

WFC Single Disclosure Report 2017

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General information

Please indicate the full name of the responding institution:

Interclear Central de Valores, S.A.

Registered address:

"Forum I, Business Park. Santa Ana. (Próspero Fernández Higway)"

Country of registered address:

Costa Rica

Official website of the respondent institution:

www.interclearcr.com

The date of this disclosure is:

18/10/2017

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?

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. [A1]

How will you be making your answers publicly available? Website

Yes [Y]

How will you be making your answers publicly available? Upon request

How will you be making your answers publicly available? Other

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

<http://www.interclearcr.com/>

First and Last Name of the contact person:

Gustavo Monge

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

Yes [Y]

Email address of the contact person:

gmonge@interclearcr.com

Telephone number (please include the international country code):

(506) 2204-4848

How do you prefer to be contacted? Telephone

How do you prefer to be contacted? Fax

How do you prefer to be contacted? mail/air courier

How do you prefer to be contacted? e-mail

Yes [Y]

Fax number

(506) 2204-4827

What is the preferred street address for mailing requests?

Zip Code 03-6155 Forum

Please list the jurisdiction(s) in which the CSD operates:

Costa Rica

Please list the authority(ies) regulating, supervising or overseeing the CSD:

Superintendencia General de Valores (SUGEVAL)

Executive summary (This section should summarise the key points from the disclosure framework. including a brief overview of the CSD, its participants, its legal and regulatory framework, its primary risks, and its key risk management and other relevant practices.)

Summary of major changes since the last update of the disclosure (This section should summarise the major changes to the CSD's organisation, services, design, rules, markets served and regulatory environment since its last disclosure. The CSD should note the sections in its disclosure where such changes are reflected.)

General description of the CSD and the markets it serves (This section should provide basic, concise descriptions of the services offered and functions performed by the CSD? It should also provide an overview of the markets the CSD serves and the role it fulfils within those markets. Further, the section should include basic data and performance statistics on its services and operations. A CSD should provide, for example, basic volume and value statistics by product type, average aggregate intraday exposures of the CSD to its participants, and statistics on the CSD's operational reliability.)

General organisation of the CSD (This section should provide an overview of the organisational and governance structure of the CSD? including a description of the CSD's governance policies, governance structure and management structure.)

Legal and regulatory framework (This section should provide an overview of the CSD's legal and regulatory framework, including the legal and ownership structure of the CSD, the legal basis for each material aspect of the CSD's activities, and the regulatory, supervisory and oversight framework for the CSD.)

System design and operations (This section should explain the CSD's design and operations. It should include a clear description of the typical lifecycle of the transaction process. The information should highlight how the CSD processes a transaction, including the timeline of events, the validation and checks to which a transaction is subjected, and the responsibilities of the parties involved.)

Add relevant appendices for this group.

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Legal Basis (PFMI Principle 1)

Summary narrative for PFMI Principle 1. 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.)

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

Ley Reguladora del Mercado de Valores No 7732 (Securities Market Law).

Is the regulation or statute electronically available?

Yes [Y]

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

<https://www.sugeval.fi.cr/normativa/Paginas/LeyReguladoradelMercado.aspx>

Please supply document(s) here:

Ley7732.doc (549KB)	Ley Reguladora del Mercado de Valores No. 7732	Securities Market Law 7732
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What are the material aspects of the CSD's activities that require a high degree of legal certainty (for example, rights and interests in financial instruments, settlement finality, netting, interoperability, immobilisation and dematerialisation of securities, arrangements for DvP, PVP or DvD, collateral arrangements (including margin arrangements), and default procedures)?

What are the relevant jurisdictions for each material aspect of the CSD's activities?

How does the CSD ensure that its legal basis (that is, the legal framework and the CSD's rules, procedures and contracts) provides a high degree of legal certainty for each material aspect of the CSD's activities in all relevant jurisdictions? In particular, how does the CSD ensure that its legal basis supports the immobilisation or dematerialisation of securities and the transfer of securities by book entry? In addition, if the CSD has a netting arrangement, how does the CSD ensure that its legal basis supports the enforceability of that arrangement? Where settlement finality occurs in the CSD, how does the CSD ensure that its legal basis supports the finality of transactions, including those of an insolvent participant? Does the legal basis for the external settlement mechanisms the CSD uses, such as funds transfer or securities transfer systems, also support this finality?

How has the CSD demonstrated that its rules, procedures and contracts are clear and understandable?

How does the CSD ensure that its rules, procedures and contracts are consistent with relevant laws and regulations (for example, through legal opinions or analyses)? Have any inconsistencies been identified and remedied?

Are the CSD's rules, procedures and contracts reviewed or assessed by external authorities or entities?

Do the CSD's rules, procedures and contracts have to be approved before coming into effect? If so, by whom and how?

How does the CSD articulate the legal basis for its activities to relevant authorities, participants and, where relevant, participants' customers?

How does the CSD achieve a high level of confidence that the rules, procedures and contracts related to its operations are enforceable in all relevant jurisdictions identified in PFMI Principle 1 key consideration 1 (for example, through legal opinions and analyses)?

How does the CSD achieve a high degree of certainty that its rules, procedures and contracts will not be voided, reversed or subject to stays? Are there any circumstances in which a CSD's actions under its rules, procedures or contracts could be voided, reversed or subject to stays? If so, what are those circumstances?

Has a court in any relevant jurisdiction ever held any of the CSD's relevant activities or arrangements under its rules and procedures to be unenforceable?

If the CSD is conducting business in multiple jurisdictions, how does the CSD identify and analyse any potential conflict-of-laws issues? When uncertainty exists regarding the enforceability of a CSD's choice of law in relevant jurisdictions, has the CSD obtained an independent legal analysis of potential conflict-of-laws issues? What potential conflict-of-laws issues has the CSD identified and analysed? How has the CSD addressed any potential conflict-of-laws issues?

Add relevant appendices for this group.

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Governance and ownership (PFMI Principle 2)

Summary narrative for PFMI Principle 2. 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.)

What type of legal entity is the institution? Public Company

What type of legal entity is the institution? Private Company

Yes [Y]

What type of legal entity is the institution? Central Bank (or part thereof)

What type of legal entity is the institution? Stock Exchange (or part thereof)

What type of legal entity is the institution? Other

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

For profit [A01]

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

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

Bolsa Nacional de Valores S.A. 40% and local custodians 60% (splited proporcionally between the number of entities)

What is the date of establishment of the CSD?

23/01/2009

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

01/11/2015

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

Yes [A01]

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

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

Stock Exchanges up to 40% and Custodians not less than 60% (splitted between the number of entities)

What are the CSD's objectives, and are they clearly identified?

How does the CSD assess its performance in meeting its objectives?

How do the CSD's objectives place a high priority on safety and efficiency? How do the CSD's objectives explicitly support financial stability and other relevant public interest considerations?

What are the governance arrangements under which the CSD's board of directors (or equivalent) and management operate? What are the lines of responsibility and accountability within the CSD? How and where are these arrangements documented?

For central bank-operated systems, how do governance arrangements address any possible or perceived conflicts of interest? To what extent do governance arrangements allow for a separation of the operator and oversight functions?

How does the CSD provide accountability to owners, participants and other relevant stakeholders?

How are the governance arrangements disclosed to owners, relevant authorities, participants and, at a more general level, the public?

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?

The board of directors is responsible for the strategy, risk management, financial strength or

solvency, of the internal organization and corporate governance structure. Their roles and

responsibilities are clearly specified in the "Corporate Governance Code". They might be shareholders or not. The charges are CHAIRMAN, VICEPRESIDENT, SECRETARY, TREASURER, and three other members. The election of the Board of Directors is done by the shareholders and approved by the Regulator. Members must have relevant experience at the financial sector.

What are the board's procedures for its functioning, including procedures to identify, address and manage member conflicts of interest? How are these procedures documented, and to whom are they disclosed? How frequently are they reviewed?

What are the election procedures?

The Board of Directors will be elected every two years by the General Shareholders' Meeting following the established in the Bylaws.

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

The board members are elected for a term of two years and they can be reelected indefinitely

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)?

One vote per member, but in case of an equality of votes on any question at a meeting of the board, the Chairman of the meeting shall have a second or casting vote

Describe the board committees that have been established to facilitate the functioning of the board. What are the roles, responsibilities and composition of such committees?

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?

Securities Superintendence regulates corporate government for all the market participants

including the CSD.

To what extent does the CSD's board have the appropriate skills and incentives to fulfil its multiple roles? How does the CSD ensure that this is the case?

What incentives does the CSD provide to board members so that it can attract and retain members of the board with appropriate skills? How do these incentives reflect the long-term achievement of the CSD's objectives?

Does the board include non-executive or independent board members?

Yes [Y]

If yes, how many?

If the board includes independent board members, how does the CSD define an independent board member? Does the CSD disclose which board member(s) it regards as independent?

What are the roles and responsibilities of management, and are they clearly specified?

How are the roles and objectives of management set and evaluated?

To what extent does the CSD's management have the appropriate experience, mix of skills and the integrity necessary for the operation and risk management of the CSD? How does the CSD ensure that this is the case?

What is the process to remove management if necessary?

What is the risk management framework that has been established by the board?

How is it documented?

How does this framework address the CSD's risk tolerance policy, assign responsibilities and accountability for risk decisions (such as limits on risk exposures), and address decision-making in crises and emergencies?

What is the process for determining, endorsing and reviewing the risk management framework?

What are the roles, responsibilities, authority, reporting lines and resources of the risk management and audit functions?

How does the board ensure that there is adequate governance surrounding the adoption and use of risk management models? How are these models and the related methodologies validated?

How does the CSD identify and take account of the interests of the CSD's participants and other relevant stakeholders in its decision-making in relation to its design, rules, overall strategy and major decisions?

How does the board consider the views of direct and indirect participants and other relevant stakeholders on these decisions, for example, are participants included on the risk management committee, on user committees such as a default management group or through a public consultation?

How are conflicts of interest between stakeholders and the CSD identified, and how are they addressed?

