

ESMA GUIDELINES on the process for the calculation of the indicators to determine the substantial importance of a CSD for a Host Member State under Regulation (EU) No 909/2014 (CSDR)



On 28 March 2018 ESMA published [Guidelines on the cooperation](#) on the process for the calculation of the indicators to determine the substantial importance of a CSD for a Host Member State under CSDR. These Guidelines apply to the AFM as the competent authority of CSDs in the Netherlands. These guidelines apply from 28 March 2018.

Purpose

Article 24 of CSDR establishes various cooperation measures between home and host Member States' competent authorities where a CSD provides its services cross-border. More specifically, Article 24(4) of CSDR provides that home and host competent authorities and the home and host relevant authorities shall establish formal cooperation arrangements for the supervision of a CSD where the activities of such CSD have become "of substantial importance for the functioning of the securities markets and the protection of the investors" in the host Member State.

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

AFM complies with these Guidelines

The AFM complies with the ESMA Guidelines on process for the calculation of the indicators to determine the substantial importance of a CSD for a Host Member State. To that extend, the AFM requires Dutch CSDs to apply the following data reporting parameters:

- a. The data should include absolute values of settlement by each CSD covering the previous calendar year.
- b. All categories of settlement instructions settled by a CSD should be included, irrespective of whether they relate to transactions that are executed on a trading venue or on an OTC basis.
- c. For operations composed of several transactions, such as securities repurchase or lending agreements, both legs should be reported once settled.
- d. In the case of intra-CSD settlement, the CSD (issuer CSD or investor CSD) should report both legs of a transaction, i.e. it should report the two settlement instructions received.
- e. In the case where more than one CSD is involved in the settlement of a transaction through standard, customised or indirect links, only the CSD (issuer CSD or investor CSD) settling the two legs of the transaction should report. It should report the two settlement instructions received. The investor CSD "settling" only one leg of the transaction should not report.
- f. In the case of cross-CSD settlement by CSDs using a common settlement infrastructure or through interoperable links, each CSD should report the single settlement instruction received in relation to a transaction.

Direct link: [ESMA GUIDELINES on the process for the calculation of the indicators to determine the substantial importance of a CSD for a Host Member State under Regulation \(EU\) No 909/2014 \(CSDR\)](#)

To what institutions do these Guidelines apply to?

CSDs are required to report data in the format provided in these Guidelines. As the competent authority in the Netherlands, these Guidelines apply to the AFM in its process for the calculation of the indicators to determine the substantial importance of a CSD for a Host Member State. The AFM has incorporated these Guidelines into its supervisory practices.