

The Association of Global Custodians - Questionnaire - Questionnaire

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2009 - 2010 AGC
Questionnaire - Part 1

Current View: Serbia - Central Securities Depository and Clearing house of Serbia

Name	Serbia - Central Securities Depository and Clearing house of Serbia
Contact Name	Vesna Korosec
Address	Trg Nikole Pasica no 5, Belgrade
Country	Serbia
Phone	38111 3331 380
Fax	38111 3331 381
E-mail	vesna.korosec@crhov.rs
Web Site	www.crhov.rs

Welcome to the Depository-Information Gathering Project. Before beginning, we suggest that you: print the entire document for review on paper; review the Glossary of Terms. Each will assist you with answering the questions. For help, contact: Robin D. Truesdale, Baker & McKenzie LLP (202) 835-1664; e-mail: Robin.D.Truesdale@bakernet.com

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the depository must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

In particular, are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

Yes

2. Rule 17f-7 also requires that an Eligible Securities Depository "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries."

Does your institution: (Choose all that apply.)

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

CSD AND CH OPERATES ALL SECURITIES ISSUED ON THE TERRITORY OF SERBIA I.E. SHARES, BONDS, TREASURY BILLS.

3. What type of legal entity is the institution? (Choose all that apply.)

Other (please answer 3a)

3a. Please explain:

CLOSELY HELD JOINT STOCK COMPANY

4. Is the institution operated as a "for profit" or a "not for profit" organization?

Not for profit

5. Please provide the names of the owners and their ownership interest percentages.

100% OWNERSHIP OF THE REPUBLIC OF SERBIA

Question number 6 has been modified. Thus, your answer from last year has not been populated for this question.

6. Please answer the following:

6a. What is the date of establishment of the depository?

10/Dec/2003

6b. What is the date that the depository's operations began?

19/Nov/2001

7. Under what regulation or statute is the depository established and governed?

LAW ON SECURITIES AND OTHER FINANCIAL MARKET INSTRUMENTS STATUTE OF THE CSD

7a. Is the regulation or statute electronically available?

Yes (please answer 7b)

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

<http://www.crhov.rs/>

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

PROFESSIONAL EXPERIENCE

7e. What are the election procedures?

MEMBERS ARE ELECTED BY THE GOVERNMENT OF SERBIA, MEMBERS OF THE BOARD ELECT THE PRESIDENT OF THE BOARD

7f. What is maximum length of time they can serve as a board member?

4 YEARS, THERE IS POSSIBILITY OF REELECTION

7g. Who is responsible for regulating the board members?

THE PRESIDENT OF THE BOARD

7h. What is the extent of their voting powers?

DECISIONS ARE MADE BY MAJORITY OF VOTES

8. Rule 17f-7 requires that an Eligible Securities Depository "is regulated by a foreign

financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that “‘foreign financial regulatory authority’ means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.”

Who regulates the activities of the depository? (Choose all that apply.)

A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

9. Please provide the name of regulatory authority(ies) identified in question 8:

SEC - SECURITIES COMMISSION NBS - FOR PAYMENTS

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

Regulatory authorities?, Independent accountants?

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

SECURITIES COMMISSION

11a.

Fines, Restrictions on depository activities.

Name of Authority #2 (please answer 11c):

NATIONAL BANK OF SERBIA

11c.

Fines

12. Has there been any use of such enforcement actions in the last three years?

No

Capital

13. Are annual financial statements publicly disclosed?

Yes (please answer 13a)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

Yes (please answer 13b)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

13c. If more than one document for 13b, please upload the additional document here:

13d. Please insert web link(s) for 13b here:

www.crhov.rs

Internal Audit

14. Is an internal audit undertaken in your depository?

No (please proceed to 15)

15. Is a financial audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

Yes - Audit firm (please answer 15a)

15a. If yes, please state name(s) of organization(s) who undertake the financial audit.

DELOITTE

15b. How frequently does the financial audit occur? (Choose one.)

