



ECSDA

European Central Securities
Depositories Association

Code of Conduct – Price Transparency & Conversion Table

1. Introduction

Following positive advice from the Commission’s Monitoring Group, each CSD has agreed to publish a “Conversion Table” (“Table”) which has as main objective to ease the comparability of CSD services and tariff structures for users and end investors. The Table maps the entries of the CSD’s tariff brochure to a set of common service definitions, based on the Commission’s definitions for post-trading (see Annex) as referenced in the Code.

The Table is completed at least for cash equity instruments and for issuer CSD services (in line with the scope of the Code). Individual CSDs may decide to broaden the scope to other assets classes and to services offered in an investor CSD capacity. When doing so, they will indicate this explicitly.

It is each CSD’s responsibility to complete the Table on a voluntary basis. The Table provided by ECSDA serves as a guideline. A CSD wishing to deviate from the Table is invited to explain these deviations. ECSDA will not perform an audit on the Tables’ content. This is the role of the external auditor who will be given the task to monitor compliance with the Code.

2. How to read the Table

Column 1: The list of services corresponds to the one from the Code of Conduct and uses the Commission definition (where available).

Column 2: Provides guidelines on which subsections belong to the defined services. As the list is not exhaustive, the "other" category may need to be used. The aim of this column is to facilitate completion of the Table by CSDs that provide similar but not identical services in an effort to group such services under sub-headings. In all cases, it should not be seen as an effort to invalidate or modify the Commission definitions of post-trade services.

Column 3: Includes the heading of the CSD's tariff caption that corresponds to the service and subsection from columns 2 and 3. If not relevant for the CSD, it includes "service not offered" or "service not charged for separately".

Column 4: Includes a reference to the CSD's tariff brochure (e.g. number of page, paragraph, subheading).

Column 5: Specifies to whom the fees are charged. Four possibilities are proposed: issuers (or their agent), intermediaries, end investor and other.

Column 6: Includes a short service description, explanation of acronyms, or a reference to service description documentation.

3. Common clarifications related to the content of the Table

The CSDs used the following common guidelines when completing the Table :

- If possible, reporting fees are included in each of the relevant services
- Account provision and asset servicing includes all standard charges that are related to opening, maintaining and closing securities accounts (e.g. membership fees, minimum fees, annual fees, etc) as well as charges related to holding and administrating securities on those accounts including special event driven asset services (such as proxy voting, tax reclaim services).
- Establishing securities in book-entry form includes services related to issuance of dematerialised securities into the CSD, and of deposit (immobilisation) and withdrawal of physical securities.
- Own account transfers refer to securities movements that take place between accounts of the same account holder (realignments).
- Securities Lending and Borrowing includes any securities lending and borrowing services provided by the CSD (but indicates fail related as well as other SLB separately).
- Collateral management includes any collateral management service offered by the CSD. The Table makes the difference between collateral management related to central bank liquidity provision, other collateral management services, as well as services (operational, risk management, etc) related to running guarantee-type of funds for their members or third parties.
- Credit provision includes banking services that are provided by the CSD.
- The section on Communication is related to technical set-up and maintenance of communication channels (including any (re-)charges of network provider fees). It refers to fees that are difficult to assign to a specific service.
- The Other section includes all fees that cannot easily be allocated to the other services categories (e.g. fees related to provision of statistics, specific enquiries, etc).

Individual CSDs may decide to add further clarifications. These will be included in the conversion Table itself.

Annex – European Commission definitions ¹

Account provision

The maintenance of securities accounts.

Establishing securities in book-entry form

The initial representation and subsequent maintenance of securities in book-entry form through initial credits and subsequent credits or debits to securities accounts, on the basis of: (a) the information provided by the issuer or its agent; or (b) the number of physical securities on deposit.

Asset Servicing

Securities administration activities performed for others, e.g. processing of corporate actions, tax reclaims and portfolio valuation.

Deposit

The storage of physical securities on behalf of others.

Verification

The process of comparison and reconciliation of transaction or settlement details, to ensure that there is agreement on these details.

Clearing

The process of establishing settlement positions, possibly including the calculation of net positions, and the process of checking that securities, cash or both are available.

Settlement

The act of crediting and debiting the transferee's and transferor's accounts respectively, with the aim of completing a transaction in securities.

¹ Extracted from Commission Services Working Document on Definitions of Post-Trading Activities - Working document/MARKT/SLG/G2(2005)D15283