G21Q005

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

PFMI: Q.22.1.1

AGC: 70

- Not applicable
- No
- Yes

679 G21Q006

How is access given to participants?

PFMI: Q.22.1.1

AGC: 70a.

- By direct electronic link
- OTHER:

680 G21Q007

Please select type of electronic link:

PFMI: Q.22.1.1

AGC: 70b.

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax

681 G21Q008

Please explain:

*PFMI: Q.22.1.1*  
*AGC: 70c.*

Please refer to the information available at: <https://www.clearstream.com/clearstream-en/products-and-services/connectivity-1->

682 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

*PFMI: Q.22.1.1*  
*AGC: 72*

- Not applicable
- No
- Yes

683 G21Q010

Please explain:

*PFMI: Q.22.1.1*  
*AGC: 72a*

684 G21Q011

How does the CSD communicate with Stock Exchanges?

*PFMI: Q.22.1.1*  
*AGC: 73 73a*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

685 G21Q012

How does the CSD communicate with Payment Systems?

*PFMI: Q.22.1.1*  
*AGC: 73b*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper

- other
- Not applicable
- OTHER:

686 G21Q013  
How does the CSD communicate with Clearing Houses?

*PFMI: Q.22.1.1*  
*AGC: 73c*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q014  
How does the CSD communicate with Registrars?

*PFMI: Q.22.1.1*  
*AGC: 73d*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

#### Transparency and disclosure (PFMI Principle 23)

712 G22Q020  
Capital. Are annual financial statements publicly disclosed?

*PFMI: Q.23.5.3*  
*AGC: 13*

- No
- Yes

713 G22Q021  
If yes, the AGC requests a copy of the institution's annual report. Is the annual report available

electronically?

*PFMI: Q.23.5.3*

*AGC: 13a.*

Yes

No

714 G22Q022

filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

*PFMI: Q.23.5.3*

*AGC: 13b.*

Annual Reports 2019.pdf (495KB)

CBF 2019 Annual Accounts report
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1

715 G22Q023

filecount - If more than one document for 13b, please upload the additional document here:

*PFMI: Q.23.5.3*

*AGC: 13c.*

0

716 G22Q024

Please insert web link(s) for 13b here:

*PFMI: Q.23.5.3*

*AGC: 13d.*

DBAG's annual Financial Report as well as CBF's annual accounts are available at the following link:  
<https://www.clearstream.com/clearstream-en/about-clearstream/reports-and-ratings/annual-reports>

717 G22Q025

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

*PFMI: Q.23.5.3*

*AGC: 13e.*

718 G22Q026

Reserves (then please answer 13g):

*PFMI: Q.23.5.3*

*AGC: 13f.*

719 G22Q027

Retained Earnings:

*PFMI: Q.23.5.3*

*AGC: 13g.*

721 G22Q029

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's

completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

*PFMI: Q.23.5.4*  
*AGC: 100*

- Yes  
 No

722 G22Q030  
Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4*  
*AGC: 15f*

- Yes  
 No

723 G22Q031  
Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4*  
*AGC: 16f*

- Yes  
 No

#### Compliance with SEC Rule 17f-7

726 G23Q001

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

*PFMI: n/a*  
*AGC: 1*

- Yes  
 No

727 G23Q002  
Please explain

*PFMI: n/a*  
*AGC: 1a*

728 G23Q003

Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:

PFMI: n/a

AGC: 2

- Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?
- Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
- Act in another capacity with respect to the handling of securities or equivalent book-entries?
- Not applicable
- OTHER:

729 G23Q004

Please explain:

PFMI: n/a

AGC: 2a.

730 G23Q005

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

PFMI: n/a

AGC: 2b.

Clearstream Banking AG (CBF) carries out the role of a Central Securities Depository in Germany. CBF is a custodian for securities accepted in Germany and issued by German and international issuers in the form of collective or individual certificates, or registration rights. German law in relation to securities deposits distinguishes between three different types of custody:

1. Collective safe custody (CSC) - Collective safe custody (CSC) is regulated under Section 5 of the German Securities Deposit Act (Depotgesetz). This states that fungible, that is, freely negotiable, securities can be kept in safe custody with or via the CSD - in this case CBF. If securities are issued under German law and evidenced by a global certificate, that is, with the entire issue represented by one certificate, the law stipulates that this must be deposited with a CSD. For foreign securities eligible for collective safe custody in accordance with the Securities Deposit Act Clearstream maintains securities account links - so-called CSD Links - to foreign securities markets.