To what extent does the CSD disclose major decisions made by the board to relevant stakeholders and, where appropriate, the public?

Add relevant appendices for this group.

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Comprehensive risk management (PFMI Principle 3)

Summary narrative for PFMI Principle 3. 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.)

What types of risk arise in or are borne by the CSD?

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.?

No [A02]

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.? Other

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

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

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?

Yes [A01]

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? Other

Please define the standard of care applied:

The one defined in our Commerce Code: 'buen padre de familia' or a fiduciary duty of care.

What are the CSD's policies, procedures and controls to help identify, measure, monitor and manage the risks that arise in or are borne by the CSD?

What risk management systems are used by the CSD to help identify, measure, monitor and manage its range of risks?

How do these systems provide the capacity to aggregate exposures across the CSD and, where appropriate, other relevant parties, such as the CSD's participants and their customers?

What is the process for developing, approving and maintaining risk management policies, procedures and systems?

How does the CSD assess the effectiveness of risk management policies, procedures and systems?

How frequently are the risk management policies, procedures and systems reviewed and updated by the CSD? How do these reviews take into account fluctuation in risk intensity, changing environments and market practices?

What information does the CSD provide to its participants and, where relevant, their customers to enable them to manage and contain the risks they pose to the CSD?

What incentives does the CSD provide for participants and, where relevant, their customers to monitor and manage the risks they pose to the CSD?

How does the CSD design its policies and systems so that they are effective in allowing their participants and, where relevant, their customers to manage and contain their risks?

How does the CSD identify the material risks that it bears from and poses to other entities as a result of interdependencies? What material risks has the CSD identified?

How are these risks measured and monitored? How frequently does the CSD review these risks?

What risk management tools are used by the CSD to address the risks arising from interdependencies with other entities?

How does the CSD assess the effectiveness of these risk management tools? How does the CSD review the risk management tools it uses to address these risks? How frequently is this review conducted?

How does the CSD identify scenarios that may potentially prevent the CSD from providing its critical operations and services? What scenarios have been identified as a result of these processes?

How do these scenarios take into account both independent and related risks to which the CSD is exposed?

What plans does the CSD have for its recovery or orderly wind-down?

How do the CSD's key recovery or orderly wind-down strategies enable the CSD to continue to provide critical operations and services?

How are the plans for the CSD's recovery and orderly wind-down reviewed and updated? How frequently are the plans reviewed and updated?

Add relevant appendices for this group.

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Credit risk (PFMI Principle 4)

Summary narrative for PFMI Principle 4. 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.)

Does the CSD have a banking license?

Irrespective of whether or not the CSD has a banking license, can it offer cash accounts and/or credit to its participants?

Please explain:

What is the CSD's framework for managing credit exposures, including current and potential future exposures, to its participants and arising from its payment, clearing and settlement processes?

How frequently is the framework reviewed to reflect the changing environment, market practices and new products?

How does the CSD identify sources of credit risk? What are the sources of credit risk that the CSD has identified?

How does the CSD measure and monitor credit exposures? How frequently does and how frequently can the CSD recalculate these exposures? How timely is the information?

What tools does the CSD use to control identified sources of credit risk (for example, offering an RTGS or DvP settlement mechanism, limiting net debits or intraday credit, establishing concentration limits, or marking positions to market on a daily or intraday basis)? How does the CSD measure the effectiveness of these tools?

How does the SSS cover its current and, where they exist, potential future exposures to each participant? What is the composition of the CSD's financial resources used to cover these exposures? How accessible are these financial resources?

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

No [A02]

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

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

How is the size of the fund determined?

How is the size of the fund determined? Other

How is the fund financed?

How is the fund financed? Other

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

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

Who is covered by the fund? Direct CSD participants only

Who is covered by the fund? The beneficial owner also

Who is covered by the fund? Other

When is the guaranty fund used? When a broker defaults

When is the guaranty fund used? When a direct participant defaults

When is the guaranty fund used? Other

To what extent do these financial resources cover the payment system's or SSS's current and potential future exposures fully with a high degree of confidence? How frequently does the payment system or SSS evaluate the sufficiency of these financial resources?

If the payment system or SSS is a DNS system in which there is no settlement guarantee, do its participants face credit exposures arising from the payment, clearing and settlement processes? If there are credit exposures in the system, how does the system monitor and measure these exposures?

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

Yes [A01]

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

What is the amount of the coverage?

5,000,000 dollars

What is the amount of the deductible?

50,000 dollars.

Please explain other loss or default protections:

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?

Not applicable [A03]

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? Other

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

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

If the payment system or SSS is a DNS system in which there is no settlement guarantee and has credit exposures among its participants, to what extent does the payment system's or SSS's financial resources cover, at a minimum, the default of the two participants and their affiliates that would create the largest aggregate credit exposure in the system?

How do the CSD's rules and procedures explicitly address any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the CSD? How do the CSD's rules and procedures address the allocation of uncovered credit losses and in what order, including the repayment of any funds a CSD may borrow from liquidity providers?

What are the CSD's rules and procedures on the replenishment of the financial resources that are exhausted during a stress event?

Add relevant appendices for this group.

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Collateral (PFMI Principle 5)

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.)

How does the CSD determine whether a specific asset can be accepted as collateral, including collateral that will be accepted on an exceptional basis? How does the CSD determine what qualifies as an exceptional basis? How frequently does the CSD adjust these determinations? How frequently does the CSD accept collateral on an exceptional basis, and does it place limits on its acceptance of such collateral?

How does the CSD monitor the collateral that is posted so that the collateral meets the applicable acceptance criteria?

How does the CSD identify and mitigate possible specific wrong-way risk, for example, by limiting the collateral it accepts (including collateral concentration limits)?

How frequently does the CSD mark its collateral to market, and does it do so at least daily?

To what extent is the CSD authorised to exercise discretion in valuing assets when market prices do not represent their true value?

How does the CSD determine haircuts?

How does the CSD test the sufficiency of haircuts and validate its haircut procedures, including with respect to the potential decline in the assets' value in stressed market conditions involving the liquidation of collateral? How frequently does the CSD complete this test?

How does the CSD identify and evaluate the potential procyclicality of its haircut calibrations? How does the CSD consider reducing the need for procyclical adjustments – for example, by incorporating periods of stressed market conditions during the calibration of haircuts?

What are the CSD's policies for identifying and avoiding concentrated holdings of certain assets in order to limit potential adverse price effects at liquidation? What factors (for example, adverse price effects or market conditions) are considered when determining these policies?

How does the CSD review and evaluate concentration policies and practices to determine their adequacy? How frequently does the CSD review and evaluate these policies and practices?

What are the legal, operational, market and other risks that the CSD faces by accepting cross-border collateral? How does the CSD mitigate these risks?

How does the CSD ensure that cross-border collateral can be used in a timely manner?

What are the primary features of the CSD's collateral management system?

How and to what extent does the CSD track the reuse of collateral and its rights to the collateral provided?

How and to what extent does the CSD's collateral management system accommodate changes in the ongoing monitoring and management of collateral?

To what extent is the collateral management system staffed to ensure smooth operations even during times of market stress?

Add relevant appendices for this group.

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Liquidity risk (PFMI Principle 7)

Summary narrative for PFMI Principle 7. 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.)

What is the CSD's framework for managing its liquidity risks, in all relevant currencies, from its participants, settlement banks, nostro agents, custodian banks, liquidity providers and other entities?

What are the nature and size of the CSD's liquidity needs, and the associated sources of liquidity risks, that arise in the CSD in all relevant currencies?

How does the CSD take into account the potential aggregate liquidity risk presented by an individual entity and its affiliates that may play multiples roles with respect to the CSD?

What operational and analytical tools does the CSD have to identify, measure and monitor settlement and funding flows?

How does the CSD use those tools to identify, measure and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity?

How does the payment system or SSS determine the amount of liquid resources in all relevant currencies to effect same day settlement and, where appropriate, intraday or multiday settlement of payment obligations? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the payment system or SSS use to make this determination?

What is the estimated size of the liquidity shortfall in each currency that the payment system or SSS would need to cover?

How does the CCP determine the amount of liquid resources in all relevant currencies to settle securities-related payments, make required variation margin payments and meet other payment obligations on time? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the CCP use to make this determination?

What is the estimated size of the liquidity shortfall in each currency that would need to be covered, following the default of the participant and its affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions? How frequently does the CCP estimate this?

Do any of the CCP's activities have a more complex risk profile (such as clearing financial instruments that are characterised by discrete jump-to-default price changes or that are highly correlated with potential participant defaults)? Is the CCP systemically important in multiple jurisdictions?

If the CCP is involved in activities with a more complex risk profile or is systemically important in multiple jurisdictions, has the CCP considered maintaining additional resources sufficient to cover a wider range of stress scenarios that would include the default of the two participants and their affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions?

What is the size and composition of the CSD's qualifying liquid resources in each currency that is held by the CSD? In what manner and within what time frame can these liquid resources be made available to the CSD?

What prearranged funding arrangements has the CSD established to convert its readily available collateral and investments into cash? How has the CSD established that these arrangements would be highly reliable in extreme but plausible market conditions? Has the CSD identified any potential barriers to accessing its liquid resources?

If the CSD has access to routine credit at the central bank of issue, what is the CSD's relevant borrowing capacity for meeting its minimum liquid resource requirement in that currency?

To what extent does the size and the availability of the CSD's qualifying liquid resources cover its identified minimum liquidity resource requirement in each currency to effect settlement of payment obligations on time?

What is the size and composition of any supplemental liquid resources available to the CSD?

How and on what basis has the CSD determined that these assets are likely to be saleable or acceptable as collateral to obtain the relevant currency, even if this cannot be reliably prearranged or guaranteed in extreme market conditions?

What proportion of these supplemental assets qualifies as potential collateral at the relevant central bank?

In what circumstances would the CSD use its supplemental liquid resources in advance of, or in addition to, using its qualifying liquid resources?

