

Board of the National Bank of Ukraine

**RESOLUTION**

21 December 2017

city of Kyiv

No. 140

**On Approval of the Regulations on Depository and Clearing Activity and Settlements under Securities Deals of the National Bank of Ukraine**

*(as amended by Resolutions of the Board of the National Bank of Ukraine*

*No. 70 dated 25 June 2018 and*

*No. 100 dated 18 September 2018*

*No. 119 dated 18 August 2020*

*No. 122 dated 19 August 2020)*

According to Articles 7, 15, 56 of the Law of Ukraine *On the National Bank of Ukraine*, Articles 13, 17, 20 of the Law of Ukraine *On Depository System of Ukraine* in order to ensure performance by the National Bank of Ukraine of depository activity of the National Bank of Ukraine, clearing activity of the National Bank of Ukraine and settlements under securities deals based on the powers determined by laws of Ukraine, and regulate the relationship between the National Bank of Ukraine as a securities depository and its customers, the Board of the National Bank of Ukraine **hereby resolves:**

1. To approve the Regulations *On Depository and Clearing Activity and Settlements under Securities Deals of the National Bank of Ukraine* (hereinafter referred to as the “Regulations”) attached

2. The following documents shall be declared null and void:

1) Resolution of the Board of the National Bank of Ukraine No. 387 *On Establishing Details of Settlements of Securities and Approving the Regulation on Depository and Clearing Activity of the National Bank of Ukraine* dated 25 September 2013 registered with the Ministry of Justice of Ukraine under No. 1727/24259 on 9 October 2013

2) Resolution of the Board of the National Bank of Ukraine No. 639 *On Amending the Regulations on Depository and Clearing Activity of the National Bank of Ukraine* dated 7 October 2014

3) Resolution of the Board of the National Bank of Ukraine No. 47 *On Amending Certain Regulations of the National Bank of Ukraine* dated 22 January 2015

4) Resolution of the Board of the National Bank of Ukraine No. 413 *On Approval of Amendments to the Regulations on Depository and Clearing Activity of the National Bank of Ukraine* dated 22 December 2016.

3. To the Office for Depository Activity of the National Bank of Ukraine (A.V. Suprun) to inform the customers of the Depository of the National Bank of Ukraine on the adoption of this Resolution after its official publication.

4. Oleg Churiy, Deputy Governor of the NBU, is entrusted with control over implementation of the Resolution.

5. The Resolution comes into effect as of 22 December 2017, except paragraph 27 Chapter 4, paragraph 55 and subparagraph 4 paragraph 64 Chapter 5 Section I, paragraph 146 Chapter 17, part three paragraph 153, paragraph 154 Chapter 18, Chapter 27, paragraph 244 Chapter 32 Section III, Chapter 33 Section IV of the Regulations that come into effect as of 2 April 2018.

**Acting Governor**

**Yakiv Smolii**

Find the approval lists attached.

Ref. 42

APPROVED BY

Resolution of the Board of the National Bank of Ukraine

No. 140 dated 21 December 2017

## **Regulation**

### **on Depository and Clearing Activity and Settlements under Securities Deals of the National Bank of Ukraine**

*(as amended by Resolutions of the Board of the National Bank of Ukraine*

*No. 70 dated 25 June 2018 and*

*No. 100 dated 18 September 2018*

*No. 119 dated 18 August 2020*

*No. 122 dated 19 August 2020)*

Section I. General Provisions and Principles of Depository Activity of the National Bank of Ukraine

#### Chapter 1. General Provisions and Definition of Terms

1. These Regulations were drafted in accordance with the Laws of Ukraine *On the National Bank of Ukraine*, *On the Custody System of Ukraine* (hereinafter referred to as the “Law”), *On Securities and Stock Market*, Decision of the National Securities and Stock Market Commission of Ukraine No. 1331 *On the National Bank of Ukraine Special Role as a Participant of the Custody System of Ukraine* dated 30 July 2013 registered with the Ministry of Justice of Ukraine under No. 1431/23963 (as amended) on 20 August 2013 in order to ensure performance by the National Bank of Ukraine (hereinafter referred to as the “NBU”) of depository activity of the National Bank of Ukraine, clearing activity of the National Bank of Ukraine (hereinafter referred to as “clearing activity”), settlements under securities deals within the remit prescribed by laws of Ukraine and regulating relationships

between the NBU and its customers when they transact depository activity with securities, record-keeping whereof falls within the remit of the NBU.

2. In these Regulations the terms shall have the following meanings:

1) Aggregate account is a component of the securities account of a custodian which is opened at the level of the NBU Depository, the structure whereof implies a separate record-keeping of securities belonging to a custodian from separate record-keeping of securities belonging to its depositors, as well as grouping securities belonging to one and/or several depositors of a custodian based on the code of securities holders and/or the type of depositors.

2) Unconditional operation is a depository operation transacted by the NBU Depository or a custodian included in the depository record-keeping system of the NBU Depository without the need for request from the holder of the securities account in the events specified by these Regulations and/or in other events defined by laws of Ukraine.

