ESMA updates the CSDR Q&As

The updated Q&As provide answers to questions regarding practical issues on the implementation of the new CSDR regime. The latest batch of CSDR Q&As clarify aspects regarding the process applicable to the provision of notary or central maintenance services in other Member States, passporting procedure. The updated Q&As:

- Clarifies the interaction between the main authorisation procedure (CSDR Art 17) and the passporting procedure (CSDR Art 23(2)), and the benefit of the grandfathering rule for notary and central maintenance services provided on a cross-border basis prior to the authorisation of the CSD;
- Details what should be considered as a change in the range of services provided on a cross-border basis (provision of new core service or provision of same service in respect of a new type of financial instrument);
- Clarifies how "where relevant" used in Article 23(3)(e) of CSDR should be understood: whenever there are requirements under the national law of the host Member State that the CSD has determined as being relevant for the users of each cross-border service it provides or intends to provide; and
- Addresses the process to be followed in case a host Member State authority disapproves the assessment of the measures proposed by the CSD to comply with the law of that host Member State.

Q&As are an important tool to promote common supervisory approaches and practices in the application of CSDR. This document is aimed at national competent authorities under the Regulation to ensure that, in their supervisory activities, their actions are converging along the lines of the responses adopted by ESMA. It should also help investors and other market participants by providing clarity on CSDR requirements.

Background

The aim of CSDR is to harmonise certain aspects of the settlement cycle and settlement discipline and to provide a set of common requirements for CSDs operating securities settlement systems across the EU. ESMA will continue to develop Q&As on the CSDR in the coming months and will review and update them where required.