To what extent does the size and availability of the CSD's supplemental liquid resources, in conjunction with its qualifying liquid resources, cover the relevant liquidity needs identified through the CSD's stress test programme for determining the adequacy of its liquidity resources (see key consideration 9)?

Does the CSD use a liquidity provider to meet its minimum required qualifying liquidity resources? Who are the CSD's liquidity providers? How and on what basis has the CSD determined that each of these liquidity providers has sufficient information to understand and to manage their associated liquidity risk in each relevant currency on an ongoing basis, including in stressed conditions?

How has the CSD determined that each of its liquidity providers has the capacity to perform on its commitment in each relevant currency on an ongoing basis?

How does the CSD take into account a liquidity providers potential access to credit at the central bank of issue?

How does the CSD regularly test the timeliness and reliability of its procedures for accessing its liquid resources at a liquidity provider?

To what extent does the CSD currently have, or is the CSD eligible to obtain, access to accounts, payment services and securities services at each relevant central bank that could be used to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

To what extent does the CSD use each of these services at each relevant central bank to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

If the CSD employs services other than those provided by the relevant central banks, to what extent has the CSD analysed the potential to enhance the management of liquidity risk by expanding its use of central bank services?

What, if any, practical or other considerations to expanding its use of relevant central bank services have been identified by the CSD?

How does the CSD use stress testing to determine the amount and test the sufficiency of its liquid resources in each currency? How frequently does the CSD stress-test its liquid resources?

What is the process for reporting on an ongoing basis the results of the CSD's liquidity stress tests to appropriate decision-makers at the CSD? for the purpose of supporting their timely evaluation and adjustment of the size and composition of the CSD's liquidity resources and liquidity risk management framework?

What scenarios are used in the stress tests, and to what extent do they take into account a combination of peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions?

To what extent do the scenarios and stress tests take into account the CSD's particular payment and settlement structure (for example, real-time gross or deferred net, with or without a settlement guarantee, DVP model 1, 2 or 3 for SSSs), and the liquidity risk that is borne directly by the CSD? by its participants, or both?

To what extent do the scenarios and stress tests take into account the nature and size of the liquidity needs, and the associated sources of liquidity risks, that arise in the CSD to settle its payment obligations on time, including the potential that individual entities and their affiliates may play multiples roles with respect to the CSD?

How frequently does the CSD assess the effectiveness and appropriateness of stress test assumptions and parameters? How does the CSD's stress test programme take into account various conditions, such as a sudden and significant increase in position and price volatility, position concentration, change in market liquidity, and model risk including shift of parameters?

How does the CSD validate its risk management model? How frequently does it perform this validation?

Where and to what extent does the CSD document its supporting rationale for, and its governance arrangements relating to, the amount and form of its total liquid resources?

How do the CSD's rules and procedures enable it to settle payment obligations on time following any individual or combined default among its participants?

How do the CSD's rules and procedures address unforeseen and potentially uncovered liquidity shortfalls and avoid unwinding, revoking or delaying the same day settlement of payment obligations?

How do the CSD's rules and procedures allow for the replenishment of any liquidity resources employed during a stress event?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Settlement finality (PFMI Principle 8)

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Summary narrative for PFMI Principle 8. 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.)

At what point is the settlement of a payment, transfer instruction or other obligation final, meaning irrevocable and unconditional? Is the point of settlement finality defined and documented? How and to whom is this information disclosed?

How does the CSD's legal framework and rules, including the applicable insolvency law(s), acknowledge the discharge of a payment, transfer instruction or other obligation between the CSD and its participants, or between participants?

How does the CSD demonstrate that there is a high degree of legal certainty that finality will be achieved in all relevant jurisdictions (for example, by obtaining a well reasoned legal opinion)?

How does the CSD ensure settlement finality in the case of linkages with other CSD?? a) For an SSS, how is consistency of finality achieved between the SSS and, if relevant, the LVPS where the cash leg is settled? b) For a CCP for cash products, what is the relation between the finality of obligations in the CCP and the finality of the settlement of the CCP claims and obligations in other systems, depending on the rules of the relevant CSD/SSS and payment system?

Is the CSD designed to complete final settlement on the value date (or same day settlement)? How does the CSD ensure that final settlement occurs no later than the end of the intended value date?

Has the CSD ever experienced deferral of final settlement to the next business day that was not contemplated by its rules, procedures or contracts? If so, under what circumstances? If deferral was a result of the CSD's actions, what steps have been taken to prevent a similar situation in the future?

Does the CSD provide intraday or real-time final settlement? If so, how? How are participants informed of the final settlement?

If settlement occurs through multiple-batch processing, what is the frequency of the batches and within what time frame do they operate? What happens if a participant does not have enough funds or securities at the settlement time? Are transactions entered in the next batch? If so, what is the status of those transactions and when would they become final?

If settlement does not occur intraday or in real time, how has the LVPS or SSS considered the introduction of either of these modalities?

How does the CSD define the point at which unsettled payments, transfer instructions or other obligations may not be revoked by a participant? How does the CSD prohibit the unilateral revocation of accepted and unsettled payments, transfer instructions or obligations after this time?

Under what circumstances can an instruction or obligation accepted by the system for settlement still be revoked (for example, queued obligations)? How can an unsettled payment or transfer instruction be revoked? Who can revoke unsettled payment or transfer instructions?

Under what conditions does the CSD allow exceptions and extensions to the revocation deadline?

Where does the CSD define this information? How and to whom is this information disclosed?

Money settlements (PFMI Principle 9)

Summary narrative for PFMI Principle 9. 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.)

How does the CSD conduct money settlements? If the CSD conducts settlement in multiple currencies, how does the CSD conduct money settlement in each currency?

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

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?
Central Bank

Yes [Y]

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?
Banks appointed by CSD

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?
Neither or others (e.g. credit lines used)

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?
Not applicable

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

Please indicate the name of the banks appointed by the CSD

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

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

Yes [Y]

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

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?
Neither or others (e.g. credit lines used)

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions? Not
applicable

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

Please name banks appointed by the CSD

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

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

Yes [Y]

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

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?
Neither or others (e.g. credit lines used)

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?
Not applicable

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

Please name banks appointed by the CSD

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

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

Yes [Y]

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

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?
Neither or others (e.g. credit lines used)

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?
Not applicable

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

Please name banks appointed by CSD

If the CSD does not settle in central bank money, why is that?

If central bank money is not used, how does the CSD assess the credit and liquidity risks of the settlement asset used for money settlement?

If the CSD settles in commercial bank money, how does the CSD select its settlement banks? What are the specific selection criteria the CSD uses?

How does the CSD monitor the settlement banks adherence to criteria it uses for selection? For example, how does the CSD evaluate the banks regulation, supervision, creditworthiness, capitalisation, access to liquidity and operational reliability?

How does the CSD monitor, manage and limit its credit and liquidity risks arising from the commercial settlement banks? How does the CSD monitor and manage the concentration of credit and liquidity exposures to these banks?

How does the CSD assess its potential losses and liquidity pressures as well as those of its participants if there is a failure of its largest settlement bank?

If an CSD conducts money settlements on its own books, how does it minimise and strictly control its credit and liquidity risks?

Do the CSD's legal agreements with its settlement banks state when transfers occur, that transfers are final when effected, and that funds received are transferable?

Are funds received transferable by the end of the day at the latest? If not, why? Are they transferable intraday? If not, why?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Physical deliveries (PFMI Principle 10)

Summary narrative for PFMI Principle 10. 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.)

Which asset classes does the CSD accept for physical delivery?

How does the CSD define its obligations and responsibilities with respect to the delivery of physical instruments or commodities? How are these responsibilities defined and documented? To whom are these documents disclosed?

How does the CSD engage with its participants to ensure they have an understanding of their obligations and the procedures for effecting physical delivery?

How are eligible securities lodged in the CSD system? A registered certificate in the name of the CSD is delivered to the CSD.

Yes [Y]

How are eligible securities lodged in the CSD system? A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.

Yes [Y]

How are eligible securities lodged in the CSD system? A registrar re-registers the security in the name of the CSD.

How are eligible securities lodged in the CSD system? Not applicable

How are eligible securities lodged in the CSD system? Other

When are securities lodged into the CSD reflected in a participant's CSD account? Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.

Yes [Y]

When are securities lodged into the CSD reflected in a participant's CSD account? Securities are re-registered prior to being reflected in the participant CSD account.

When are securities lodged into the CSD reflected in a participant's CSD account? Not applicable

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

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

1 to 2 days [A01]

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

Please specify

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

No [A02]

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

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

No [A02]

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

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

No [A02]

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

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

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

The securities must be registered in the CSD prior to their authorization in the trading and settlement systems.

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

The securities must be registered in the CSD prior to be transferred.

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

Yes [A01]

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

If no: Securities are unavailable for

If no: Securities are unavailable for Other

If more than 4 weeks, please specify

If not applicable, please explain

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

Securities are transferred as is any physical delivery in the market. [A04]

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

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

1 to 2 days [A01]

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

If more than 4 weeks, please specify

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

No [A01]

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

If they cannot be traded please explain

Regulation does not allow trading of securities removed from the depository

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

No [A01]

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

If they cannot be settled, please explain

Regulation does not allow trading of securities removed from the depository

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

No [A01]

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

If ownership cannot be transferred, please explain

Regulation does not allow trading of securities removed from the depository

How does the CSD identify the risks and costs associated with storage and delivery of physical instruments or commodities? What risks and costs has the CSD identified?

What are the vault security procedures for the safekeeping of physical paper? Not applicable, no vault is maintained

What are the vault security procedures for the safekeeping of physical paper? Electronic keys or combinations

Yes [Y]

What are the vault security procedures for the safekeeping of physical paper? Dual access control

Yes [Y]

What are the vault security procedures for the safekeeping of physical paper? Visitor logs

Yes [Y]

What are the vault security procedures for the safekeeping of physical paper? Vault counts

What are the vault security procedures for the safekeeping of physical paper? Intrusion alarms

What are the vault security procedures for the safekeeping of physical paper? Fire alarms

Yes [Y]

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

Yes [Y]

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

Please indicate frequency of vault counts:

Please explain:

What processes, procedures and controls does the CSD have to monitor and manage any identified risks and costs associated with storage and delivery of physical instruments or commodities?

