



Frequently Asked Questions

July 2020

Omnibus and Segregated Account Offering for European Union (EU) Markets

Background

Under the Central Securities Depositories Regulation (CSDR) Article 38, Central Securities Depositories (CSDs) are obliged to offer their participants the choice between Omnibus and Segregated Account types. Where BNY Mellon is a direct participant of a CSDR regulated CSD, BNY Mellon is obliged to offer the choice between Omnibus Accounts and Segregated Accounts to its clients and publicly disclose the levels of protection and the costs associated with the different levels of segregation.

1. Where can information be found on the levels of asset protection and insolvency?

Information on the levels of asset protection for each account type and the insolvency laws of each jurisdiction where BNY Mellon operates in the European Union can be found in the [Article 38 disclosure documents](#). The disclosure documents can be obtained on the CSDR webpage.

2. What is the difference in asset protection between account types?

In general, the different account types do not materially differ in providing asset protection for participants or underlying clients. Please refer to the Article 38 disclosure document for further information.

3. What different types of account are offered by CSDs?

CSDs offer three types of account:

- Firm accounts
- Client Omnibus accounts
- Client Segregated accounts

Client assets can be held in either a Client Omnibus account or a Client Segregated account at the CSD. BNY Mellon typically holds client assets in a Client Omnibus account at the CSD. Client Segregated accounts are available upon request, and can be discussed with your Relationship representative.

4. Is the process for account opening different where BNY Mellon is indirect i.e. not a CSD participant?

BNY Mellon offers a range of account types to meet your needs across all European Union (EU) markets. Details of Account Opening Procedures can be found via NEXEN® or Workbench, or can be discussed with the Relationship representative, alternatively you can inquire [here](#).

5. Is this a regulatory requirement?

Yes. The CSDR (909/2014) is a major development for the European market to enhance the safety and soundness of the financial system. Together with the European Market Infrastructure Regulation on derivatives, central counterparties and trade repositories (EMIR), which entered into force on 16 August 2012 alongside the markets in financial instruments directive (MiFID), it will form a framework in which securities infrastructures (trading venues, central counterparties, and central securities depositories) are subject to common rules at a European level.

6. When is Article 38 effective?

Article 38 comes into effect when each CSD receives its CSDR licence. This is dependent upon the National Competent Authority of the CSD, and each CSD will notify participants of their upcoming authorisation date.

7. What is the timeline for BNY Mellon to offer account type choice in each direct market?

BNY Mellon offers Client Omnibus and Client Segregated account choice where we are a direct CSD participant in the EU markets. Where CSDs do not offer a Client Omnibus or Client Segregated account choice, this will be made available when each CSD becomes approved, in accordance with the approval mechanism set out in the regulation. Outside of the EU, BNY Mellon also offers Client Omnibus and Client Segregated accounts in direct markets that have already made these account type choices available.

8. Which CSDs are in-scope for CSDR?

Below is a list of EU CSDs and links to their websites:

Country	CSD	Website
Austria	OeKB	http://www.oekb.at/en/Pages/default.aspx
Belgium	Euroclear ESES	www.euroclear.com
Belgium	NBB SSS	https://www.nbb.be/en
Bulgaria	CDAD	http://www.csd-bg.bg/EN_site/index.php?menu=na4alna_stranica1
Croatia	CDCC	http://www.skdd.hr/portal/f?p=100:10:1304928913008::NO
Cyprus	CSE	http://www.cse.com.cy/en-GB/central-depository/general-information-of-central-depository/
Czech Republic	CDPC	https://www.cdpc.cz/index.php/en/
Czech Republic	CNB	https://www.cnb.cz/en/financial_markets/skd/
Denmark	VP Securities	https://www.vp.dk/en
Estonia	Eesti Pank	https://www.e-register.ee/en
Euromarket – ICSD	Clearstream Banking SA (Luxembourg)	www.clearstream.com
Euromarket – ICSD	Euroclear Bank	www.euroclear.com
Finland	Euroclear Finland	https://www.euroclear.com/finland/en.html
France	Euroclear ESES	www.euroclear.com
Germany	Clearstream Banking AG (Frankfurt)	http://www.clearstream.com/clearstream-en
Greece	BOGS	http://www.bankofgreece.gr/Pages/en/default.aspx
Hungary	KELER	https://www.mnb.hu/en
Ireland	Euroclear UK & Ireland	www.euroclear.com
Italy	Monte Titoli	http://www.lseg.com/post-trade-services/settlement-and-custody/monte-titoli
Latvia	LCD	http://www.nasdaqbaltic.com/en/csds/latvian-csd/
Lithuania	LCVPD	http://www.csd.lit/en/
Luxembourg	VP Lux	https://www.vplux.lu/
Luxembourg	LuxCSD	http://www.luxcsd.com/luxcsd-en/
Malta	MSE	https://www.borzamalta.com.mt/
Netherlands	Euroclear Nederland	www.euroclear.com
Poland	KDPW	http://www.kdpw.pl/en/Pages/Home_en.aspx
Portugal	Interbolsa	https://www.interbolsa.pt/
Romania	Depozitarul Central	http://www.depozitarulcentral.ro/home/index.aspx
Slovakia	CDPC	http://www.cdpc.sk/english/
Slovenia	KDD	https://www-en.kdd.si/
Spain	Iberclear	http://www.iberclear.es/?id=ing
Sweden	Euroclear Sweden	www.euroclear.com
United Kingdom	Euroclear UK & Ireland	www.euroclear.com

9. What CSD fees are there for the different account types?

Some CSDs charge additional fees for segregated accounts. BNY Mellon will pass on these fees to clients as an Out of Pocket expense. Please refer to the BNY Mellon Out of Pocket expense schedule via NEXEN or Workbench for further information. Contact your Relationship representative for further information if required.

10. What account type fees does BNY Mellon charge?

BNY Mellon is implementing Individual Client Segregated Account (ISA) fees. These fees will apply to all markets for both sub-custodian and direct central securities depository markets supported by BNY Mellon i.e. not only EEA markets. This policy will ensure a consistent and harmonised global account opening charging framework.

ISA fees are being introduced for the initial set up and ongoing maintenance costs to cover the operational, technical and legal support required for each ISA. BNY Mellon may incur additional set up costs to submit forms for the opening of ISAs, and have additional messaging costs in the set up and operational management of each ISA that is typically greater than for an Omnibus Segregated Account (OSA) where BNY Mellon does not charge additional fees.

The ISA fees are made up of the following two charges:

- One-off ISA opening fee;
- On-going monthly ISA maintenance fee.

BNY Mellon will also continue to pass on any charges or fees charged by Subcustodians and CSDs in relation to maintenance of such accounts (referred to as "Out of Pocket Expenses").

Please contact your Relationship representative for further information if required.

11. In which EU/EEA markets is BNY Mellon direct?

BNY Mellon has a direct CSD relationship in the following markets:

- Belgium – National Bank of Belgium, and Euroclear Belgium
- Euromarkets – Clearstream Banking Luxembourg, and Euroclear Bank
- Germany – Clearstream Banking Frankfurt
- France – Euroclear France
- Ireland – Euroclear UK & Ireland
- Italy – Monte Titoli
- Netherlands – Euroclear Nederland
- United Kingdom – Euroclear UK & Ireland

12. Are there changes to any other BNY Mellon services or terms and conditions as a result of Article 38?

No.

Contact Us:

- For further information and/or clarification, please either contact your Relationship representative, otherwise inquire [here](#).

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