

No. 1/2007

Depository Document

**for the implementation of Act no. XXIII of 2003 on the settlement finality
in payment and securities settlement systems**

In force since: 2 July 2007

Upon the entry into force of this document, the document dated to 10 July 2006 on the „PROCEDURE for the communication with System participants concerning the implementation of Act no. XXIII of 2003 on the settlement finality in payment and securities settlement systems” shall be repealed.

Based on Act no. XXIII of 2003 on the settlement finality in payment and securities settlement systems (hereinafter: Fetv.), in the case of securities settlement systems, pursuant to the General Rules of Business of KELER Ltd. (hereinafter: KELER) KELER has been authorized as an appointed Participant to launch payment restriction proceedings and to keep contact with the competent courts, with other competent authorities (Hungarian Financial Supervisory Authority - PSZÁF) and with the direct and indirect System participants.

1. The rights and obligations of KELER as an appointed participant in the sense of Article 3(1) c) of Fetv.

1.1. Keeping contact with the courts and the competent authority. For this purpose KELER shall

- a) report in writing to the competent insolvency court and to the competent authority (PSZÁF) the persons appointed for the receipt of the notifications detailed in Article 5(1) of Fetv. (including their respective positions and contact details) concerning the payment restriction proceeding.

The person appointed for the receipt of notifications registered with the insolvency courts and with the competent authority (PSZÁF):

DUDÁS György
Chief Executive Officer
Contact: elszamolohaz@keler.hu

Mailing address:

KELER Ltd.

Central Securities Depository (Budapest) Private Company Limited by Shares.
1075 Budapest, Asbóth u 9-11

Central phone: 483-6100

Central fax: 342-3539

- b) inform the competent court and the competent authority (PSZÁF) within 15 days about the information of the direct and indirect System participants or any modification thereof.
- c) inform the competent court and the competent authority (PSZÁF) within 15 days about any changes of the above information of the direct and indirect System participants.

1.2. For the purposes of the compliance with Fetv. during the contact with the direct and indirect System participants KELER is entitled to request the supply of the data and information detailed in Section 3.1. a) of this document and to register same, furthermore to request documentation supporting the information if this seems necessary.

1.3. KELER shall keep a register of the content and the date of receipt of the notifications of payment restriction proceedings received from the competent court or from the competent authority (PSZÁF) and obliged to keep the data for five years.

2. Obligations of KELER as performing party

KELER shall proceed in line with Section 4 when receiving a notification of a payment restriction proceeding against a direct or indirect System participant.

3. Obligations of the direct and indirect System participants

The system can be joined by signing the Power of Attorney (*Annex 1*) form determined in the KELER General Rules of Business.

3.1. Direct and indirect System participants shall

- a) specify on KELER's form (*Annex 2*) in writing simultaneously with the signing of the Power of Attorney the following data detailed in the KELER General Rules of Business:
 - name,
 - seat,
 - company registry number,
 - tax number,
 - name of contact person, substituting person(s),
 - position, department,
 - phone and fax numbers,
 - mailing address and e-mail,
- b) inform KELER in writing within five days from any changes taking place in the data specified in Point a),
- c) provide KELER with the documents and data prescribed in Fetv. for the appointment procedure,
- d) at KELER's request present documents (company registry extract, deed of foundation) not older than 60 days supporting the data in the previous two points, within 5 days.

4. Procedural rules for the receipt of a notification about the initiation of a payment restriction proceeding

4.1. Time of receipt of the notification of the initiation of a payment restriction proceeding

KELER and the direct/indirect System participants agree that the time of receipt of the notification detailed in Article 5(1) of the Fetv. shall be the time when (irrespective of the way of forwarding) the first officially signed written notification of the initiation of a payment restriction proceeding against a direct or indirect System participant from the competent court or competent authority (PSZÁF) is verifiably received by KELER's organization unit appointed for the receipt of notifications (Expedition) or by one of the persons appointed for the receipt of notifications at the central address.