If an CSD can match participants for delivery and receipt, under what circumstances can it do so, and what are the associated rules and procedures? Are the legal obligations for delivery clearly expressed in the rules and associated agreements?

How does the CSD monitor its participants' delivery preferences and, to the extent practicable, ensure that its participants have the necessary systems and resources to be able to fulfil their physical delivery obligations?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Central Securities Depositories (PFMI Principle 11)

Summary narrative for PFMI Principle 11. 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.)

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? Government securities

Yes [Y]

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? Equities

Yes [Y]

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? Corporate bonds

Yes [Y]

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? Corporate money market

Yes [Y]

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? Not applicable

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? Other

Closed End Funds

Please name the other security types:

Closed End Funds

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). Yes by law for settlement of all instrument types

Yes [Y]

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). Yes by law for safekeeping of all instrument types

Yes [Y]

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). Yes by market practice for settlement of all instrument types

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). Yes by market practice for safekeeping of all instrument types

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). Yes by law for settlement, but not for all instrument types

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). Yes by law for safekeeping, but not for all instrument type

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). Yes by market practice for settlement, but not for all instrument types

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). Yes by market practice for safekeeping, but not for all instrument types

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). Neither

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). Other

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

Public debt instruments

(ii) safekeep in your CSD:

Public debt instruments

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

Doesn't apply. All instruments are regulated by law.

(ii) safekeep in your CSD:

Doesn't apply. All instruments are regulated by law.

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.

Fixed income 95%, Equity 1%, Closed end Funds 4%.

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

Fixed income 96%, Equity 3%, Closed end Funds 1%.

How are the rights of securities issuers and holders safeguarded by the rules, procedures and controls of the CSD?

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?

No [A02]

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? Other

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:

By the intervening authorities controlling insolvency or other proceedings?

Yes [A01]

By the intervening authorities controlling insolvency or other proceedings? Other

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

The intervention occurs when the regulator consider that the organization is in a situation of instability or financial irregularity. In case of Intervention the regulator takes control of

participant's powers.

By the participant's creditors?

No [A02]

By the participant's creditors? Other

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

By the CSD's creditors?

No [A02]

By the CSD's creditors? Other

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

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

5 years [A04]

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

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

Yes [A01]

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

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.)

Other [-oth-]

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.) Other

Only for own account not for third party accounts

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

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

If yes, for what reasons are liens or similar claims imposed? To secure payment for purchased securities

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

Please describe:

Only for own account not for third party accounts

Please indicate the limits of this lien as indicated below:

The lien is limited to securities in the participant's proprietary account [A01]

Please indicate the limits of this lien as indicated below: Other

Please explain:

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?

No [A02]

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? Other

If yes, please indicate whether:

If yes, please indicate whether: Other

Please explain:

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

No [A02]

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

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?

Yes [A01]

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? Other

If yes, are the restrictions accomplished by:

Contract between the CSD and the participant [A01]

If yes, are the restrictions accomplished by: Other

Please explain:

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

Yes [A01]

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

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

At the end of the business day on which the transfer occurs [A01]

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

Please describe:

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

On the CSD books [A01]

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

Please describe:

How do the CSD's rules, procedures and controls ensure that the securities it holds on behalf of participants are appropriately accounted for on its books and protected from risks associated with the other services the CSD may provide?

In what form does the CSD maintain records identifying the assets of each participant? Computer file

Yes [Y]

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

In what form does the CSD maintain records identifying the assets of each participant? Hard copy

In what form does the CSD maintain records identifying the assets of each participant? Computer tape

Yes [Y]

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

In which format is the source data maintained?

Accounts ID codes Securities ID numbers Transaction reference.

How does the CSD ensure that it has robust accounting practices? Do audits review whether there are sufficient securities to satisfy customer rights? How frequently are end-to-end audits conducted to examine the procedures and internal controls used in the safekeeping of securities?

What are the CSD's internal procedures to authorise the creation and deletion of securities? What are the CSD's internal controls to prevent the unauthorised creation and deletion of securities?

Does the CSD conduct periodic and at least daily reconciliation of the totals of securities issues in the CSD for each issuer (or its issuing agent)? How does the CSD ensure that the total number of securities recorded in the CSD for a particular issue is equal to the amount of securities of that issue held on the CSD's books?

If the CSD is not the official registrar of the issues held on its books, how does the CSD reconcile its records with official registrar?

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:

Authentication, reconciliation and confirmation of positions.

How does the CSD prevent overdrafts and debit balances in securities accounts?

Are securities issued or maintained in a dematerialised form? What percentage of securities is dematerialised, and what percentage of the total volume of transactions applies to these securities?

How are CSD eligible securities held by the CSD? In dematerialized form

Yes [Y]

How are CSD eligible securities held by the CSD? In certificated form

Yes [Y]

How are CSD eligible securities held by the CSD? Other

If securities are issued as a physical certificate, is it possible to immobilise them and allow their holding and transfer in a book-entry system? What percentage of securities is immobilised, and what percentage of the total volume of transactions applies to immobilised securities?

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

All eligible securities must be held in the CSD [A01]

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

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

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)

The certificates are kept in the vault of the CSD and are recorded in the accounts of the custodians.

Are these certificates: Bearer

Are these certificates: Registered

Yes [Y]

Are these certificates: Other

If registered, how are the CSD eligible securities registered? In the name of the CSD

If registered, how are the CSD eligible securities registered? In the name of the depositing participant or its nominee

Yes [Y]

If registered, how are the CSD eligible securities registered? In the name of a separate nominee of the CSD

If registered, how are the CSD eligible securities registered? Other

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

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

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

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

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

No [A02]

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

Are the securities held: Through book-entry at the CSD

Yes [Y]

Are the securities held: Through book-entry at a registrar or issuer

Are the securities held: Other

Please identify which types of entities may act as registrars: Issuers

Please identify which types of entities may act as registrars: Separate companies that perform registrar functions

Please identify which types of entities may act as registrars: CSD

Please identify which types of entities may act as registrars: Other

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?

No [A02]

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? Other

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

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

Please describe:

Participants also have ownership records and both registrars must be reconciled daily.

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:

The beneficial owner [A01]

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: Other

Please describe:

What incentives, if any, does the CSD provide to immobilise or dematerialise securities?

How do the CSD's rules and procedures protect assets against custody risk, including the risk of loss because of the CSD's negligence, misuse of assets, fraud, poor administration, inadequate recordkeeping or failure to protect participants' interests in their securities?

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?

Yes [A03]

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? Other

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

Yes [Y]

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

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

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?

Yes [A02]

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? Other

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

Yes [Y]

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

--

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

--

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

Yes [A02]

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

--

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

--

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

Yes [Y]

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

--

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

--

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

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud? No

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud? Not applicable

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

If yes, please check all of the following that apply: Financial limits are imposed on the amount of liability assumed by the CSD

If yes, please check all of the following that apply: The CSD assumes liability for direct losses

If yes, please check all of the following that apply: The CSD assumes liability for indirect or consequential losses

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

How has the CSD determined that those rules and procedures are consistent with the legal framework?

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

No [A02]

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

What other methods, if any, does the CSD employ to protect its participants against misappropriation, destruction and theft of securities (for example, insurance or other compensation schemes)?

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)?

Yes [A01]

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)? Other

What is the amount of the coverage?

5,000,000 dollars.

What is the amount of the deductible?

50,000 dollars.

Does the CSD have insurance for Operational Errors?

Yes [A01]

Does the CSD have insurance for Operational Errors? Other

What is the amount of the coverage?

5,000,000 dollars.

What is the amount of the deductible?

50,000 dollars.

Does the CSD have Errors and Omissions insurance?

Yes [A01]

Does the CSD have Errors and Omissions insurance? Other

What is the amount of the coverage?

5,000,000 dollars.

What is the amount of the deductible?

50,000 dollars.

Does the CSD have insurance for the Premises?

No [A02]

Does the CSD have insurance for the Premises? Other

What is the amount of the coverage?

What is the amount of the deductible?

Does the CSD have any other insurance?

No [A02]

Does the CSD have any other insurance? Other

If so, what is it for?

What is the amount of the coverage?

What is the amount of the deductible?

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.

Instituto Nacional de Seguros (INS).

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

n/a

What is the term of the policy?

One year

Who does the insurance cover? CSD

Yes [Y]

Who does the insurance cover? Direct CSD participants

Who does the insurance cover? Final investors

Who does the insurance cover? Not applicable

Who does the insurance cover? Other

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:

Upload document here:

filecount - Upload document here:

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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? Yes

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? No

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? Not applicable

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? Other

Please explain (then please answer 67c):

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

Insurance Yes

Insurance No

Insurance Not applicable

Insurance Other

Please explain (then please answer 67f):

Interclear has an insurance that covers this risk

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

In the law and the contract is established that de the depository assumes responsibility for the assets in the depository.

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

Yes [A01]

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

Please explain (then please answer 67i):

This liability is defined in the law.

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

In the law and the contract is established that de the depository assumes responsibility for the assets in the depository.

Other

No [N]

Please explain (then please answer 67I:

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

What segregation arrangements are in place at the CSD? How does the CSD ensure segregation between its own assets and the securities of its participants? How does the CSD ensure segregation among the securities of participants?

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

Yes [A01]

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

If yes, please indicate number: An unlimited number of accounts

If yes, please indicate number: More than one account

If yes, please indicate number: Other

If more than one account what is the maximum?

Where supported by the legal framework, how does the CSD support the operational segregation of securities belonging to participants' customers from the participants' book? How does the CSD facilitate the transfer from these customers' accounts to another participant?

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

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients? No

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients? Not applicable

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

If yes, is segregation required or simply permitted?

Required [A01]

If yes, is segregation required or simply permitted? Other

How does segregation occur? By separately designated participant accounts.

How does segregation occur? By sub-accounts within a single participant account.

Yes [Y]

How does segregation occur? By separately designated beneficial owner accounts.

