

# **KELER's Depository Announcement - No. 03/2019.**

On ISIN identifier issuance, deletion  
and the central register of securities

**Effective from: 18 February 2019**

## **Contents**

<b>1. Background of the performance of the activity</b>	<b>2</b>
<b>2. Scope of the issue of the ISIN identifier</b>	<b>2</b>
<b>3. The process of applying for an ISIN identifier</b>	<b>2</b>
3.1. By a form	2
3.2. Electronically	3
<b>4. Process of the issue of the ISIN identifier</b>	<b>3</b>
4.1. Handling of applications received in a printed form	3
4.2. Handling of applications submitted electronically	4
4.3. Contacts	5
<b>5. The billing rules of KELER</b>	<b>5</b>
<b>6. Central securities register</b>	<b>6</b>
6.1. Procedure in the case of changes in data	6
6.2. Process in the case of the termination of an ISIN identifier	7
<b>7. Provision of information on ISIN identifiers</b>	<b>8</b>
<b>8. Contact details of KELER</b>	<b>8</b>

## 1. Background of the performance of the activity

As the central securities depository, KELER issues central security codes pursuant to Act CXX of 2001 on the capital market (hereinafter: Tpt.), MNB Decree 20/2014. (VI.3.) on the ISIN identifier (hereinafter: ISIN Decree), and ÁÉTF Resolution no. 33001/1994.

KELER maintains the central register of securities pursuant to the Tpt.

## 2. Scope of the issue of the ISIN identifier

KELER issues ISIN identifiers to securities issued in Hungary by domestic or foreign issuers, publicly or privately, issued in a series, as well as to other stock exchange products. KELER issues the ISIN identifier for those international bonds where the lead manager is an entity registered in the Republic of Hungary.

Securities conferring the same rights, of the same face value and produced in the same manner constitute one series of securities. Securities belonging to one series have the same ISIN identifier.

The ISIN identifiers of securities belonging to one series and distributed later are different than the ISIN identifiers of securities distributed earlier, if

- securities distributed within one series but at a different time do not carry the same rights temporarily, or
- in the case of distributing securities belonging to a series of securities identical to a security already listed on a stock exchange, the listing on the same stock exchange of the securities distributed later does not take place at the same time as the distribution.

In addition to the above, the issuer is required to apply for a new ISIN identifier

- for every individual series of securities,
- for each individual face value, i.e. if the given security was issued with several different face values (in case of physical securities with a higher denomination were not created by the merging of denominations),
- in the case of changes in face value, currency, the method of the production of the security, share class, etc., simultaneously with the termination of the ISIN identifier of the former series.

## 3. The process of applying for an ISIN identifier

### 3.1. By a form

Pursuant to Annex 1 to the ISIN Decree, for each security type, the applicant may download the relevant form titled “Securities code (ISIN) application form” from the website of KELER ([KELER - Business Forms](#)), or send a request to receive the form to email address [isin@keler.hu](mailto:isin@keler.hu), and KELER will provide the form electronically in response to the request. The applicant may deliver the completed application form, officially signed, scanned as PDF and sent to KELER to [iktato@keler.hu](mailto:iktato@keler.hu).

### **3.2. Electronically**

The applicant may apply for the ISIN identifier electronically through the Internet-based application operated by KELER (hereinafter: eISIN), which is available on the website of [www.keler.hu](http://www.keler.hu). Registration for the application is a precondition for the use of eISIN.

## **4. Process of the issue of the ISIN identifier**

### **4.1. Handling of applications received in a printed form**

Prior to the issue of the ISIN identifier, KELER will perform a formal check on the availability of the necessary documents.

A copy of the certificate of the bank on the payment of the processing fee must be attached to the application.

After formal check, KELER will also perform a substance check for the details of the application in case of Shares, otherwise will not verify whether the data contained in the application are true.

If KELER has not found any formal or substance error in the check, it will record the indicated data in its register and issue the ISIN identifier for the given series of securities.

KELER will provide a certificate of the issue of the ISIN identifier and the data kept on record related to it, which it will send within 3 business days by email or regular mail to the address specified by the applicant, and it will also mail the final invoice of the processing fee of the ISIN identifier issue.

In relation to mutual funds related FB code will be sent along with the ISIN form.

If in the checking of the form and substance of the application KELER finds that data are missing or any of the data are not applicable, then it will notify the applicant on the further necessary steps in a message sent to the email address indicated on the application (or by regular mail, if no email address was given).

If the payment of the fee of the ISIN procedure was made simultaneously with the submission of the application, then KELER will issue an advance invoice, simultaneously with sending information to the applicant on the paid processing fee, which it will settle with the final invoice to be issued after the issue of the ISIN identifier.

If the application was completed improperly, i.e.

- payment of the ISIN processing fee was not certified,
- the data necessary for the issue of the ISIN identifier were not fully provided,
- or the data indicated in the application are not applicable,

then the applicant is allowed to submit a new application with reference to the processing fee paid earlier, and the ISIN identifier may be issued with these data.

