
DRAFT STATUTORY INSTRUMENTS

2018 No.

**The Central Securities Depositories
(Amendment) (EU Exit) Regulations 2018**

PART 3

Amendment of retained direct EU legislation

Central securities depositories

17.—(1) In Article 45—

(a) in paragraph 6—

- (i) in the first sub-paragraph, for “competent and relevant authorities” substitute “the competent authority”;
- (ii) in the second sub-paragraph, omit “and relevant authorities”;

(b) in paragraph 7—

- (i) in the first sub-paragraph, for the words from the beginning to “develop draft” substitute “The Bank of England may make”;
- (ii) omit the second and third sub-paragraphs.

(2) In Article 46—

(a) for paragraph 1, substitute—

“1. A CSD must hold its financial assets at any one or more of the following kinds of institution:

- (a) central banks;
- (b) credit institutions with permission to accept deposits under Part 4A of FSMA⁽¹⁾;
- (c) CSDs and third-country CSDs recognised by the competent authority;
- (d) third-country financial institutions that are subject to and comply with asset protection and prudential rules considered by the competent authority to be at least as stringent as those laid down in [Directive 2013/36/EU](#) UK law and Regulation (EU) No 575/2013, and which the CSD assesses as having—
 - (i) robust accounting practices;
 - (ii) safekeeping procedures;
 - (iii) internal controls which ensure the full protection of those financial assets;
and
 - (iv) low credit risk based upon an internal assessment by the CSD; or

⁽¹⁾ Part 4A was inserted by section 11 of the Financial Services Act 2012 (c.21).

- (e) third-country CSDs which comply with asset protection rules considered by the competent authority to be at least as stringent as those laid down in this Regulation, and which the CSD assesses as having—
 - (i) robust accounting practices;
 - (ii) safekeeping procedures; and
 - (iii) internal controls which ensure the full protection of those financial assets.”;
- (b) in paragraph 5, for “authorised credit institution or authorised CSD” substitute “institution of a kind referred to in paragraphs 1(b) to 1(e)”;
- (c) in paragraph 6—
 - (i) in the first sub-paragraph, for the words from the beginning to “develop draft” substitute “The Bank of England may make”;
 - (ii) omit the second and third sub-paragraphs.
- (3) In Article 47—
 - (a) in paragraph 3, in the first sub-paragraph, for the words from the beginning to “develop draft” substitute “The Bank of England may make”;
 - (b) omit the second and third sub-paragraphs.