CBF has outsourced the securities settlement in central bank money of transactions in German and international securities to the T2S platform provided by the Eurosystem. Within the securities settlement, T2S takes over the entry and the processing of instructions, the validation, the matching and the settlement of the transmitted instructions, the administration of positions as well as the reporting of transactions and of positions for the securities accounts on the T2S platform (SAC - Security Accounts). Thereby, the settlement, that is, the regulation of the security and cash side, takes place directly on the T2S platform. For the cash side there are dedicated cash accounts (DCA) available. The CBF's CASCADE system covers the administration of positions in collective safe custody and the related services as for example corporate actions, dividend payments or services related to general meetings. In addition, a reconciliation of the T2S positions takes place.

The settlement of securities transactions between Clearstream's customers and foreign customers of CSDs with existing links to Clearstream takes place on the T2S platform. In addition, International Central Securities Depositories (ICSDs) and commercial banks that act as custodians keep accounts with Clearstream for the settlement of securities classes kept in collective safe custody at Clearstream.

2. Individual safe custody - In the case of individual safe custody (also referred to as jacket custody), which is regulated under the German Securities Deposit Act, the custodian or, in the case of custody with a third party, CBF, must segregate the securities to be kept in safe custody from other securities holdings it keeps in safe custody, on the depositor's express request.

3. Non-collective safe custody (NCSC) - CBF has outsourced the IT processing for transactions regarding its international securities held in NCSC Wertpapierrechnung) to Clearstream Services S.A., Luxembourg. In this framework settlement and custody for these securities on the so called 6-series accounts is technically executed via the Creation platform, based on a service level agreement between CBF and Clearstream Services S.A., Luxembourg. However, the execution of such services and securities transfers happens under German law.

The Creation platform currently accepts close to 850,000 securities for settlement. They include the following: Euro-instruments, including Eurobonds; foreign bonds; foreign-targeted bonds; money market instruments, including short and



medium term notes, commercial paper and certificates of deposit; domestic bonds (governments and corporate, including convertibles); equities and depository receipts; warrants; investments funds; and some precious metals in the form of securities, or cash.

731 G23Q006

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act, with section 2(a)(50) establishing that a 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

PFMI: n/a

AGC: 8

- A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- A membership organization which regulates the participation of its members in securities matters or other financial activities.
- OTHER:

732 G23Q007

Please explain:

PFMI: n/a

AGC: 8a.

733 G23Q008

Please provide the name of regulatory authority(ies) identified in question 8:

PFMI: n/a

AGC: 9

Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht or BaFin) - German Central Bank ("Deutsche Bundesbank") and its regional offices - Ministry of Economics, Transport, Energy, Urban and Regional Development ("Ministerium für Wirtschaft, Energie, Verkehr und Landesentwicklung") of the State of Hessen.

734 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

PFMI: n/a

AGC: 10

- Regulatory authorities?
- Independent accountants?
- OTHER:

735 G23Q010

Please explain:

PFMI: n/a

AGC: 10a

736 G23Q011

Name of Authority #1 (please answer 11a):

PFMI: n/a

AGC: 11

Federal Financial Supervisory Authority ("BaFin") in co-operation with the German Central Bank ("Deutsche Bundesbank") according to the German Banking Act ("Kreditwesengesetz")

737 G23Q012

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

PFMI: n/a

AGC: 11a.

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

738 G23Q013

Please explain:

PFMI: n/a

AGC: 11b.

739 G23Q013A

Name of Authority #2:

Ministry of Economics, Transport, Energy, Urban and Regional Development (Ministerium für Wirtschaft, Energie, Verkehr und Landesentwicklung) of the State of Hessen

740 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

PFMI: n/a

AGC: 11c.

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER: See 11d

741 G23Q015

Please explain:

PFMI: n/a

AGC: 11d.

The Ministry of Economics, Transport, Energy, Urban and Regional Development can remove CBF's status as "Wertpapiersammelbank", which would result in the termination of the depository activities for German securities kept in collective safe custody ("Girosammelverwahrung").

742 G23Q016

Has there been any use of such enforcement actions in the last three years?