If the applicant fails to submit the requested documents within 90 days, then KELER will reject the original application, and therefore no ISIN identifier will be issued. It will inform the applicant on the rejection in writing, and if there is an advance invoice, then it will be cancelled and mailed back, and the ISIN processing fee will be transferred back to the account of the applicant.

#### **4.2. Handling of applications submitted electronically**

The applicant may apply for an ISIN identifier electronically, on KELER's proprietary system available on the website operated by KELER ([www.keler.hu](http://www.keler.hu)), through the [eISIN application](#).

The applicant must have an individual email address that must be registered in advance in the eISIN application.

After the submission of the application, the user has to pay the processing fee of the ISIN identifier electronically requested in the eISIN application: the user will be forwarded to the netbank and has to pay the fee with bank card. If the payment of the fee fails, then the application for the issue of the ISIN identifier will remain among the "Pending payment" items, and therefore the fee may also be paid at a later date. Without payment of the ISIN processing fee the application will not be delivered to the system generating the ISIN identifier, and therefore no ISIN identifier will be issued.

The issuer has the opportunity of restricting users authorized to proceed on its behalf by completing the form titled "[RESTRICTION BY THE ISSUER -Form to report the persons authorized to act on behalf of the Issuer eISIN](#)" (no. 2) to ensure that no unauthorized persons may apply for an ISIN identifier on its behalf. KELER will accept the statement on paper, officially signed, delivered personally or by regular mail, or in an electronic document, bearing an electronic signature, sent to the email address [iktato@keler.hu](mailto:iktato@keler.hu).

If the issuer intends to change the group of users, it may do so by submitting a new declaration. The restriction of the group of users will be valid from the 3rd business day following the receipt of the declaration.

During the operating time of the eISIN application, the applicant may receive the requested ISIN identifier within 60 minutes, based on the data uploaded in the application.

After successful payment of the fee and the issue of the ISIN identifier, KELER will issue the final invoice on the processing fee. The serial number of the completed invoice will be also displayed on the eISIN application, among the data related to the order. The invoice will be issued containing the data specified by the user, and KELER will send it within 3 days following the issue of the ISIN identifier to the specified billing address.

The certificate of the issued ISIN identifier and the data kept on record related to it can be downloaded through the application.

In relation to mutual funds related FB code will be sent after the successful issuance of ISIN identifier.

### 4.3. Contacts

If after 10 business days following the date of submission of an application on form:

- the applicant has not received a notification on the ISIN identifier, then the applicant may inquire about the reason thereof at [isin@keler.hu](mailto:isin@keler.hu)
- the applicant has not received an advance invoice or final invoice on the processing fee paid by it, then the applicant may inquire about the reason thereof at [uzletitamogatas@keler.hu](mailto:uzletitamogatas@keler.hu)

If, in the case of an application initiated through the eISIN application, after 1 business day:

- the authorized person and the applicant who launched the process have not received a notification to their email address on the completion of the generation of an ISIN identifier after the successful payment of the fee, or
- after the completion of payment the eISIN application does not confirm the ISIN identifier, then the applicant may inquire about the reason thereof at [isin@keler.hu](mailto:isin@keler.hu)

or after 3 business days:

- the final invoice issued on the payment of the processing fee is not displayed in the eISIN application,

or after 10 business days:

- the applicant has not received an advance invoice or final invoice on the processing fee paid by it

then it may inquire about the reason thereof at [uzletitamogatas@keler.hu](mailto:uzletitamogatas@keler.hu).

## 5. The billing rules of KELER

The fee of the issue of the ISIN identifier is contained in the KELER [Fee Schedule](#) valid from time to time.

In the case of an ISIN identifier requested on form:

- an advance invoice may be issued on the processing fee paid in advance, as described above,
- the final invoice will be sent to the mailing or e-mail address specified by the applicant together with the confirmation of the ISIN identifier.

If the applicant does not give separate instructions concerning the details of the invoice, then KELER will automatically issue both the advance and the final invoice for the details of the issuer.

In the case of an ISIN identifier requested through the eISIN application: the invoice will be issued containing the data that can be specified on the interface of the application and will be mailed or sent to the mailing/posting address specified on the interface of the application.

## 6. Central securities register

The central securities register contains data of securities issued in Hungary in a retrievable manner.

In the framework of the central securities registration activity, KELER keeps records of the following:

- the data of securities publicly issued in Hungary,
- the data of privately issued securities regarding which it has contracted with the issuer on reporting,
- the list of securities that are reported as forbidden and cancelled to KELER and are subject to the Tpt.

In the list of ISIN identifiers published on the website of KELER, in respect of dematerialized securities, it indicates the following data:

- the type of the dematerialised security defined by the General Business Rules of KELER,
- in the case of dematerialized equities, any restriction on the transfer of the series of equities,
- indication of whether the security has been produced.
- in case of dematerialised securities, the FISN (Financial Instrument Short Name) code specified to the series
- CFI (Classification of Financial Instruments) code specified to the series

Within 5 days following the date of the change the issuer has to report to KELER as central securities depository any changes in the data of the series of securities or in the data of the issuer.