4.2. Providing information to the System participants about the initiation of a payment restriction proceeding

After the receipt of the notification of a payment restriction proceeding detailed in Section 4.1, KELER as a participant detailed in Article 3(1) c) of Fetv. immediately informs electronically the person(s) of the direct and indirect System participants who have been appointed for the receipt of notifications in line with Section 3.1 a) with entitlement to act

- a) about the initiation of the proceeding, the content of the notification and its date of receipt,
- b) about the actual time when the acceptance of the orders of the direct or indirect System participant subjected to the proceeding was stopped by the System in line with Section 5.1 a).

5. **Procedural rules for payment restriction proceedings against direct System participants**
- 5.1. After the receipt of the notification of a payment restriction proceeding, KELER as performing party
 - a) stops the acceptance of the orders of the System participant subjected to the proceeding with immediate effect but within 5 minutes at the latest and accepts orders only in line with the rules of the given payment restriction proceeding detailed in other laws (e.g. with the approval of a receiver, liquidator or any person appointed by them),
 - b) have the trading right of the direct or indirect System participant or of the trading clearing member or non-clearing member suspended.
- 5.2. Pursuant to Article 4(1) of Fctv. the orders accepted before the time determined in Section 4.2 b) in line with the KELER General Rules of Business and with the current Depository Document on the receipt deadline of orders and the opening hours of the cash desk (hereinafter Depository Document) will be performed by KELER as performing party, if the necessary coverage for the order is available, irrespective of the fact of the initiation of the payment restriction proceeding if the direct System participant does not cancel same within the available timeframe set out in the KELER General Rules of Business and in the Depository Document.
- 5.3. Payment restriction proceedings do not apply to stock exchange transactions with T+2 or T+3 settlement. In the case of derivative transactions KELER proceeds in line with its rules for non-performance detailed in the General Rules of Business (handling of the own and partner positions; forced liquidation).
- 5.4. The cancellation of orders is regulated in the KELER General Rules of Business and in the Depository Document.
- 5.5. Pursuant to Article 8(2) of Fctv. KELER as performing party is entitled to use the following to perform the obligations deriving from the orders duly accepted pursuant to Sections 5.2 and 5.3 or from stock exchange transactions
 - a) the balance (available at the time of the receipt of the notification of the payment restriction proceeding) of general purpose cash and securities accounts and of collateral sub-accounts of the direct System participant clearing member in line with the General Rules of Business,
 - b) and the amount paid by the direct System participant clearing member concerned by the proceeding to the collective guarantee funds (KGA,TEA).

Budapest, 29 June 2007

KELER Ltd

Annex 1

POWER OF ATTORNEY

Undersigned

Name:

home address:

and

Name:

home address:

on behalf of

Company name:

Seat:

Company registry number:

Tax number:

Mailing address:

Central e-mail:

Central phone:

Central fax:

pursuant to Article 3(1) d) of Act no. XXIII of 2003 on the settlement finality in payment and securities settlement systems we hereby empower the Central Securities Depository (Budapest) Private Company Limited by Shares (1075 Budapest, Asbóth u. 9-11) to perform the tasks detailed in Article 3(1) c) of the above Act.

The rules and detailed regulation concerning the tasks are detailed in the General Rules of Business of KELER Ltd.

.....
(Place and date)

.....
(signature on behalf of the company)

Annex 2

DATA SHEET

**For the implementation of the stipulations of Act no. XXIII of 2003 on the settlement
finality in payment and securities settlement systems**

for System participants of the securities settlement system

Information of the System participant:

Company name:	
Seat:	
Company registry number:	
Tax number:	
Mailing address:	
Central e-mail:	
Central phone:	
Central fax:	

Contact details of the contact persons of System participant (the person appointed for the receipt of the notification and his/her substitute(s)):

Name:	
Position:	
Organizational unit:	
Phone number:	
E-mail:	

Name:	
Position:	
Organizational unit:	
Phone number:	
E-mail:	

Name:	
Position:	
Organizational unit:	
Phone number:	
E-mail:	

.....
(place and date)

.....
(signature on behalf of the company)