



Types of Accounts in Registers of CSD Prague

Version 1., effective as of entry into force of authorisation of activities of CSD Prague according to CSDR

Article 1

Introductory Provisions

- (1) According to Art. 38 paragraph 6 of Regulation EU No 909/2014, Centrální depozitář cenných papírů, a.s. (hereinafter “**central depository**” or “**CSD Prague**“) publicly discloses levels of protection and the costs associated with different types of accounts opened in the registers of central depository.
- (2) CSD Prague, in its role as a participant of other central depository, opens for its participants accounts that enable omnibus client segregation (hereinafter “**omnibus account**“) and accounts that enable individual client segregation (hereinafter “**individual account**“).

Article 2

Types of registers maintained by CSD Prague

- (1) Central depository maintains central register of book-entry securities and separate register of investment instruments (§ 92 and 93 of the Act No. 256/2004 Coll., on Capital Markets Undertaking (hereinafter “**ZPKT**“)).
- (2) Book-entry and immobilized securities are registered in the central register for the issuer with whom central depository has concluded an issue records agreement.
- (3) In the separate register, investment instruments mentioned in § 93 par. 1 letters b) to d) ZPKT are registered by central depository as a settlement system operator, being authorized to settle debts and obligations from trades with such investment instruments. Foreign securities of those issuers who have not concluded an issue records agreement are kept in this register. Securities in certificated form in the custody of central depository may be kept in this register.
- (4) The type of register determines types of accounts that may be opened in the registers following-up central or separated register kept by central depository (§ 94 ZPKT).

Article 3

Types of accounts

- (1) Central depository enables opening of an owner’s account (§ 527 Civil Code) and a customers’ account (§ 528 Civil Code). Special types of securities account in the register are specific technical account (§ 533 odst. 1 Civil Code) and unclassified account (§ 202a ZPKT).
- (2) An account may be opened only by an instruction of a participant of central depository (§ 95a paragraph 1 letter a) ZPKT), with the exemption of specific technical account of an issuer that is opened by CSD Prague, and with the exemption of unclassified account that is not already possible to open.
- (3) Securities account is opened based upon an agreement between the person the account is maintained for, and the person authorized to open the account, i.e. mainly by the participant of central depository.

Article 4

Owner’s Account

- (1) Owner’s Account is an account on which are registered book-entry securities belonging to the one for whom the account has been opened.
- (2) There is a rebuttable legal presumption stipulated for this account that the owner of the book-entry security is person on whose account the book-entry security is registered.

Article 5

Customers' Account

- (1) Customers' account is an account on which are registered book-entry securities belonging to the ones who entrusted them to the one for whom the account has been opened. The one for whom the customers' account has been opened is not the owner of the securities registered on the account.
- (2) Customers' account may be opened only for a person authorized for keeping of follow-up register of accounts, stated in § 92 par. 2 ZPKT, § 93 par. 3 ZPKT respectively. Person that is keeping a register following-up the central register, keeps in this register only owner's accounts. Person that is keeping a register following-up the separate register, keeps in this register owner's accounts or, for subjects entitled by the law, also customers' accounts.
- (3) At present time, CSD Prague does not keep a register following-up a register kept by other central depository according to the Czech law. In case that CSD Prague keeps such a follow-up register, book-entry securities of the relevant issue may be kept in this register only on owner's accounts.

Article 6

Accounts opened by central depository in other central depositories

- (1) When keeping a separate register of book-entry securities that are registered in other central depository whose register is not kept according to Czech law, central depository opens an omnibus account on which it maintains securities for its participants.
- (2) As a participant in other central depository, CSD Prague also offers to its participants possibility of opening an account in the other central depository, in case the conditions set for by this other central depository are fulfilled.

Article 7

Costs of participants on safekeeping of book-entry securities

- (1) Participant of central depository who gave the instruction for opening an account in the register of central depository is obliged to pay fees set for by the central depository Price List. These fees are stated mainly in the part B. Tariff, point 3. Fees for safekeeping of DS on an account.
- (2) With respect to the most important fee for safekeeping of DS on an account, the price list does not distinguish between omnibus account and individual account. The Price List reflects the amount of securities, type of security or investment instrument and what register of central depository are they kept in.

Article 8

Determination of applicable insolvency law

- (1) Legal relation of the account owner with the securities account is based on provision of § 94 ZPKT, according to which the account is opened by an agreement between a person the account is maintained for, and a person authorized to open the account. The person authorized to open an account in the register is a participant of central depository. Legal relation between central depository and its participant is regulated by the Czech law. Central depository has no legal relation with the account owner.
- (2) Insolvency proceedings opened against central depository would be regulated by the Czech law. In case of insolvency proceedings opened against central depository, provision of article

38 of CSDR applies, according to which central depository shall not use securities that do not belong to it for any purpose. Central depository is not (with exemption) the owner of book-entry securities registered in his registers on securities accounts of other owners.

- (3) Czech national bank as a supervision body is entitled to impose receivership in the meaning of § 138 et seq. of ZPKT. In such a case, administrative receiver shall immediately take measures to remedy determined deficiencies in the activities of central depository and arrange protection of rights of persons using its services.