Since data are recorded according to the reports of the issuer, therefore KELER shall not be held liable if the data kept on record are no longer valid.

KELER is entitled and obliged to report data kept in its registry, both within Hungary and to foreign countries.

It is important for every market participant to update the securities data reported to KELER, with special regard to changes in the name of the issuer, in the address of the issuer, changes in the face value of the issued securities, conversion or termination of the series of securities.

### 6.1. Procedure in the case of changes in data

If such changes occur in the group of the data specified in the application for the ISIN identifier that do not result in the issue of a new ISIN identifier (e.g. change of the issued volume, change in the data of the issuer, change in the manner of distribution, etc.), then the report may be made in the following ways:

- in the case of physical securities or securities to be produced as dematerialised securities, on the form titled ” [form to report change to the central security register](#)” (form no. 1),

- in the case of physical debt securities “[additional data of debt securities for the central securities registry](#)” form (form no. 9),
- in the case of securities produced in a dematerialised manner, on the form ordering the given demat event. In the case of dematerialised securities, the changed data will be recorded in the central securities register only simultaneously with the completion of the process of dematerialisation, automatically.

The issuer may send the officially signed form titled ” [form to report change to the central security register](#)” (form no. 1) to KELER, in the original counterpart or as an electronic document to the email address [iktato@keler.hu](mailto:iktato@keler.hu). KELER will confirm to the applicant that the data have been updated:

- in the original form in the case of a form received on paper, sent by regular mail,
- by sending an email message to the email address of the sender in the case of a form received electronically, with the form sent by the sender attached.

KELER updates the data on record in the central securities register free of charge. If KELER learns that the issuer has not complied with its obligation of data reporting, then it will send a reminder to the issuer, also indicating the deadline, for initiating the update of the register with the changes that occurred in the data of the security issued by it.

## **6.2. Process in the case of the termination of an ISIN identifier**

KELER will never delete an ISIN identifier from the central register of securities, it will only set the status of the ISIN identifier to inactive, i.e. it will continue to include it in the central securities register, thereby ensuring that the register is complete.

The process of cancellation of an ISIN identifier is the following:

- Based on the instruction of the issuer:
  - In the case of a series of physical securities and in the case of a series of securities instructed to be produced in a dematerialised manner, KELER will set the ISIN identifier of the series to inactive based on the form titled “[form to report change to the central security register](#) ” (form no. 1). KELER will not notify the issuer on the fact of the cancellation directly, the issuer may obtain this information from the website of KELER ([www.keler.hu](http://www.keler.hu)).
  - Simultaneously with the cancellation of dematerialised securities recorded on central securities accounts, the ISIN identifiers of series of securities with or without maturity are set to inactive status. KELER does not notify the issuer on the termination of the ISIN identifier, it only confirms cancellation from the securities accounts.
- Based on the report of the Magyar Nemzeti Bank (hereinafter: Supervision):
  - KELER will set the ISIN identifier of the relevant security to inactive if the Supervision has adopted a resolution on the termination of the given security, or if the Supervision has rejected to permit the issue of the security. The Supervision will always notify



KELER on the rejection of permission for a particular issue. KELER will notify the issuer on the termination of the ISIN identifier - simultaneously with sending a copy of the resolution of the Supervision - within 3 business days. These ISIN identifiers will not be reissued either.

- On its own authority, KELER will:
  - After the maturity date of securities with a maturity and ordered to be produced in a dematerialised manner (i.e. not produced as dematerialised securities), KELER will automatically cancel the ISIN identifier even if no such notification was received from the issuer.
  - In the case of securities with no maturity date, ordered to be produced in a dematerialised manner, and physical securities that were not deposited in the central depository, if KELER learns that the court of registration cancelled the issuer of the given security from the company registry conclusively, without recording a legal successor.

## **7. Provision of information on ISIN identifiers**

KELER maintains a registry on the issued ISIN identifiers. This registry is accessible for anyone on the website of KELER (<https://english.keler.hu/isin/>) and is updated by KELER on a daily basis.

According to the relevant statutory obligations, KELER regularly provides data about the ISIN identifiers issued by it to the MNB, the Supervision and to ANNA (Association of National Numbering Agencies).

## **8. Contact details of KELER**

Client Service of KELER:

Client Service premises at H-1074 Budapest, Rákóczi út 70-72.

Tel: +36(1)483-6100

Fax: +36(1)342-3539

Postal address of KELER: H-1426 Budapest, Pf. 57.

Website of KELER: [www.keler.hu](http://www.keler.hu)

Address for receiving electronic documents: [iktato@keler.hu](mailto:iktato@keler.hu)

Questions, addresses of customer service representatives: [isin@keler.hu](mailto:isin@keler.hu)