PFMI: n/a

AGC: 12

- Yes
- No
- OTHER:

743 G23Q017

If yes, please explain:

PFMI: n/a

AGC: 12a.

744 G23Q018

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

PFMI: n/a

AGC: 90

- Not applicable
- No
- Yes

745 G23Q019

Please describe:

PFMI: n/a

AGC: 90a.

746 G23Q020

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

PFMI: n/a

AGC: 90b.

- No
- Yes

747 G23Q021

If yes, please describe:

PFMI: n/a

AGC: 90c.

748 G23Q022

If no, why not?

*PFMI: n/a*  
*AGC: 90d.*

749 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

*PFMI: n/a*  
*AGC: 21*

- Yes
- No
- Not applicable

750 G23Q024

If no, other or not applicable, please explain:

*PFMI: n/a*  
*AGC: 21a.*

751 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

*PFMI: n/a*  
*AGC: 21b, 21c.*

- Relevant Law and Regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

752 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

*PFMI: n/a*  
*AGC: 21d*

For the relevant law and regulation - please refer to our answer to question 7) above. The established terms and conditions on [www.clearstream.com](http://www.clearstream.com) equals our CBF General Terms and Conditions, while the CBF Customer Handbook would be equal to the rules of the depository. The standard participation contract are the customer and account application forms. In addition, in line with CSDDR, CBF has published its Customer Access and Acceptance Policy. Please refer to the following link: <https://www.clearstream.com/clearstream-en/about-clearstream/becoming-a-clearstream-customer>

753 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

*PFMI: n/a*  
*AGC: 46*

- No  
 Yes

754 G23Q029  
If no or other, please explain

PFMI: n/a  
AGC: 46a.

755 G23Q030  
If yes, please indicate the scheduled frequency:

PFMI: n/a  
AGC: 46b, 46c.

- Daily  
 Weekly  
 Monthly  
 Quarterly  
 Annually  
 Upon request

OTHER: In order to enable customers to comply with their obligations of reconciliation of their records on a daily basis under the article 64 (3) of the Commission Delegated Regulation EU No 2017/392 (ESMA RTS), customers are provided daily with necessary following information specified for each customer account and each securities issue: • The aggregate balance of each securities account at the beginning of a respective business day; • The individual securities transfers in or from a securities account during the respective business day; and • The aggregate balance of a securities account at the end of the respective business day. Through the CASCADE communication channels, CBF offers its customers a broad selection of reports on collective safe custody. For securities transactions with NCSC securities CBF provides its customers with comprehensive reports via Creation's various communication channels. Further information is provided in chapter 9 of the CBF Customer Handbook: <https://www.clearstream.com/clearstream-en/keydocuments-1-/csd-1-/customer-handbook>

756 G23Q031  
Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

PFMI: Q.11.5.2  
AGC: 53, 53a

- Yes  
 No  
 Not applicable  
 OTHER:

#### Relevant RSSS recommendations

##### Cyber Security

764 G25Q001  
Does your organization have a documented cyber security policy in place?

PFMI: n/a  
AGC: 101

Yes

No

This forms part of Clearstream's Information Security Policy (ISP). The ISP takes a risk-based approach to Information Security Management and covers organisational roles and responsibilities. It is implemented at DBAG level. In addition to the overarching ISP, security standards are published, covering a wide range of Information Security related topics, including:

- Access Control
- Acceptable Use Information Security Incident Management Standard
- Supplier Security Standard
- Etc.

The Information Security standards that describe the set of security controls representing an adequate protection for Clearstream are dependent on the information classification and are based on industry-level standards. When defining Information Security plans, controls due to any relevant legislative, regulatory, and contractual requirements must be evaluated and properly addressed.

The security processes in place, which cover amongst others user management, change management, etc., are based on industry-level standards and are regularly reviewed and certified by external auditors.

There are security tools in place which cover amongst others access control, intrusion prevention and detection, denial of service, etc., are based on industry-level standards.

In addition to the tests performed for instance before the implementation of new processes and tools, regular penetration tests are performed ensuring the effectiveness of the controls in place.

The respective Boards of DBAG entities approve the information security policies and standards, which are reviewed on an annual basis. The policies are made known to internal staff via the intranet and is shared with all relevant external parties. In order to ensure that staff are aware and knowledgeable of Information Security policies, on a random basis employees need to confirm their knowledge of the ISP when they log into Clearstream's Office Automation environment.

