



Explanation register clearing institutions

A clearing institution contributes to the settlement of securities transactions on a stock exchange by performing a buffer function between the traders (parties allowed access to the market), on the one hand, and a central counterparty, on the other. A clearing institution guarantees the commitments of the traders on whose behalf it acts. Thus, it ensures the settlement of transactions even if the trader on whose behalf it acts is unable to meet his commitments. Finally, banks with a banking licence are also allowed to perform clearing activities.

The Financial Supervision Act (Wet op het financieel toezicht) distinguishes between three types of undertakings that may engage in the business of a clearing institution:

- banks having obtained a banking licence (included under [Credit Institutions](#)) are permitted to engage in clearing operations without requiring a separate clearing licence;
- investment firms engaging in clearing operations must, contrary to banks, obtain a separate licence as a clearing institution;
- specialized firms engaging in clearing operations as their sole business; these undertakings must obtain a licence as a clearing institution as well.

Exceptions

DNB may grant a clearing institution dispensation from certain licensing requirements. Furthermore, an undertaking which engages in clearing operations in the Netherlands through a branch or by providing cross-border services is exempted from the licensing requirement if, in the country where it has its registered office, the undertaking has obtained a licence and that country has been designated as a country where the supervision of clearing institutions provides adequate safeguards.

Contact

For more information on clearing institutions, you may contact DNB's Information Desk, telephone: 0800 - 0201068, e-mail: info@dnb.nl.