



**Ceskoslovenska
obchodni banka, a.s.**

The Czech Republic

CSOB Custody Bulletin

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Although the items of information in this Bulletin are from sources that CSOB regards as reliable, CSOB does not vouch for their accuracy; some terms may be incomplete or simplified. The view and conclusions presented in this publication are our opinions and are liable to change without notification. The data published in the Bulletin constitutes no legal obligation for CSOB.

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Contents

CDCP to offer settlement and safekeeping of Czech T-Bills from 1 April 2023	3
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CDCP to offer settlement and safekeeping of Czech T-Bills from 1 April 2023

The Czech CSD (CDCP) announced it will enable participants to settle and hold short term government bonds (T-bills) via their system with effect from 1 April 2023.

The main motivations of this project are:

- Safekeeping and settlement of T-Bills through the same CSD account(s) as other securities
- Settlement of T-Bills in the same cycles as other securities allowing netting
- Settlement in currencies other than CZK - CeBM for EUR, CoBM for USD and GBP
- Use of functionalities of the CDCP's settlement system:
 - Multi-cycle settlement
 - Hold/release mechanism
 - Partial settlement
 - Partial release
 - Technical netting
 - ACM – will be resolved with the CNB

The CDCP's records will be viewed as records linked to the SKD as the T-Bill central securities depository maintained by the CNB.

The CDCP will enable external and internal settlement.

- External settlement will take place between CDCP and SKD accounts and will be similar to that of foreign securities held at the CDCP.
- Internal settlement will be performed between CDCP accounts only

The SKD does not support hold and release mechanism, delivery instructions will therefore be sent to the SKD by CDCP on ISD only, after a securities position validation check. Receive instructions will be sent to the SKD immediately after received by the CDCP.

Primary auctions are currently not supported by the CDCP, future possibilities are being analyzed.

Redemption + interest payments will be credited by the CDCP on PD on an actual basis, after being received from the CNB.

Only daily penalty CSDR reports will be provided, monthly reports not supported.



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Impact on foreign investors:

Please take note of the above information which will be applicable to settlements of T-Bills via CDCP from 1 April 2023.

Source: CDCP



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