

**KELER's Depository Announcement -
No. 12/2017**

Implementing Act XXIII of 2003 on the finality
of settlement in payment and securities
settlement systems

Effective from: 23 November 2017

Upon the entry into force of this document, the document no. 1/2007 titled “Clearing House Document: Implementing Act XXIII of 2003 on the finality of settlement in payment and securities settlement systems” that went into effect on 2 July 2007 shall lose effect.

Pursuant to Act XXIII of 2003 on the finality of settlement in payment and securities settlement systems (hereinafter: Tvt.), in the case of securities settlement systems including the Euro-system securities settlement platform called Target2-Securities (hereinafter: T2S)¹, in accordance with the General Business Regulations of KELER Central Securities Depository Ltd (hereinafter: KELER), KELER, as a designated Participant, received authorisation to initiate a payment restriction procedure and to act as a contact entity in relation to the court, the authority that is entitled to take action (hereinafter: Authority, as the Central Bank of Hungary) and T2S, as well as direct and indirect System Participants.

1 The rights and obligations of KELER as a designated participant pursuant to Article 3, para. (1) point c) of the Tut.

1.1 Maintaining contact with the court and the authority that is entitled to take action, in the framework of which

- a) KELER, as a designated System Participant, reports in writing to the court, the authority that is entitled to take action (Authority) and to T2S the persons who are designated to receive the notice set forth in Article 5, para. (1) of the Tvt. regarding the payment restriction procedure, together with their positions and contact information.

The person reported to the court, the authority that is entitled to take action (Authority) and to T2S as the person authorised to receive notices is:

Attila Mónus, CEO

Contact information: elszamolahazusers@keler.hu

Correspondence address:

KELER Központi Értéktár Zártkörűen Működő Részvénytársaság

H-1074 Budapest, Rákóczi út 70-72.

Central phone number: +36-1-483-6100

Central fax number: +36-1-342-3539

- b) KELER as the designated System Participant notifies within 15 days the court and the authority that is entitled to take action (Authority) of the data of direct and indirect System Participants as set forth in Article 3, para. (1), point cb) of the Tvt. and in section 3.1, subsection s) of this Securities Depository Document, as well as any changes to them.

¹ T2S as a supranational securities settlement system is meant to connect individual central securities depositories and central banks of the European Union by making possible cross border, DVP-based settlement which is executed on the payment accounts managed by the participating central banks and the securities accounts that are managed by the participating central securities depositories.

- 1.2 To ensure compliance with the provisions of the Tvt., in the course of maintaining contact with direct and indirect System Participants, KELER is entitled to request and record the data and information set forth in section 3.1, subsection a) of this Depository Announcement and, if necessary, to request supporting documents.
- 1.3 KELER must keep and preserve for 10 years the records from which the content and date of receipt of the notice, on the initiation of the procedure to restrict payment, of the competent court or the authority that is entitled to take action (Authority) or T2S can be determined, even subsequently.

2 The obligations of KELER as the performing party

Upon the receipt of a notice on the initiation of a procedure to restrict payment against a direct or indirect System Participant member, KELER must proceed as set forth in section 4.

3 The obligation of direct and indirect System Participants

The system can be accessed by signing the dedicated authorisation, specified in KELER's General Business Regulations (*Annex 1*).

- 3.1 Direct and indirect System Participants must provide in writing
 - a) simultaneously with the execution of the authorisation, on the data sheet dedicated by KELER to this purpose (*Annex 2*), the following data, listed in KELER's General Business Regulations:
 - name,
 - registered office,
 - company registry number,
 - tax number,
 - name and substitute(s) of the authorised contact person, designated as the person who is entitled to act,
 - position, organisational unit,
 - phone and fax number,
 - correspondence and e-mail address,
 - BIC code,
 - LEI code (if available).
 - b) KELER must be notified of any change in the data listed in the previous section a) within 5 days of the change, and supporting documents not older than 30 days (copy of the companies register, deed of foundation) must be submitted to KELER by this deadline.

4 Rules of procedure in the case of a notice on the initiation of a procedure to restrict payment

4.1 Date of receipt of the notice on the initiation of a procedure to restrict payment

KELER as well as the direct and indirect System Participants agree to consider and accept as the certified date of receipt of the notice set forth in Article 5, para. (1) of the Tvt. the date when – regardless of the manner of transmission – KELER’s organisation unit designated to receive notices or any of the persons who are designated to receive notices addressed to the central address certifiably receives the first, officially signed written notice or appropriate electronic notice on the initiation of a procedure to restrict payment against a direct or indirect System Participant from the competent authority, the authority that is entitled to take action (Authority), or from T2S.

4.2 Notifying T2S of the initiation of the procedure to restrict payment

If the notice on the initiation of the procedure to restrict payment was not received from the ECB, after the receipt of the notice on the initiation of the procedure to restrict payment as set forth in section 4.1 KELER, as a participant pursuant to Article 3, para. (1), point c) of the Tvt. shall notify the T2S Service Desk immediately, either by phone or electronically, of the initiation of the procedure, the content as well as the date of the receipt of the relevant notice.

The T2S Service Desk notifies the participants of the T2S system via the ECB.