Annually (please answer 15e)

15e. Are the results of the financial audit publicly available?

Yes (please answer 15g)

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

No material exceptions found.

15j. Please list the date of your last financial audit performed by independent external auditors and the period that the audit covered:

APRIL 2009, FOR 2008

16. Is a operational audit performed by an external party? If yes, which type of entity? (Choose all that apply.)

No (please proceed to 17)

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

Banks (please answer 17a), Brokers (please answer 17e), Foreign Institutions (please answer 17m), Other entities (please answer 17q)

17a. How many Bank participants are there currently? (then please answer 17b)

32

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

Regulatory Oversight (please answer 17c), Other (please answer 17d)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

www.nbs.rs WWW.CRHOV.RS

17d. Please explain:

payment of the guarantee fund (EUR 40.000) DEPOSIT OF PROMISSORY NOTES (EUR 60.000)

17e. How many Broker participants are there currently? (then please answer 17f)

63

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

Regulatory Oversight (please answer 17g), Other (please answer 17h)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

www.sec.gov.rs WWW.CRHOV.RS

17h. If other, please explain:

payment of the guarantee fund DEPOSIT OF PROMISSORY NOTES

17m. How many Foreign Institution participants are there currently?

0

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

Other (please answer 17p)

17p. If other, please explain:

it has to be an approved CSD in its home country or an international CSD

17q. If you have selected "Other entities" above, please explain:

Republic of Serbia, National bank of Serbia

17r. Indicate how many "Other entities" are currently participants?

2

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

Other (please answer 17u)

17u. If other, please explain:

just to sign the Contract with the CSD

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

No

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

Yes

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

Relevant law and regulation, Standard participation contract, Established terms and conditions of participation, By-laws of the depository, Rules of the depository

21. Rule 17f-7 requires that an Eligible Securities Depository "holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants."

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

Yes

21b. Please briefly describe the approaches you take and the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

By e-mail, By public announcement, Other (please answer 22a)

22a. Please explain:

WEB site

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

The depository

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

Fines, Termination of participation

25. Has there been any such enforcement actions in the last three years?

Yes (please answer 25a)

25a. If yes, please explain, including information relative to any suspensions of depository participants:

some fines were collected for untimely trade confirmations

DEPOSITORY FUNCTIONALITY AND SERVICES; USE OF AGENTS

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

Government securities, Equities, Corporate bonds, Corporate money market instruments

27. Is the use of the depository in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc). (Choose all that apply.)

Yes by law for settlement of all instrument types (please answer 27a), Yes by law for safekeeping of all instrument types (please answer 27b)

**27a. Please list the instrument types for which it is not compulsory by law to:
(i) settle in your depository**

N/A

27b. Please list the instrument types for which it is not compulsory by market practice to (i) settle in your depository

N/A

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

100%

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

100%

29. Are there any activities performed by a third party on behalf of the depository for the depository participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

No

30. Has any participant suffered any losses in the past three years due to the depository's performance?

No

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions?

(Choose all that apply.)

Depository

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

Depository

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

Depository

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

Depository

35. Please indicate services you provide. (Choose all that apply.)

Information in advance on corporate (annual or special) meetings in order that owners can vote., In order to avoid fails, an automatic securities lending facility - if requested - is provided for. (please answer 35a), Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c), Same day turnaround settlements., Information on distribution of new issues (IPO, Privatization)., Other (please answer 35d)

35a. Automatic securities lending facility is provided for: (Choose all that apply.)

Brokers

35c. Collateral Handling: please provide details:

CSD AND CH REGISTERS COLLATERAL RIGHTS ON PLEDGE ACCOUNTS

35d. If other services, please explain:

Central Counter Party services for the transactions made on the stock exchange

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

Credited to the securities account upon actual receipt by the depository.

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

Credited to the cash account upon actual receipt by the depository.

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link.

N/A

39. Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

Not applicable

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

Not applicable

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

Yes (please answer 41a)

41a. If yes, please indicate number: (Choose one.)