How does segregation occur? Other

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

No [A02]

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

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

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

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants? No

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants? Not applicable

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

Does the CSD provide services other than central safekeeping and administration of securities and settlement? If so, what services?

Please indicate services you provide. Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.

Please indicate services you provide. Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.

Yes [Y]

Please indicate services you provide. In order to avoid fails, an automatic securities lending facility - if requested - is provided for.

Yes [Y]

Please indicate services you provide. Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.

Yes [Y]

Please indicate services you provide. Same day turnaround settlements.

Please indicate services you provide. Information on distribution of new issues (IPO, Privatization).

Yes [Y]

Please indicate services you provide. Not applicable

Please indicate services you provide. Other

Automatic securities lending facility is provided for: Brokers

Automatic securities lending facility is provided for: Banks

Automatic securities lending facility is provided for: Other financial institutions

Automatic securities lending facility is provided for: Other

Securities Lending is provided for Internacional custody using services provided by global custodians.

If collateral handling, please provide details

For repo markets

Other, please explain:

What procedures are in place for the processing of corporate action entitlements? Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.

Yes [Y]

What procedures are in place for the processing of corporate action entitlements? Credited to the securities account upon actual receipt by the CSD.

What procedures are in place for the processing of corporate action entitlements? Corporate action entitlements are handled by an entity separate from the CSD.

What procedures are in place for the processing of corporate action entitlements? Not applicable

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

Credited to the securities account: On pay date.

Yes [Y]

Credited to the securities account: On pay date +1.

Credited to the securities account: On pay date +2.

Credited to the securities account: Other

Name of entity:

What procedures are in place for the processing of interest and dividends? Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.

Yes [Y]

What procedures are in place for the processing of interest and dividends? Credited to the cash account upon actual receipt by the CSD.

What procedures are in place for the processing of interest and dividends? Income and dividend collection is handled by an entity separate from the CSD.

What procedures are in place for the processing of interest and dividends? Not applicable

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

Credited to the cash account: On pay date.

Yes [Y]

Credited to the cash account: On pay date +1.

Credited to the cash account: On pay date +2.

Credited to the cash account: Other

Name of entity:

If the CSD provides services other than central safekeeping and administration of securities and settlement, how does it identify the risks associated with those activities, including potential credit and liquidity risks? How does it measure, monitor and manage these risks, including legally separating services other than safekeeping and administration of securities where necessary?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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

Summary narrative for PFMI Principle 12. 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.)

How do the CSD's legal, contractual, technical and risk management frameworks ensure that the final settlement of relevant financial instruments eliminates principal risk? What procedures ensure that the final settlement of one obligation occurs if and only if the final settlement of a linked obligation also occurs?

Does the CSD guaranty settlement?

No [A01]

Does the CSD guaranty settlement? Other

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

How are the linked obligations settled - on a gross basis (trade by trade) or on a net basis?

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. Model1

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. Model2

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. Model3

Yes [Y]

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. Not applicable

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. Other

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

Model 3. We settle t+1 for fixed income and t+3 for shares using a DVP process.

Model 3 Simultaneous

Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time bookentry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

Is the finality of settlement of linked obligations simultaneous?

If not, what is the timing of finality for both obligations? Is the length of time between the blocking and final settlement of both obligations minimised?

Are the cash and security movements simultaneous?

Other [-oth-]

Are the cash and security movements simultaneous? Other

Securities are settled at the depository and cash is settled at the central bank. Settlement processes involve blocking processes to assure balances before executing the settlement. Once blocked, transactions are processed at the same time in both systems.

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

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

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Participant default rules and procedures (PFMI Principle 13)

Summary narrative for PFMI Principle 13. 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.)

Do the CSD's rules and procedures clearly define an event of default (both a financial and an operational default of a participant) and the method for identifying a default? How are these events defined?

How do the CSD's rules and procedures address the following key aspects of a participant default: a) the actions that the CSD can take when a default is declared, b) the extent to which the actions are automatic or discretionary, c) changes to normal settlement practices, d) the management of transactions at different stages of processing, e) the expected treatment of proprietary and customer transactions and accounts, f) the probable sequencing of actions, g) the roles, obligations and responsibilities of the various parties, including non-defaulting participants, and h) the existence of other mechanisms that may be activated to contain the impact of a default?

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

No [A02]

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

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

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

Yes [Y]

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

Yes [Y]

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

Yes [Y]

Does the stock exchange have default protections that extend to the CSD, such as the following?
No

Does the stock exchange have default protections that extend to the CSD, such as the following?
Not applicable

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

Please explain:

How do the CSD's rules and procedures allow the CSD to promptly use any financial resources that it maintains for covering losses and containing liquidity pressures arising from default, including liquidity facilities?

How do the CSD's rules and procedures address the order in which the financial resources can be used?

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

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

Yes [Y]

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

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?) Not applicable

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

Please explain the process:

Please explain the process of how the loss is shared:

Please explain the process of how the loss is shared: Other

Please explain:

How do the CSD's rules and procedures address the replenishment of resources following a default?

Does the CSD's management have internal plans that clearly delineate the roles and responsibilities for addressing a default? What are these plans?

What type of communication procedures does the CSD have in order to reach in a timely manner all relevant stakeholders, including regulators, supervisors and overseers?

How frequently are the internal plans to address a default reviewed? What is the governance arrangement around these plans?

How are the key aspects of the CSD's participant default rules and procedures made publicly available? How do they address: a) the circumstances in which action may be taken, b) who may take those actions, c) the scope of the actions which may be taken, including the treatment of both proprietary and customer positions, funds and assets, d) the mechanisms to address an CSD's obligations to non-defaulting participants, and e) where direct relationships exist with participants' customers, the mechanisms to help address the defaulting participant's obligations to its customers?

How does the CSD engage with its participants and other relevant stakeholders in the testing and review of its participant default procedures? How frequently does it conduct such tests and reviews? How are these tests results used? To what extent are the results shared with the board, risk committee and relevant authorities?

What range of potential participant default scenarios and procedures do these tests cover? To what extent does the CSD test the implementation of the resolution regime for its participants?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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General business risk (PFMI Principle 15)

Summary narrative for PFMI Principle 15. 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.)

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

Yes [Y]

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

Deloitte

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

30/07/2017

Please list the period that the audit covered: Start date

01/01/2017

Please list the period that the audit covered: End date

30/07/2017

How frequently does the financial audit occur?

Annually [A02]

If less than annually, please explain:

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

No material exceptions found. [A01]

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

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

No [A02]

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

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

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

No [A02]

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

Please explain the circumstances and resolution:

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

Yes for all three years [A01]

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

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

No [A02]

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

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. Corporate Action

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. Settlement Process - Securities

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. Settlement Process - Cash

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. System Outage

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. Other

Corporate Action. Please specify number of instances:

Corporate Action. Please specify total loss in USD:

Settlement Process - Securities. Please specify number of instances:

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

Settlement Process - Cash. Please specify number of instances:

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

System Outage. Please specify number of instances:

System Outage. Please specify total loss in USD:

For Other, please specify number of instances:

For Other, please specify total loss in USD:

How does the CSD identify its general business risks? What general business risks has the CSD identified?

How does the CSD monitor and manage its general business risks on an ongoing basis? Does the CSD's business risk assessment consider the potential effects on its cash flow and (in the case of a privately operated CSD? capital?

Does the CSD hold liquid net assets funded by equity so that it can continue operations and services as a going concern if it incurs general business losses?

Does the CSD maintain a reserve for operating losses?

Yes [A01]

Does the CSD maintain a reserve for operating losses? Other

How does the CSD calculate the amount of liquid net assets funded by equity to cover its general business risks?

How does the CSD determine the length of time and associated operating costs of achieving a recovery or orderly wind-down of critical operations and services?

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

10% of the periods net profits up to reaching a 40% of share capital.

Has the CSD developed a plan to achieve a recovery or orderly wind-down, as appropriate?

If yes, what does this plan take into consideration (for example, the operational, technological and legal requirements for participants to establish and move to an alternative arrangement)?

What amount of liquid net assets funded by equity is the CSD holding for purposes of implementing this plan? How does the CSD determine whether this amount is sufficient for such implementation? Is this amount at a minimum equal to six months of the CSD's current operating expenses?

How are the resources designated to cover business risks and losses separated from resources designated to cover participant defaults or other risks covered under the financial resources principles?

Does the CSD include equity held under international risk-based capital standards to cover general business risks?

What is the composition of the CSD's liquid net assets funded by equity? How will the CSD convert these assets as needed into cash at little or no loss of value in adverse market conditions?

How does the CSD regularly assess the quality and liquidity of its liquid net assets funded by equity to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions?

Has the CSD developed a plan to raise additional equity? What are the main features of the CSD's plan to raise additional equity should its equity fall close to or fall below the amount needed?

How frequently is the plan to raise additional equity reviewed and updated?

What is the role of the CSD's board (or equivalent) in reviewing and approving the CSD's plan to raise additional equity if needed?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Custody risk (PFMI Principle 16)

Summary narrative for PFMI Principle 16. 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.)

If the CSD uses custodians, how does the CSD select its custodians? What are the specific selection criteria the CSD uses, including supervision and regulation of these entities? How does the CSD monitor the custodians' adherence to these criteria?

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.)? Yes

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.)? No

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.)? Not applicable

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.)? Other

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

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?

If you acknowledge responsibility, please indicate whether your responsibility is assumed regardless of whether such loss was caused by any action or inaction of the agent

If you acknowledge responsibility, please indicate whether your responsibility is assumed 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 you acknowledge responsibility, please indicate whether your responsibility is assumed 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 you acknowledge responsibility, please indicate whether your responsibility is assumed if the loss was caused by the willful default or other willful conduct on the part of the agent

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

If you acknowledge responsibility for agents, your responsibility is assumed for losses without limit

If you acknowledge responsibility for agents, your responsibility is assumed for losses which are not consequential losses

If you acknowledge responsibility for agents, your responsibility is assumed for losses subject to a monetary limit not based on insurance limits

If you acknowledge responsibility for agents, your responsibility is assumed for losses subject to a monetary limit based on insurance limits

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

Please specify limit:

Please specify limit:

How does the CSD verify that these entities have robust accounting practices, safekeeping procedures, and internal controls that fully protect its and its participants' assets?