Within the framework of DBAG's cyber security policy, both external and internal risks are taken into account. Clearstream considers the following three risk categories to be most serious:

- External Threat: Malicious software coming from links, attachments, downloads etc. compromising PCs and mobile devices. Potential impacts are: information leakage, data manipulation, unauthorised remote access and application outage to name just a few examples. In order to mitigate these risks, extensive preventive and detective measures are in place. For example, access control mechanisms, hardening and vulnerability management tools and procedures, real-time antivirus detection tools, etc.
- External Threat: Direct attacks on Internet facing servers. Potential impacts are that these servers are flooded and compromised, business applications become unavailable or business data is manipulated or disclosed. In order to mitigate these risks, Clearstream has a network intrusion prevention and detection system in place. Furthermore, a Computer Emergency Response Team (CERT) is performing regular vulnerability scans. A Host intrusion detection system and a security information and event management system (SIEM) is deployed to detect and alert on potential malicious activities.
- Internal Threats: Malicious and accidental acts which allow for the disclosure of confidential information, loss of information, phishing, identity theft and fraud, physical damage and the potential intrusion of outsiders. In order to mitigate these risks, IT administration activities are monitored through CybeArk, logged and monitored by the security information and event management system (SIEM), to detect and alert on control bypasses. Users' access is based on a need-to-know basis and a range of access control mechanisms is in place. USB connectivity is restricted and a data loss/leakage protection (DLP) is deployed. Data encryption is performed using mutually authenticated TLS with AES-256 block encryption and the symmetric keys are stored in a Hardware Security Module.

Clearstream uses industry standards (e.g. ISO, NIST), consultancy and reports from major centres of expertise regarding cyber security as a point of orientation to identify best practices regarding cyber security. Clearstream also regularly participates in

relevant IT and cyber security conferences, trainings and forums. Clearstream's risk analysis methodology is used to identify relevant controls, covering the specific risks of our activities, processes, applications, networks, infrastructure and operating environment.

Clearstream's cyber security policies take legal and regulatory requirements into account and are subject to peer review.

765 G25Q001A

filecount - If you answered Yes to the previous question, please provide a copy or overview

0

766 G25Q002

Please confirm that your staff receive relevant training about this policy.

*PFMI: n/a*

*AGC: 102*

Yes

No

All DBAG staff receives mandatory information security awareness training on a regular basis. Relevant recent awareness topics include:

- Phishing & Social Engineering
- Mobile Security
- Information Security
- Cyber Security
- Data Leakage Prevention

Human Resources constantly monitors the quality of internal and external training events and the relevant organisers.

767 G25Q003

Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

*PFMI: n/a*

*AGC: 103*

An Incident Management Process is established, and Incident Managers appointed as single point of contact in their respective business areas to ensure the coordinated handling of incidents and disruptions. They also ensure the proper communication and escalation up to the Executive Board and DBAG Executive Committee levels if required.

An alert system classifies incidents and crises according to colour codes relating to a respective level of business impact. The alert system ensures an adequate response to incidents and crises, including the potential activation of business continuity plans. The system also provides for the timely notification of relevant internal and external parties.

A dedicated Computer Emergency Response Team (CERT) is in place which includes security incident handling and forensics. The CERT is in charge of managing information security incidents. The Incident Management Process are involved by the CERT during the resolution of information security incidents if required.

Information on incidents and related actions taken by Clearstream is made available to customers via the regular

communication channels: direct contact with Client Services and the relationship management teams, website and email, and Xact Web Portal / CreationOnline alerts. Such communication will happen as soon as the incident/crisis is known, and once related actions are defined.

768 G25Q004  
In the last 12 months have there been any changes to the policy?

PFMI: n/a  
AGC: 104

- Yes
- No

769 G25Q005  
Please advise how often you review the policy.

PFMI: n/a  
AGC: 105

- Annually
- Semi-annually
- Other

770 G25Q006  
filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

PFMI: n/a  
AGC: 106

AGC 107.docx (21KB)	AGC 107
1	

771 G25Q007  
How does your organization identify which business functions carry a cyber risk

PFMI: n/a  
AGC: 107

This forms part of Clearstream's overall Information Security Policy (ISP). The ISP takes a risk-based approach to Information Security Management and covers organisational roles and responsibilities. It is implemented at Deutsche Börse Group (DBG) level. In addition to the overarching ISP, security standards and guidelines are published, covering a wide range of Information Security related topics.