An unlimited number of accounts.

42. Are participants required/ permitted to segregate assets held for their own benefit from those they hold for their clients?

Yes (please answer 42a)

42a. If yes, is segregation required or simply permitted?

Required (please answer 42b)

42b. How does segregation occur? (Choose all that apply.)

By separately designated participant accounts., By separately designated beneficial owner accounts.

43. Does the depository permit its participants to open accounts in the participant's own nominee name(s)?

Yes (please answer 43a)

43a. If yes, do laws exist which acknowledge the rights of beneficial owners with respect to securities registered in nominee name?

Yes

44. In the event a participant's single account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in the account on behalf of the participant's clients be accessible:

44a. By the participant's clients?

Yes (please answer 44b)

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

THE PARTICIPANT SIGNS A CONTRACT WITH ANOTHER MEMBER WHO TAKES OVER HIS CLIENTS

44d. By the intervening authorities controlling insolvency or other proceedings?

No

44g. By the participant's creditors?

No

44j. By the depository's creditors?

No

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

Computer file (please answer 45b), Hard copy (please answer 45b)

45b. In which format is the source data maintained?

DBF, LDF and ASCII format

46. Rule 17f-7 requires that an Eligible Securities Depository "provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account."

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

Yes (please answer 46b)

46b. If yes, please indicate the scheduled frequency: (Choose one.)

Daily

47. What is your document retention policy for documents described in previous question? (Choose one.)

5 years

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

Model 1 - - Gross, Simultaneous Settlements of Securities and Funds Transfers

48a. How do your settlement procedures vary from the model chosen above?

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by book-entry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?

Yes

OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?

Other (please answer 50a)

50a. If other, please explain and identify amount held in this other form as a percentage of total depository holdings:

Securities in the depository are held in dematerialized form. (You will be asked to confirm whether you want to move on to 74 in advance of answering subquestion 72c, do not be alarmed as it will allow you to answer 72c before moving on.)

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?

Not applicable

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

No (please answer 52a)

52a. Are the securities held: (Choose all that apply.)

Through book-entry at the depository

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

Yes

54. Does the law protect participant assets from claims and liabilities of the depository?

Yes

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.)

Not applicable

55c. Please indicate the limits of this lien as indicated below: (Choose one.)

55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

56. Transfer of Legal Ownership

Does the depository have legal authority to transfer title to securities?

Yes (please answer 56a)

56a. When does title or entitlement to depository securities pass between participants? (Choose one.)

When the transaction is processed on an intra-day basis. (please answer 56c)

56c. Where does title or entitlement to depository securities pass between participants? (Choose one.)

On the depository books

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged in the depository system? (Choose all that apply.)

Not applicable

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)

Not applicable

59. How long does it usually take to lodge securities with the depository? (Choose one.)

Not applicable

60. During the process of lodging securities into the depository, can the securities:

Be traded?

Not applicable

60a. During the process of lodging securities into the depository, can the securities:

Be settled?

Not applicable

60b. During the process of lodging securities into the depository, can the securities:

Have ownership transferred?

Not applicable

61. Are securities immediately available for delivery upon transfer to the depository?

Not applicable

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

63. How are eligible securities removed from the depository? (Choose one.)

Not applicable.

64. How long does it usually take to remove securities from the depository? (Choose one.)

Not applicable

65. While the securities are being removed from the depository, can they:

65a. Be traded? (Choose one)

Not applicable

65c. Be settled?

Not applicable

65e. Have ownership transferred?

Not applicable

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer?

Not applicable

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository?

Not applicable

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

Yes (please answer 66j)

66m. Any loss caused by the depository due to errors, omissions or fraud that cause direct damages or losses to participants?

Yes (please answer 66n)

66q. The depository acting as the central counterparty?

Other (please answer 66t)

66u. Does the depository guaranty settlement?

Yes (please answer 66v)

66x. Force majeure events, acts of God, or political events, etc.?

No

66+. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?