How has the CSD established that it has a sound legal basis to support enforcement of its interest or ownership rights in assets held in custody?

How does the CSD ensure that it has prompt access to its assets, including securities that are held with a custodian in another time zone or legal jurisdiction, in the event of participant default?

How does the CSD evaluate and understand its exposures to its custodian banks? In managing those exposures, how does it take into account the full scope of its relationship with each custodian bank? For instance, does the CSD use multiple custodians for the safekeeping of its assets to diversify exposure to any single custodian? How does the CSD monitor concentration of risk exposures to its custodian banks?

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.

Not applicable

How does the CSD ensure that its investment strategy is consistent with its overall risk management strategy?

How and to whom does the CSD disclose its investment strategy?

How does the CSD ensure on an ongoing basis that its investments are secured by, or are claims on, high-quality obligors?

How does the CSD consider its overall exposure to an obligor in choosing investments? What investments are subject to limits to avoid concentration of credit risk exposures?

Does the CSD invest participant assets in the participants' own securities or those of its affiliates?

How does the CSD ensure that its investments allow for quick liquidation with little, if any, adverse price effect?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Operational risk (PFMI Principle 17)

Summary narrative for PFMI Principle 17. 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.)

What are the CSD's policies and processes for identifying the plausible sources of operational risks? How do the CSD's processes identify plausible sources of operational risks, whether these risks arise from internal sources (for example, the arrangements of the system itself, including human resources), from the CSD's participants or from external sources?

What sources of operational risks has the CSD identified? What single points of failure in its operations has the CSD identified?

How does the CSD monitor and manage the identified operational risks? Where are these systems, policies, procedures and controls documented?

What policies, processes and controls does the CSD employ that are designed to ensure that operational procedures are implemented appropriately? To what extent do the CSD's systems, policies, processes and controls take into consideration relevant international, national and industry-level operational risk management standards?

What are the CSD's human resources policies to hire, train and retain qualified personnel, and how do such policies mitigate the effects of high rates of personnel turnover or key-person risk? How do the CSD's human resources and risk management policies address fraud prevention?

How do the CSD's change management and project management policies and processes mitigate the risks that changes and major projects inadvertently affect the smooth functioning of the system?

How has the board of directors defined the key roles and responsibilities for operational risk management?

Does the CSD's board explicitly review and endorse the CSD's operational risk management framework? How frequently does the board review and endorse the CSD's operational risk management framework?

How does the CSD review, audit and test its systems, policies, procedures and controls, including its operational risk management arrangements with participants? How frequently does the CSD conduct these reviews, audits and tests with participants?

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

Yes [Y]

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

The audit covers financials and operations areas. It is held out by the internal audit department

which reports to the Board of Directors

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

30/03/2017

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

30/06/2017

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

30/06/2017

How frequently does the internal audit occur?

Two or more times a year [A01]

If less than annually, please explain:

Are the results of the internal audit publicly available?

No [N]

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

No material exceptions found. [A01]

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

To what extent, where relevant, is the CSD's operational risk management framework subject to external audit?

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

Yes [Y]

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

Deloitte and Superintendencia General de Valores (Securities Superintendence)

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

30/07/2017

Please list the period that the audit covered: Start date

01/01/2017

Please list the period that the audit covered: End date

30/07/2017

How frequently does the operational audit occur?

Annually [A02]

If less than annually, please explain:

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

No material exceptions found. [A01]

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

What are the CSD's operational reliability objectives, both qualitative and quantitative? Where and how are they documented?

How do these objectives ensure a high degree of operational reliability?

What are the policies in place that are designed to achieve the CSD's operational reliability objectives to ensure that the CSD takes appropriate action as needed?

How does the CSD review, audit and test the scalability and adequacy of its capacity to handle, at a minimum, projected stress volumes? How frequently does the CSD conduct these reviews, audits and tests?

How are situations where operational capacity is neared or exceeded addressed?

What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of physical vulnerabilities and threats on an ongoing basis?

How is access to the physical building controlled? By guards

Yes [Y]

How is access to the physical building controlled? By electronic keys

Yes [Y]

How is access to the physical building controlled? personal ID card

Yes [Y]

How is access to the physical building controlled? By alarm system

Yes [Y]

How is access to the physical building controlled? Other

Fingerprint access.

Please explain:

Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for physical security?

What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of information security vulnerabilities and threats on an ongoing basis?

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

Yes [A01]

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

Does each user have a unique user ID?

Yes [A01]

Does each user have a unique user ID? Other

Are passwords regularly changed?

Yes [A01]

Are passwords regularly changed? Other

How often?

Monthly

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

Yes [A01]

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

How many?

After 3 attempts

Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for information security?

How and to what extent does the CSD's business continuity plan reflect objectives, policies and procedures that allow for the rapid recovery and timely resumption of critical operations following a wide-scale or major disruption?

How and to what extent is the CSD's business continuity plan designed to enable critical IT systems to resume operations within two hours following disruptive events, and to enable the CSD to facilitate or complete settlement by the end of the day even in extreme circumstances?

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

1 - 4 hours [A01]

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

How is the contingency plan designed to ensure that the status of all transactions can be identified in a timely manner, at the time of the disruption, and if there is a possibility of data loss, what are the procedures to deal with such loss (for example, reconciliation with participants or third parties)?

How do the CSD's crisis management procedures address the need for effective communications internally and with key external stakeholders and authorities?

Will the CSD publicly announce any system interruption?

Yes [A01]

Will the CSD publicly announce any system interruption? Other

To whom will the CSD disclose any system interruptions? To the CSD regulators

Yes [Y]

To whom will the CSD disclose any system interruptions? To all direct participants

Yes [Y]

To whom will the CSD disclose any system interruptions? To direct and indirect participants

Yes [Y]

To whom will the CSD disclose any system interruptions? To the public via the internet

To whom will the CSD disclose any system interruptions? In the press

To whom will the CSD disclose any system interruptions? Other

If so, please list webpage address:

If so, please list all publications:

Please explain:

How will the CSD disclose any system interruptions? By e-mail

Yes [Y]

How will the CSD disclose any system interruptions? By telephone

Yes [Y]

How will the CSD disclose any system interruptions? Public announcement

Yes [Y]

How will the CSD disclose any system interruptions? Press release

How will the CSD disclose any system interruptions? Other

Please explain:

How does the CSD's business continuity plan incorporate the use of a secondary site (including ensuring that the secondary site has sufficient resources, capabilities, functionalities and appropriate staffing arrangements)? To what extent is the secondary site located a sufficient geographic distance from the primary site such that it has a distinct risk profile?

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

1 - 4 hours [A01]

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

Has the CSD considered alternative arrangements (such as manual, paper-based procedures or other alternatives) to allow the processing of time-critical transactions in extreme circumstances?

How are the CSD's business continuity and contingency arrangements reviewed and tested, including with respect to scenarios related to wide-scale and major disruptions? How frequently are these arrangements reviewed and tested?

How does the review and testing of the CSD's business continuity and contingency arrangements involve the CSD's participants, critical service providers and linked CSD? as relevant? How frequently are the CSD's participants, critical service providers and linked CSD? involved in the review and testing?

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?

Yes [Y]

Does your Business Recovery Plan include: Back-up of all computer files

Yes [Y]

Does your Business Recovery Plan include: Off-site data storage

Yes [Y]

Does your Business Recovery Plan include: Back-up files stored and locked

Yes [Y]

Does your Business Recovery Plan include: Off-site operations facility

Yes [Y]

Does your Business Recovery Plan include: Other

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

Twice a year. The last date of testing was on July 20, 2017

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

Twice a year. The last date of testing was on July 20, 2017

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

Twice a year. The last date of testing was on July 21st 2016

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

Twice a year. The last date of testing was on July 20, 2017

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

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

No [A02]

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

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

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

What was the impact to the market? All securities settlements took place as scheduled on the same day with good value

What was the impact to the market? All cash settlements took place as scheduled on the same day with good value

What was the impact to the market? All securities settlements took place one business day late with good value

What was the impact to the market? All cash settlements took place one business day late with good value

What was the impact to the market? All securities settlements took place one business day late with value one day late

What was the impact to the market? All cash settlements took place one business day late with value one day late

What was the impact to the market? All securities settlements took place more than one business day late

What was the impact to the market? All cash settlements took place more than one business day late

What was the impact to the market? As a result of the system failure, all fines and penalties for late settlements were waived

What was the impact to the market? Even though there was a system failure, all fines and penalties for late settlements were still assessed

What was the impact to the market? Other

If no or other, please explain

What risks has the CSD identified to its operations arising from its key participants, other CSD, and service and utility providers? How and to what extent does the CSD monitor and manage these risks?

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? Yes

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? No

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? Not applicable

Please explain

INTERCLEAR has a BCP in place which considers every operational or technological risk related to its activities.

If the CSD has outsourced services critical to its operations, how and to what extent does the CSD ensure that the operations of a critical service provider meet the same reliability and contingency requirements they would need to meet if they were provided internally?

How and to what extent does the CSD identify, monitor and mitigate the risks it may pose to another FMI?

To what extent does the CSD coordinate its business continuity arrangements with those of other interdependent CSD?

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

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

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Access and participation requirements (PFMI Principle 18)

Summary narrative for PFMI Principle 18. 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.)

What are the CSD's criteria and requirements for participation (such as operational, financial and legal requirements)?

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

Yes [A01]

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

How do these criteria and requirements allow for fair and open access to the CSD's services, including by direct and, where relevant, indirect participants and other CSD?, based on reasonable risk-related participation requirements?

How are the participation requirements for the CSD justified in terms of the safety and efficiency of the CSD and its role in the markets it serves, and tailored to and commensurate with the CSD's specific risks?

Are there participation requirements that are not risk-based but required by law or regulation? If so, what are these requirements?