The Information Security standards that describe the set of security controls representing an adequate protection for Clearstream are dependent on the information classification and are based on industry-level standards. When defining Information Security plans, controls due to any relevant legislative, regulatory, and contractual requirements must be evaluated and properly addressed.

The security processes in place, which cover amongst others user management, change management, etc., are based on industry-level standards and are regularly reviewed and certified by external auditors.



There are security tools in place which cover amongst others access control, intrusion prevention and detection, denial of service, etc., are based on industry-level standards and certifications.

In addition to the tests performed for instance before the implementation of new processes and tools, regular penetration tests are performed ensuring the effectiveness of the controls in place.

The respective Boards of DBAG entities approve the policy and standards, which are reviewed on an annual basis. The policy is made known to internal staff via the intranet and is shared with all relevant external parties. In order to ensure that staff are aware and knowledgeable of Information Security policies, on a random basis employees need to confirm their knowledge of the ISP when they log into Clearstream's Office Automation environment.

772 G25Q008

Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

PFMI: n/a

AGC: 108

Yes

No

Amongst other things, vulnerability management process and vulnerability scanning tools are running covering internal and internet-facing systems. Also, regular penetration tests performed ensuring the effectiveness of the controls in place.

773 G25Q009

What technological controls and protections are in place for your systems and networks?

PFMI: n/a

AGC: 109

Please refer to our answer to question 3.5.6. These include:

- DDoS protection.
- Intrusion detection and prevention systems.
- Encryption.
- Access controls.
- Etc.

All of these procedures and measures are in line with industry standards.

774 G25Q010

Does your organization use multi-factor authentication

PFMI: n/a

AGC: 110

Yes

No

Data encryption is performed using mutually authenticated TLS with AES-256 block encryption and the symmetric keys are stored in a Hardware Security Module.

The VPN is secured by IPSEC mutual authentication using certificates at the device level. Users additionally authenticate using a PIN protected one-time password device. A dedicated usage policy is in place for remote access. Data is prevented from being stored locally and cut/paste is disabled. Multi-layer malware detection is in place at Internet gateways, Thin client session services, data storage and mail gateways.

The access to the Xact Web Portal and CreationOnline applications is based on a strong authentication mechanism, which is based on user id and cryptographic certified keys stored either in a password protected P12 file or on a smartcard protected by a PIN.

775 G25Q011

Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

PFMI: n/a

AGC: 111

Yes

No

776 G25Q012

What measures does your organization have to ensure early detection of a cyber attack?

PFMI: n/a

AGC: 112

Data and applications within Clearstream are protected by coherent security architecture. This architecture has been designed to meet the specific needs of Clearstream and combines a number of components in order to ensure true end-to-end security and defence in depth. The major components of this architecture are as follows:

- Perimeter defence components (Multi-layered Firewalls, network zoning and Network Intrusion Detection Systems (NIDS));
- Cryptographic protocols on exposed network segments;
- Cryptographically enabled applications;
- A Public Key Infrastructure (PKI) system, using hardware key storage, to support cryptographic services;
- A multitiered framework for handling viruses and malicious code;
- Secure mail and SPAM filtering software;
- Identity and Access Management Platform for the user lifecycle management;
- Host-based and network-based scanning software for detecting vulnerability;
- Privilege access management;
- Standard secure configurations for all major native operating systems;
- Extensive use of Oracle security mechanisms, such as password protected roles, to prevent access to data from unauthorised individuals or applications;
- Centralised Security information and event management (SIEM): collection/normalisation of event data, and correlation of impact of incidents based on criticality to business operations;
- Strong authentication: Two factor authentication, biometrics, network access control (NAC);
- Managed file transfer;
- Protection of Web Interfacing Systems against Cyber Threats (e.g. DDoS, Web defacement);
- Real-time database security and monitoring.

For its online access applications Xact Web Portal and CreationOnline, Clearstream provides a security subsystem that has

been designed with true end-to-end security in mind and based on sound architectural principles. This subsystem is deployed as a series of components designed to work together to deliver a number of security services, such as:

- Authentication
- Protection of confidentiality
- Protection of integrity (both session and data integrity)
- Non-repudiation
- Logging and audit trail.