3) Cash clearing is determination of mutual liabilities and claims for money transfers for placement of domestic government bonds of Ukraine (hereinafter referred to as “domestic government bonds”) and repayment thereof in the event of matching maturity date for cash settlements following the domestic government bonds placement and the maturity date for paying income, and/or repayment thereof with regard to domestic government bonds denominated in the same currency.

4) Record date is a date on which the NBU Depository determines the holders of securities of a particular issue. For securities denominated in domestic currency the record date is established at the end of the transaction day preceding the date of payment of income and/or repayments. For securities [other than external government loan bonds (hereinafter referred to as Eurobonds) and government derivatives], denominated in foreign currency the record date is established at the end of the transaction day one day prior to the date of payment of income and/or repayments. For Eurobonds and government derivatives, the record date shall be set in the manner prescribed by the internal documents of the foreign depository;

*(subparagraph 4 paragraph 2 Chapter 1 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

5) Payment date is a day of settlements following the securities placement and/or payments related to distribution of income and/or redemption of securities.

6) The NBU Depository is the NBU as a participant of the custody system of Ukraine, which, based on received depository assets performs depository record-keeping and manages circulation of domestic and external government bonds of Ukraine, government derivatives, target internal government bonds of Ukraine, treasury obligations of Ukraine and municipal bonds as well as debt securities certifying debt obligation of local self-governments that were placed abroad (hereinafter referred to as “securities”), as well as processing issuer's corporate operations on customers' securities accounts.

*(subparagraph 6 paragraph 2 Chapter 1 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

7) Additional placement is additional placement by an issuer of domestic government bonds of a particular issue following the initial placement. Additional placement is performed if domestic government bonds held for sale match the conditions of domestic government bonds issue of the initial placement in terms of scope of rights granted to the owners, maturity dates and amounts of coupon payments (if any).

8) Issuer is the Autonomous Republic of Crimea or a city council as well as the state represented by its authorized state bodies that issue securities on its own behalf, record-keeping whereof is performed by the NBU Depository according to the competencies set out by laws of Ukraine.

9) Foreign depository is a depository of other country and/or an international depository and clearing institution that under a correspondent relations agreement has opened an account with the NBU Depository or opened an account for the NBU Depository.

10) Matching is an operation of the NBU Depository related to verification of details of counter orders carried out to establish the matching of the such orders' details.

10<sup>1</sup>) The securities account manager (hereinafter – the account manager) – a legal entity status at the NBU Depository, authorized by the issuer to manage its securities account, or depository institution authorized by a foreign depository to manage its securities account, the scope of account manager's powers shall be established by the relevant transaction or in accordance with the acts of civil legislation;

*(paragraph 2 Chapter 1 Section I was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

11) Depository's customers are foreign depositories, issuers, custodians, clearing institutions (hereinafter referred to as CIs) and PUBLIC JOINT-STOCK COMPANY SETTLEMENT CENTER FOR SERVICING FINANCIAL MARKET AGREEMENTS (hereinafter referred to as the “Settlement Center”) that use the services of the NBU Depository under respective agreements.

12) Inter-depository record-keeping code is a code of inter-depository record-keeping assigned by the Central Securities Depository (hereinafter referred to as the “Central Depository”) as a code of a participant of the depository record-keeping system in the manner established by laws of Ukraine on depository activity (hereinafter referred to as the ICA code).

13) Securities code is an international identification number of securities enabling a definitive identification of securities and assigned in line with laws of Ukraine (hereinafter referred to as the “securities code”).

14) Netting is full or partial discharge of liabilities under securities deals by means of offsetting obligations or by other means. During netting the discharge date for netted obligations is deemed to be due.

15) Servicing bank means banks that are direct participants of the NBU's electronic payment system and provide settlement services to the customers of the NBU Depository and their depositors, nominal holder and the Operations Department of the NBU acting as a servicing bank for settlements of the NBU Depository and the State Treasury Service of Ukraine and its local offices acting as servicing banks of issuers.

*(subparagraph 15 paragraph 2 Chapter 1 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

16) Encumbrance is any restriction with regard to ownership, use or disposal of securities associated with the terms and conditions of agreements, court decisions or rulings, and as otherwise provided by laws of Ukraine.

17) Gross settlements are settlements under securities sale agreements exercised other than by means as netting.

18) Payment Versus Delivery(PVD) is a way of settlement under securities deals, when funds are transferred immediately after a respective delivery of securities and/or a transfer of rights to securities and rights arising from securities under the condition of freezing the funds on the account of a receiver/pledger until the completion of settlements or recall thereof by the owner if such settlements were not made.

19) Free of Payment (FOP) is a way of settlement under securities deals, when securities transfer and/or transfer of rights to securities and rights arising from securities takes place without control over cash settlements (if any) by the NBU Depository.

20) Register of securities holders is a list compiled on a specific date of customers of the NBU Depository on accounts whereof the securities of a certain issue are credited (hereinafter referred to as the “register of securities holders”).