No

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

No

67d. Insurance

Yes (please answer 67e)

67g. Acknowledgement of liability for losses caused by depository's own actions.

Yes (please answer 67h)

67j. Other

No

68. Is the depository immune from legal action in its own jurisdiction?

No

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

By direct electronic link

70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

Yes (please answer 70a)

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

Yes

71c. Does each user have a unique user ID?

Yes

71e. Are passwords regularly changed?

Yes (please answer 71f)

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

Yes (please answer 71i)

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

Yes (please answer 72a)

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

Secured, leased, dedicated telephone line

73b. Payment Systems (Choose all that apply.)

Secured, leased, dedicated telephone line

73c. Clearing Houses (Choose all that apply.)

Not applicable

73d. Registrars (Choose all that apply.)

74. How is access to the physical building controlled? (Choose all that apply.)

By guards, By electronic keys/personal ID card, By alarm system

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

Not applicable; no vault is maintained

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how is the loss covered? (Choose all that apply?)

The depository guaranty fund covers the loss

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

No

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

Yes (please answer 78a)

78d. How is the fund financed? (Choose one.)

Contributions from participants (please answer 78f)

78h. Who is covered by the fund? (Choose all that apply.)

Direct depository participants only, The beneficial owner also

78j. When is the guaranty fund used? (Choose all that apply.)

When a broker defaults, When a direct participant defaults

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)

Participant eligibility requirements, Participant volumes, Collateral requirements for participants (please answer 79b), Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d),

Other forms of risk management used for assessing and monitoring participant exposures (please answer 79i)

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)

Financial requirements for stock exchange membership

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?

Yes (please answer 81a)

81b. Please identify both the frequency and the last date of testing for the following third party:

Depository participants/members

twice a year

81c. Please identify both the frequency and the last date of testing for the following third party:

Stock exchange

twice a year

81d. Please identify both the frequency and the last date of testing for the following third party:

Central bank

twice a year

81e. Please identify both the frequency and the last date of testing for the following third party:

Local brokers

twice a year

81f. Please identify both the frequency and the last date of testing for the following third party:

Any other third party

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

1 - 4 hours

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

1 - 4 hours

84. Will the depository publicly announce any system interruption?

Yes (please answer 84a)

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

By e-mail

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

No

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

No

87. Has the depository been subject to any litigation involving a participant during the past three years?

No

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)

Yes for all three years

89. Does the depository maintain a reserve for operating losses?

Yes (please answer 89a)

90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

No

90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

91. Does the depository have insurance for Default?

No

92. Does the depository have insurance for Fidelity?

No

93. Does the depository have insurance for Operational Errors?

Yes (please answer 93a)

94. Does the depository have insurance for Errors and Omissions?

Yes (please answer 94a)

95. Does the depository have insurance for Computer Fraud?

No

96. Does the depository have insurance for the Premises?

Yes (please answer 96a)

97. Does the depository have any other insurance?

Yes (please answer 97a)

98. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 98a and 98b in corresponding order.

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98a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

N/A

98b. What is the term of the policy?

INSURANCE CONTRACT SIGNED APRIL 28,2009 COVERS ONE YEAR

98c. Who does the insurance cover? (Choose all that apply.)

Depository, Other (please answer 98d)

99. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 99a:

no comment

99a. Upload document here:

PUBLIC AVAILABILITY

100. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (For additional guidance, please review the help feature to this question.)

Yes (please answer 100a)

100j. Please be sure your contact details are updated. Your contact information is located in the first section of Part One within this questionnaire.

You have reached the end of the questionnaire. Please be sure to print your responses and review them prior to changing Datasheet Progress to "Completed" under Part Two. (To print, select the printer friendly link at the top of the questionnaire.) When you are prepared to submit your answers, please return to Part One and Part Two of the questionnaire and change Datasheet Progress to

"Completed". The members of The Association of Global Custodians thank you for your time and for your helpful response.

Please provide any comments you have regarding the questionnaire.