

## Post-trade risk and custody services

## **CSD** Risk Assessments

Central Securities Depositories (CSDs) play a fundamental role in the capital market infrastructure as central mechanisms for holding and transferring securities. While CSDs are generally bastions of stability and can strengthen a financial market, they can also pose significant risks to the financial system, depending on the structures, resources, procedures and controls deployed around their key functions.

It is therefore essential that direct users of CSDs, risk managers at institutions which use CSDs indirectly, regulators of CSDs and the senior management of the CSDs themselves, understand the nature of those risks, and how they compare between markets and against best practices in the industry.

Subsequent to the acquisition of the Nordic De Costoer 2009, the Finnen CSD (Romerly know Euroclear Finland and Euroclear Sweden tesp Euroclear Sweden provides central repairstor	n as APK) and the Swedish actively on 2 February 2009	CSD (formerly known as	VPC) were renamed			
European sweeten provide o elimitar ingentetoo settement and lakaring of elimitar ingentetoo along with outain CSD eligible derivatives, suc not computery by lake; but it is compalisory by NASDAQ Clark Stochteim, Europieer Sweden egree offerently	ih equities, Exchange Trade h as warrants, takes place market practice. However, o	I Funds (ETFs) and fee the use of Euroclear Sw mently, for all cash instr	d income instruments eden as depository is aments traded at			
Euroslear Sweden is authorised under CSNS Authority and the Swedish Central Bank CSDR the Swedish Financial Instrument system has, in accordance with the Swe notified to the European Commission.	Thom Murr		A Di anno Annos	CSD Risk	Assessment	
A new regulation on the functioning of or session on 15 April 2014 and was formal (DU) no. 900/2014 (CBDR) was publishe entered into foce on 17 (Sectember 201-	Euroclear Sw	eden				
The CSDR regulatory and implementing	Assessment Status			Report Updated Continuously and Last Fully Reviewed as of:		
2017, with the exception of the standard 2018 and entered into force on 1 Februa the exception of the provisions for buy in	Qualified Assessme	nt		December 2023		
The sector Lask published a regular to G with 2-arrow standards. The sector to 2000 and 2000 and 20000 and 2000 and 2000 and 20	Overall Risk Asset Commitment Risk Commitment		Addition of the second		an Murray, not included	
	Support Bank(s) SEB Instruments Supp Equites Yes	orted Corporate Debt Yes	Money Markets Yes	Government Debt Yes	Other Yes	
l l	Role of the Depor	itory				

The Thomas Murray methodology for a CSD Risk Assessment covers eight core risks: Asset Commitment, Liquidity, Counterparty, Asset Safety, Asset Servicing, Financial, Operational, and Governance & Transparency. It uses generic alpha symbology, with the CSD risk being assessed on a scale from AAA to C.

The assessment methodology considers the capabilities of the depository and the quality and effectiveness of its operational infrastructure and assesses the depository's willingness, and ability to protect its participants and their clients from losses. There are two levels of assessment, Proprietary and Public. Proprietary assessments are commissioned and subscribed to by direct and indirect users of CSDs (e.g. custodians, broker dealers and institutional investors) for their own use, and are not disseminated publicly. Public assessments are commissioned by the CSD themselves, and besides being open to TM clients, can be made publicly available by the CSD for the term of the assessment contract.

A list of markets covered by the service is available on request.

To find out more propriety CSD Risk Assessments, contact:

To find out more public CSD Risk Assessments, contact:





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