What governs the relationship between the CSD and the participants? Relevant law and regulation

Yes [Y]

What governs the relationship between the CSD and the participants? Standard participation contract

Yes [Y]

What governs the relationship between the CSD and the participants? Established terms and conditions of participation

Yes [Y]

What governs the relationship between the CSD and the participants? By-laws of the CSD

Yes [Y]

What governs the relationship between the CSD and the participants? Rules of the CSD

Yes [Y]

What governs the relationship between the CSD and the participants? Not applicable

What governs the relationship between the CSD and the participants? Other

Please explain:

Are all classes of participants subject to the same access criteria? If not, what is the rationale for the different criteria (for example, size or type of activity, additional requirements for participants that act on behalf of third parties, and additional requirements for participants that are non-regulated entities)?

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? Banks

Yes [Y]

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? Brokers

Yes [Y]

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? Individuals

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? Foreign Institutions

Yes [Y]

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? Not applicable

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? Other

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

There are 8 participants.

Please select the features included in the eligibility requirements for Banks. Financial Thresholds

Yes [Y]

Please select the features included in the eligibility requirements for Banks. Regulatory Oversight

Yes [Y]

Please select the features included in the eligibility requirements for Banks. Market Experience

Yes [Y]

Please select the features included in the eligibility requirements for Banks. Other

Please explain:

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

There are 16 participants.

Please select the features included in the eligibility requirements for Brokers. Financial Thresholds

Yes [Y]

Please select the features included in the eligibility requirements for Brokers. Regulatory Oversight

Yes [Y]

Please select the features included in the eligibility requirements for Brokers. Market Experience

Yes [Y]

Please select the features included in the eligibility requirements for Brokers. Other

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

Please select the features included in the eligibility requirements for Individual participants. Financial Thresholds

Please select the features included in the eligibility requirements for Individual participants. Regulatory Oversight

Please select the features included in the eligibility requirements for Individual participants.
Market Experience

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

How many Foreign Institution participants are there currently?

There are 4 participants.

Please select the features included in the eligibility requirements for Foreign Institution participants. Financial Thresholds

Please select the features included in the eligibility requirements for Foreign Institution participants. Regulatory Oversight

Yes [Y]

Please select the features included in the eligibility requirements for Foreign Institution participants. Market Experience

Yes [Y]

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

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

Indicate how many "Other entities" are currently participants?

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

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

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

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

How are the access restrictions and requirements reviewed to ensure that they have the least restrictive access that circumstances permit, consistent with maintaining acceptable risk controls? How frequently is this review conducted?

How are participation criteria, including restrictions in participation, publicly disclosed?

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

Ley Reguladora del Mercado de Valores (Securities Market Law)

Reglamento Operativo de INTERCLEAR (INTERCLEAR Operating Regulation)

Reglamento de Compensación y Liquidación (Clearing and Settlement Regulation)

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

Ley Reguladora del Mercado de Valores (Securities Market Law)

Reglamento Operativo de INTERCLEAR (INTERCLEAR Operating Regulation)

Reglamento de Compensación y Liquidación (Clearing and Settlement Regulation)gulation)

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

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

Regulation in their own market. Bilateral Contracts.

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

How does the CSD notify participants of material changes to the conditions of participation? By e-mail

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

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

Yes [Y]

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

Yes [Y]

How does the CSD notify participants of material changes to the conditions of participation? Not applicable

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

Please explain:

How does the CSD monitor its participants' ongoing compliance with the access criteria? How are the CSD's policies designed to ensure that the information it uses to monitor compliance with participation criteria is timely and accurate?

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

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

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

Yes [Y]

Who enforces compliance with the CSD's conditions of participation? Not applicable

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

Please explain:

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

Yes [Y]

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

Yes [Y]

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

Yes [Y]

Does the CSD have forms of oversight management for assessing and monitoring of the following? Other loss or default protections the CSD maintains

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

Yes [Y]

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

Does the CSD have forms of oversight management for assessing and monitoring of the following? Settlement controls that minimize or eliminate the risk of default by a participant

Yes [Y]

Does the CSD have forms of oversight management for assessing and monitoring of the following? Blocking of securities movement before receipt of payment

Yes [Y]

Does the CSD have forms of oversight management for assessing and monitoring of the following? Blocking payment until securities are moved

Does the CSD have forms of oversight management for assessing and monitoring of the following? Not applicable

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

Please explain other loss or default protections:

Please explain the requirements:

For repo transactions.

Please explain how these debit caps work:

What type or types of settlement controls Blocking or freezing of securities positions

Yes [Y]

What type or types of settlement controls Controlling DVP settlement

Yes [Y]

What type or types of settlement controls Simultaneous DVP

What type or types of settlement controls Other

Please explain:

Model 1: Securities are blocked previous to the trade in the Interclar system, which is linked to the trading system. After the transactions, funds are verified at Central Bank and settlement is done. Model 2: After trades are executed in the Stock Exchange, participants confirm and affirm trades. Previous to multilateral.

Please explain:

Model 1: Securities are blocked previous to the trade in the Interclar system, which is linked to the trading system. After the transactions, funds are verified at Central Bank and settlement is done. Model 2: After trades are executed in the Stock Exchange, participants confirm and affirm trades. Previous to multilateral settlement, the depository blocked securities positions and send settlement instructions to the Central Bank.

Please explain:

Please identify and explain:

Please explain briefly how these work:

What are the CSD's policies for conducting enhanced surveillance of, or imposing additional controls on, a participant whose risk profile deteriorates?

What are the CSD's procedures for managing the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements?

What enforcement actions are available to the enforcement authority? Fines

Yes [Y]

What enforcement actions are available to the enforcement authority? Restrictions on participation

Yes [Y]

What enforcement actions are available to the enforcement authority? Suspension of participation

Yes [Y]

What enforcement actions are available to the enforcement authority? Termination of participation

Yes [Y]

What enforcement actions are available to the enforcement authority? Not applicable

What enforcement actions are available to the enforcement authority? Other

Please explain:

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

No [N]

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

How are the CSD's procedures for managing the suspension and orderly exit of a participant disclosed to the public?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Tiered participation (PFMI Principle 19)

Summary narrative for PFMI Principle 19. 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.)

Does the CSD have any tiered participation arrangements? If so, describe these arrangements.

How does the CSD gather basic information about indirect participation? Which information is collected and how frequently is it updated?

How does the CSD evaluate its risks arising from these arrangements?

What material risks to the CSD arising from tiered participation arrangements has the CSD identified? How has it mitigated these risks?

How does the CSD identify material dependencies between direct and indirect participants that might affect the CSD?

Has the CSD identified (a) the proportion of activity that each direct participant conducts on behalf of indirect participants in relation to the direct participants' capacity, (b) direct participants that act on behalf of a material number of indirect participants, (c) indirect participants responsible for a significant proportion of turnover in the system, and (d) indirect participants whose transaction volumes or values are large relative to the capacity of the direct participant through which they access the CSD to manage risks arising from these transactions?

What risks to the CSD arise, and how does the CSD manage these risks arising from key indirect participants?

What are the CSD's policies for reviewing its rules and procedures in order to mitigate risks to the CSD arising from tiered participation? How frequently is this review conducted?

What criteria does the CSD use to determine when mitigating actions are required? How does the CSD monitor and mitigate its risks?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

0

Links (PFMI Principle 20)

Summary narrative for PFMI Principle 20. 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.)

What process is used to identify potential sources of risk (such as, legal, credit, liquidity, custody and operational risks) arising from prospective links? How does this affect the CSD's decision whether to establish the link?

What links have been established with other CSD? How does the CSD identify, monitor and manage the risks arising from an established link on an ongoing basis?

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

SAC (Service of Central Bank), SINPE (National Electronic Payments System), Clearstream, Euroclear, LatinClear, CEDEVAL y CENIVAL.

How does the CSD ensure that link arrangements are designed so that it is able to remain observant of the other principles? How frequently is this analysis conducted?

In which jurisdictions has the CSD established links? What are the relevant legal frameworks supporting the established links?

How does the CSD ensure that its links have a well founded legal basis that support its design and provide it with adequate protection in all relevant jurisdictions? How does the CSD ensure that such protections are maintained over time?

What processes are in place to measure, monitor and manage credit and liquidity risks arising from any established links?

If a CSD extends credit to a linked CSD, what processes exist to ensure that credit extensions to the linked CSD are fully covered by high-quality collateral and that credit limits are appropriate?

Are provisional transfers of securities allowed across the link? If so, what arrangements make provisional transfers necessary, and is the retransfer of these securities prohibited until the first transfer is final?

For any established link, how has the investor CSD determined that the rights of its participants have a high level of protection?

How frequently is reconciliation of holdings conducted by the entities holding the securities in custody?

How does the investor CSD provide a high-level of protection for the rights of its participants (including segregation and portability arrangements and asset protection provisions for omnibus accounts)?

If the CSD uses an intermediary to operate a link, what are the criteria used by the CSD to select the intermediary or intermediaries? Are these criteria risk-based?

What are the respective liabilities of the two linked CSDs and the intermediaries?

What processes exist to measure, monitor and manage the risks arising from use of the intermediary?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Efficiency and effectiveness (PFMI Principle 21)

Summary narrative for PFMI Principle 21. 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.)

How does the CSD determine whether its design (including its clearing and settlement arrangement, its operating structure, its delivery systems and technologies, and its individual services and products) is taking into account the needs of its participants and the markets it serves?

How does the CSD determine whether it is meeting the requirements and needs of its participants and other users and continues to meet those requirements as they change (for example, through the use of feedback mechanisms)?

What are the CSD's goals and objectives as far as the effectiveness of its operations is concerned?

How does the CSD ensure that it has clearly defined goals and objectives that are measurable and achievable?

To what extent have the goals and objectives been achieved? What mechanisms does the CSD have to measure and assess this?

What processes and metrics does the CSD use to evaluate its efficiency and effectiveness?

How frequently does the CSD evaluate its efficiency and effectiveness?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Communication (PFMI Principle 22)

Summary narrative for PFMI Principle 22. 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.)