4.3 Notifying the system participants of the initiation of the payment restriction procedure

After the receipt of the notice on the initiation of the payment restriction procedure as set forth in section 4.1, KELER as a participant pursuant to Article 3, para. (1) point c) of the Tvt., immediately notifies electronically the person(s) of the direct and indirect System Participants who are authorised to receive such notices and who are entitled to act, pursuant to section 3.1, subsection a),

- a) of the fact that the procedure has been initiated, and the content and date of receipt of the relevant notice,
- b) of the concrete date and time when the System refused, pursuant to section 5.1, subsection a), accepting the orders of direct or indirect System Participants against whom a procedure has been initiated,
- c) in the case of T2S partners the Case 2 and Case 4 restrictions required for suspension are activated in the T2S system.

5 Rules of procedure in the case of initiating a procedure to restrict payment against a System Participant

- 5.1 After the receipt of the notice on the initiation of the payment restriction procedure, KELER as the performing party
- a) stops accepting immediately but no later than within 30 minutes any further orders from the System Participant against whom a procedure has been initiated and afterwards accepts orders only in accordance with the rules, set forth in other statutory regulation, pertaining to conducting the given payment restriction procedure (e.g. with the approval of the liquidator, supervisory officer or those authorised by them),
 - b) suspends the right to trade of the stock exchange clearing or non-clearing direct or indirect System Participant against whom the procedure has been initiated.
- 5.2 Pursuant to Article 4, para. (1) of the Tvt., orders that are accepted in the manner and by the date specified in section 4.3, subsection b) pursuant to KELER's General Business Regulations and the effective Securities Depository Document on the date of receipt of orders (hereinafter: Securities Depository Document) are satisfied by KELER, as the performing party, if coverage is available, to the extent of the coverage, regardless of the initiation of the payment restriction procedure, by the end of the day unless the direct System Participant against whom a procedure has been initiated withdraws it in the manner and by the date set forth in KELER's General Business Regulations and Depository Announcement.
- 5.3 The performance of a T+2 settlement stock exchange transaction that is cleared by KELER CCP Central Counterparty Ltd is not affected by the payment restriction procedure.
- 5.4 The eligibility of orders for withdrawal is regulated in KELER's General Business Regulations and Depository Announcement.

Budapest, 23 November 2017

KELER Ltd.

Annex 1.

Meghatalmazás / Authorization

Alulírott(ak)/The undersigned

Név/Name:

Lakcím/Address:

és

Név/Name:

Lakcím/Address:

a/in representation of

Cégnév/Company name:

Székhely/Registered seat:

Cégjegyzékszám/Company registry number:

Adószám/Tax number:

BIC kód/BIC code:

LEI kód/LEI code:

Levelezési cím/Mailing Address:

Központi e-mail cím/Central email address:

Központi telefonszám/Central phone number:

Központi telefaxszám/Central fax number:

képviselésében, a „A fizetési, illetve értékpapír-elszámolási rendszerekben történő teljesítés véglegességéről” szóló, 2003. évi XXIII. törvény 3. § (1) bekezdés d) pontja alapján meghatalmazzuk a KELER Központi Értéktár Zártkörűen Működő Részvénytársaságot (1074 Budapest, Rákóczi út 70-72.), hogy a fent megjelölt törvény 3. § (1) bekezdése c) pontjában meghatározott feladatokat ellássa. / Pursuant to Article 3, para. (1) point d) of Act XXIII of 2003 „On the *finality of settlement in payment and securities settlement systems*” authorize the KELER Central Securities Depository Ltd. (H-1074 Budapest, Rákóczi út 70-72.), to perform the tasks set forth in Article 3, para. (1) point c) of the above mentioned act.

A feladat ellátásával összefüggő szabályokat, részletes rendelkezéseket a KELER Központi Értéktár Zrt. Általános Üzletszabályzata tartalmazza. / The rules and detailed provisions pertaining to the performance of the task are defined in the General Business Conditions of KELER Central Securities Depository Ltd.

.....
(Helység/Place, Dátum/Date)

.....
(Cégszerű aláírás/Authorised signature)

Annex 2

Adatlap / Data Sheet

A fizetési, ill. értékpapír-elszámolási rendszerekben történő teljesítés véglegességéről szóló,
2003. évi XXIII. törvény rendelkezéseinek végrehajtásához /
For the execution of the provisions of Act XXIII of 2003 on the finality of settlement in payment
and securities settlement systems

Az értékpapír-elszámolási rendszer Rendszerrészrtvevői részére /
For securities settlement system Participants

1. A Rendszerrészrtvevő adatai / System Participant's data:

Cégnév/Company name:	
Székhely/Registered seat:	
Cégjegyzékszám/Company registry number:	
Adószám/Tax number:	
BIC kód/BIC code:	
LEI kód/LEI code:	
Levelezési cím/Mailing address:	
Központi e-mail cím/Central email address:	
Központi telefonszám/Central phone number:	
Központi telefaxszám/Central fax number:	

**2. A Rendszerrészrtvevő kapcsolattartóinak adatai (az értesítés fogadására kijelölt személy és helyettesei) /
Data of the System Participant contact persons (the person designated to receive the notice and his/her substitutes):**

Név/Name:	
Beosztás/Position:	
Szervezeti egység/Organisational unit:	
Telefonszám/Phone number:	
E-mail cím/Email address:	

Név/Name:	
Beosztás/Position:	
Szervezeti egység/Organisational unit:	
Telefonszám/Phone number:	
E-mail cím/Email address:	

Név/Name:	
Beosztás/Position:	
Szervezeti egység/Organisational unit:	
Telefonszám/Phone number:	
E-mail cím/Email address:	

.....

(Helység/Place, Dátum/Date)

.....

(Cégszerű aláírás/Authorised signature)