Real-time antivirus scanning is implemented. The antivirus scanning is done for all files with the default file extensions defined by the antivirus vendors/products. In case of infection detection, the antivirus software cleans, quarantines or deletes the responsible software. Notifications are automatically sent to a central location and to systems administrators.

The concept of defence-in-depth is implemented at the level of Deutsche Börse AG (DBAG). Consequently, DBAG does not rely solely on only one antivirus vendor/product.

- Sophos AV and McAfee VirusScan run on the e-mail gateways.
- ESET NOD32 runs on the Windows infrastructure and application servers.
- Sophos AV runs on the Windows file servers.
- McAfee VirusScan runs on the DBAG terminal servers, workstations and laptops as well as additional endpoint devices protection against targeted attacks
- Kaspersky AV is running on HTTP flow (Web Proxy AV)

Antivirus real-time scanning is implemented at the following points:

- Inbound and outbound e-mail are scanned on the e-mail gateways
- Terminal servers, workstations and laptops
- Windows servers: infrastructure, application and file servers

New virus signatures are automatically downloaded from antivirus vendors' web sites and automatically deployed to:

- Email gateways.
- Windows servers: infrastructure, file and application servers.
- Workstations when the end user logs on.
- Laptops when the end user connects to the DBAG network or when the end user request an update from the antivirus vendor's web site

The IT Security team assesses the patches released by the vendors. Regular deployment is done on all Windows servers. There is a process in place to facilitate emergency signature updates.

The Information Security Policy (ISP) prohibits users from disabling the antivirus products.

777 G25Q013

What is the agreed resumption time for critical operations following a cyber attack?

PFMI: n/a

AGC: 113

Client's recovery time objective (RTO) is set at two hours. This includes resumption of systems and operations

Clearstream's recovery time objective (RTO) is set at two hours. This includes resumption of systems and operations. Depending on the nature of the incident, recovery can be achieved quicker or may be influenced by factors not under Clearstream's control.

778 G25Q014

How would you advise clients of a successful cyber attack against your organization?

PFMI: n/a

AGC: 114

Information on incidents/crises and related actions taken by Clearstream is made available to customers via the regular communication channels: direct contact with Client Services and the relationship management teams, website and email, and Xact Web Portal/CreationOnline alerts. Such communication will happen as soon as the incident/crisis is known, and once related actions are defined.

Generally speaking, Clearstream would aim to inform customers affected by such an incident as soon as possible (within 72 hours). However, this might differ depending on the situation.

779 G25Q015

In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

PFMI: n/a

AGC: 115

Yes

No

780 G25Q016

Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

PFMI: n/a

AGC: 116

Vulnerability assessment

Scenario based penetration tests

Testing of incident response process and technical/business/operations (e.g. table-top exercise)

OTHER: Amongst other things, vulnerability management process and vulnerability scanning tools are running covering internal and internet-facing systems. Also, regular penetration tests performed ensuring the effectiveness of the controls in place. Code review and security tests are performed during the testing phase. Regular systems unavailability tests form part of Clearstream's BCM testing cycles.

781 G25Q017

For cloud technology and associated cyber security risks, do you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

PFMI: n/a

AGC: 117

Yes

No

This question is considered 'not applicable'. Cloud is currently not used for customer data.

782 G25Q018

Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

PFMI: n/a

AGC: 118

Yes

No

Such dark web searches for signs of a breach are conducted.

783 G25Q019

Is your organization aware of SWIFT's Customer Security Program (CSP)?

PFMI: n/a

AGC: 119

Yes

No

784 G25Q020

Does your organization ensure compliance with SWIFT's CSP controls?

PFMI: n/a

AGC: 120

Yes

No

Clearstream is compliant with all mandatory controls.

785 G25Q021

Does your organization respond to requests for your institution's attestations?

PFMI: n/a

AGC: 121

Yes

No

The documentation requested is considered confidential. We confirm that Clearstream is compliant with all mandatory controls of the SWIFT CSP.

786 G25Q022

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

PFMI: n/a

AGC: 122

Yes

No

Clearstream is using the AFME questionnaire, as part of comprehensive due diligence exercises.

**Appendices**