Does the CSD use an internationally accepted communications procedure and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication procedures?

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? By direct electronic link

Yes [Y]

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? By receipt of physical account holding statements

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? Not applicable

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? Other

Please explain:

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

Yes [A01]

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

How is access given to participants? By direct electronic link

Yes [Y]

How is access given to participants? Other

Please select type of electronic link: Dial-up modem

Please select type of electronic link: Secured, leased, dedicated telephone line

Yes [Y]

Please select type of electronic link: Internet

Please select type of electronic link: Fax

Please explain:

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

Yes [A01]

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

Please explain:

Stock Exchange and Central Bank.

How does the CSD communicate with Stock Exchanges? Dial-up modem

How does the CSD communicate with Stock Exchanges? Secured, leased, dedicated telephone line

Yes [Y]

How does the CSD communicate with Stock Exchanges? Internet

Yes [Y]

How does the CSD communicate with Stock Exchanges? Fax

How does the CSD communicate with Stock Exchanges? Paper

How does the CSD communicate with Stock Exchanges? other

How does the CSD communicate with Stock Exchanges? Not applicable

How does the CSD communicate with Stock Exchanges? Other

How does the CSD communicate with Payment Systems? Dial-up modem

How does the CSD communicate with Payment Systems? Secured, leased, dedicated telephone line

Yes [Y]

How does the CSD communicate with Payment Systems? Internet

Yes [Y]

How does the CSD communicate with Payment Systems? Fax

Yes [Y]

How does the CSD communicate with Payment Systems? Paper

How does the CSD communicate with Payment Systems? other

How does the CSD communicate with Payment Systems? Not applicable

How does the CSD communicate with Payment Systems? Other

How does the CSD communicate with Clearing Houses? Dial-up modem

How does the CSD communicate with Clearing Houses? Secured, leased, dedicated telephone line

Yes [Y]

How does the CSD communicate with Clearing Houses? Internet

Yes [Y]

How does the CSD communicate with Clearing Houses? Fax

How does the CSD communicate with Clearing Houses? Paper

How does the CSD communicate with Clearing Houses? other

How does the CSD communicate with Clearing Houses? Not applicable

How does the CSD communicate with Clearing Houses? Other

How does the CSD communicate with Registrars? Dial-up modem

How does the CSD communicate with Registrars? Secured, leased, dedicated telephone line

How does the CSD communicate with Registrars? Internet

How does the CSD communicate with Registrars? Fax

How does the CSD communicate with Registrars? Paper

How does the CSD communicate with Registrars? other

How does the CSD communicate with Registrars? Not applicable

Yes [Y]

How does the CSD communicate with Registrars? Other

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication procedures for cross-border operations?

Does the CSD use an internationally accepted communications standard and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication standards?

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication standards for cross-border operations?

If no international standard is used, how does the CSD accommodate systems that translate or convert message format and data from international standards into the domestic equivalent and vice versa?

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Transparency and disclosure (PFMI Principle 23)

Summary narrative for PFMI Principle 23. 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.)

What documents comprise the CSD's rules and procedures? How are these documents disclosed to participants?

How does the CSD determine that its rules and procedures are clear and comprehensive?

What information do the CSD's rules and procedures contain on the procedures it will follow in non-routine, though foreseeable, events?

How and to whom does the CSD disclose the processes it follows for changing its rules and procedures?

How does the CSD disclose relevant rules and key procedures to the public?

What documents comprise information about the system's design and operations? How and to whom does the CSD disclose the system's design and operations?

How and to whom does the CSD disclose the degree of discretion it can exercise over key decisions that directly affect the operation of the system

What information does the CSD provide to its participants about their rights, obligations and risks incurred through participation in the CSD?

How does the CSD facilitate its participants' understanding of the CSD's rules, procedures and the risks associated with participating?

Is there evidence that the means described above enable participants' understanding of the CSD's rules, procedures and the risks they face from participating in the CSD?

In the event that the CSD identifies a participant whose behaviour demonstrates a lack of understanding of the CSD's rules, procedures and the risks of participation, what remedial actions are taken by the CSD?

Does the CSD publicly disclose its fees at the level of its individual services and policies on any available discounts? How is this information disclosed?

How does the CSD notify participants and the public, on a timely basis, of changes to services and fees?

Does the CSD provide a description of its priced services? Do these descriptions allow for comparison across similar CSD??

Does the CSD disclose information on its technology and communication procedures, or any other factors that affect the costs of operating the CSD?

When did the CSD last complete the PFMI Disclosure framework for financial market infrastructures? How frequently is it updated? Is it updated following material changes to the CSD and its environment and, at a minimum, every two years?

What quantitative information does the CSD disclose to the public? How often is this information updated?

What other information does the CSD disclose to the public?

Capital. Are annual financial statements publicly disclosed?

Yes [A01]

Capital. Are annual financial statements publicly disclosed? Other

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

Yes [Y]

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

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

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

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

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

<http://www.interclearcr.com/Home/EstadosFinancieros#estadosfinancieros>

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):

Reserves (then please answer 13g):

Retained Earnings:

How does the CSD disclose this information to the public? In which language(s) are the disclosures provided?

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?

Yes [Y]

Are the results of the financial audit publicly available?

Yes [Y]

Are the results of the operational audit publicly available?

Yes [Y]

List of publicly available resources. Please list publicly available resources, including those referenced in the disclosure, that may help a reader understand the CSD and its approach to observing each applicable PFMI Principle.

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Compliance with SEC Rule 17f-7

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?

Yes [Y]

Please explain

InterClear is a Central Securities Depository incorporated under the Costa Rican law and it was authorized to the administration of public emissions offering by book-entry. All records are electronically carry and the settlement of contracts are done in the same securities accounts. The settlement is done by model 3 of the Bank for International Settlements: Net cash and securities, which shows that the emissions account recorded are fully fungible.

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: Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?

Yes [Y]

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: Act as or operate a transnational system for the central handling of securities or equivalent book-entries?

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: Act in another capacity with respect to the handling of securities or equivalent book-entries?

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: Not applicable

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: Other

Please explain:

InterClear operates a centralized system for the registration of book-entry emissions in Costa Rica, all this under the laws and under the supervision of the Superintendencia General de Valores

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:

Equities, fixed income and mutual funds registered in the Costa Rican securities market.

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 z '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? A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

Yes [Y]

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 z '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? A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

Yes [Y]

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 z '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? A membership organization which regulates the participation of its members in securities matters or other financial activities.

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 z '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? Other

Please explain:

InterClear is regulated and supervised mainly by the Superintendencia General de Valores (SUGEVAL), besides, the Central Bank of Costa Rica reviews the standards of the Payment System.

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

Superintendencia General de Valores (SUGEVAL) and Central Bank

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: Regulatory authorities?

Yes [Y]

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: Independent accountants?

Yes [Y]

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: Other

Please explain:

InterClear is subject of supervision by the SUGEVAL in financial, operative and systems level.

The company is required to have external audits with the same levels previously mentioned.

Moreover, InterClear has to issue audited financial information and audited special reports about internal control.

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

Superintendencia General de Valores (SUGEVAL).

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

Yes [Y]

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements? Restrictions on CSD activities.

Yes [Y]

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

Yes [Y]

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

Yes [Y]

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

Please explain:

Name of Authority #2:

Banco Central

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

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements? Restrictions on CSD activities.

Yes [Y]

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

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

Yes [Y]

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

Please explain:

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

Has there been any use of such enforcement actions in the last three years? No

Yes [Y]

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

If yes, please explain:

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?

No [A02]

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? Other

Please describe:

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?

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? Other

If yes, please describe:

If no, why not?

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.

Yes [A1]

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. Other

If no, other or not applicable, please explain:

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. Relevant Law and Regulation

Yes [Y]

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. Standard participation contract

Yes [Y]

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. Established terms and conditions of participation

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. By-laws of the CSD

Yes [Y]

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. Rules of the CSD

Yes [Y]

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. Other

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.

Ley Reguladora del Mercado de Valores (Securities Market Law) Contrato de Servicios de

INTERCLEAR (INTERCLEAR Services Contract) Reglamento Operativo de INTERCLEAR

(INTERCLEAR Operating Regulations) Reglas de Negocio. (Busines Rule) InterClear must give

equal treatment to all participating entities of their services by law. The company has a regulation

on how it should conduct its operations, as well as the way of corporate governance, both fulfilling

international standards related with infrastructure utilities of the financial markets.
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?

Yes [A01]

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? Other

If no or other, please explain

If yes, please indicate the scheduled frequency: Daily

Yes [Y]

If yes, please indicate the scheduled frequency: Weekly

If yes, please indicate the scheduled frequency: Monthly

If yes, please indicate the scheduled frequency: Quarterly

If yes, please indicate the scheduled frequency: Annually

If yes, please indicate the scheduled frequency: Upon request

If yes, please indicate the scheduled frequency: Other

Add relevant appendices for this group.

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Relevant RSSS recommendations

Confirmation of trades between direct market participants should occur as soon as possible after trade execution, but no later than trade date (T+0). Where confirmation of trades by indirect market participants (such as institutional investors) is required, it should occur as soon as possible after trade execution, preferably on T+0, but no later than T+1.

Rolling settlement should be adopted in all securities markets. Final settlement should occur no later than T+3. The benefits and costs of a settlement cycle shorter than T+3 should be evaluated.

Securities lending and borrowing (or repurchase agreements and other economically equivalent transactions) should be encouraged as a method for expediting the settlement of securities transactions. Barriers that inhibit the practice of lending securities for this purpose should be removed.

Securities should be immobilised or dematerialised and transferred by book entry in CSDs to the greatest extent possible.

Entities holding securities in custody should employ accounting practices and safekeeping procedures that fully protect customers' securities. It is essential that customers' securities be protected against the claims of a custodian's creditors.

Add relevant appendices for this group.

filecount - Add relevant appendices for this group.

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Appendices

Add relevant appendices

filecount - Add relevant appendices

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

AGC questions [A1]