21) Segregated account is a component of the securities account of a custodian which is opened with the NBU Depository and implies a separate record-keeping of securities belonging to a particular depositor of the custodian / clients of a particular nominal holder and /or clients of this nominal holder’s clients separately from securities of other depositors of such custodian securities on the accounts of other nominal holders and own securities of the custodian. A segregated account with the NBU Depository is managed exclusively by the custodian that opened the account according to a depositor's, nominal holder’s order or otherwise in the events provided by laws of Ukraine.

*(subparagraph 21 paragraph 2 Chapter 1 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

22) Automated system of the NBU Depository is an automated system for performing record-keeping and securities circulation with access thereto provided through the software of the NBU Depository developed and supported by specialists of the NBU, and uses the embedded means for protection of the NBU's information.

23) Special features of the system of electronic payment system are features for recording and processing in the SEP of electronic settlement documents used by servicing banks for settlements under securities agreements (hereinafter referred to as the SEP).

24) Transit accounts are accounts of the NBU Depository with the Operations Department of the NBU for record-keeping funds payable on securities.

25) Authorized employee is an employee of the NBU, including an employee of the NBU Depository assigned according to his or her official duties to process documents for the depository activity of the NBU Depository.

26) Securities holder is a customer of the NBU Depository on whose accounts securities of a certain issue are recognized (hereinafter referred to as the “securities holder”).

Other terms hereof shall have definitions prescribed by laws of Ukraine.

## Chapter 2. Application and Scope of the Regulations

3. These Regulations shall determine the procedure for the NBU and custodians’ depository activity under securities and record-keeping whereof according to the Law is within the remit of the NBU, namely:

1) domestic government bonds

2) the Eurobonds and government derivatives;

*(subparagraph 2 paragraph 3 Chapter 2 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

3) target internal government bonds of Ukraine

4) treasury obligations of Ukraine

5) municipal bonds (hereinafter referred to as “municipal bonds”)

6) debt securities certifying debt obligation of local self-governments that were placed abroad.

4. The NBU shall conduct depository record-keeping of government securities including domestic government bonds, Eurobonds, target internal government bonds of Ukraine, treasury obligations of Ukraine and municipal bonds.

*(indent one paragraph 4 Chapter 2 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

As a participant of the custody system the NBU shall conduct clearing activity and settlements under securities deals, perform functions of a depository and a custodian using the powers prescribed by these Regulations and laws of Ukraine.

5. The NBU, in the course of depository activity of a custodian, and custodians, when transacting their depository activity, shall be governed by the provisions of the Regulations on Conducting Depository Activity approved by the resolution of the National Securities and Stock Market Commission No.735 dated 23 April 2013 registered with the Ministry of Justice of Ukraine under No. 1084/23616 (as amended) dated 27 June 2013 taking into account special features terms in these Regulations.

6. For regulation of relationships caused by a custodian ceasing its business on the stock market the NBU Depository and custodians shall comply with the provisions of the Regulations on Ceasing Custodian Activity on the Stock Market approved by the resolution of the National Securities and Stock Market Commission No. 431 dated 8 April 2014 registered with the Ministry of Justice of Ukraine under No. 459/25236 (as amended) on 28 April 2014 taking into account special features terms in these Regulations.

7. For regulation of relationships resulting from regulating processing issuer's operations the NBU Depository shall comply with the requirements of regulations on securities issue, circulation and settlements under securities.

8. For transacting operations related to encumbrance on securities, where the NBU is a party, the NBU Depository is governed by the requirements hereof, regulations of the NBU on liquidity maintenance and laws of Ukraine.

### Chapter 3. General Framework of Depository Activity of the NBU

9. The NBU’s structural unit with the main function to conduct depository activities (hereinafter – the Responsible unit) shall conduct activities of the NBU Depository and depository activity of a custodian.

When performing its functions the Responsible unit shall interact with units of the NBU within their remit defined by these Regulations, other regulations of the NBU.

*(paragraph 9 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

10. In the course of depository activity, the NBU Depository shall perform the following functions:

- 1) servicing issuers
- 2) servicing custodians
- 3) servicing CIs and the Settlement Center
- 4) servicing foreign depositories
- 5) other functions provided by regulations on the legal framework for operating of the custody system of Ukraine, securities placement and circulation.

11. The following falls within remit of the NBU Depository:

- 1) depository record-keeping of securities meaning record-keeping of securities and restrictions of rights on customers' securities accounts
- 2) servicing circulation of securities on customers' securities accounts
- 3) servicing the issuer's corporate transactions on the customers' securities accounts
- 4) safe-keeping of securities within the remit of the NBU Depository on its customers' securities accounts and keeping the record of rights to these securities
- 5) acceptance, safe-keeping and inventory of global certificates and temporary global certificates
- 6) keeping records of issuer's liabilities arising from securities with regard to each securities issue on the grounds of a deposited global certificate and/or a temporary global certificate or on the basis of information on the issuer's obligations regarding Eurobonds and government derivatives from a foreign depository

*(subparagraph 6 paragraph 11 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 7) cash clearing securities operations
- 8) ensuring settlements under securities deals
- 9) transacting other operations which can be legally attributed to the functions of the NBU Depository and other activities provided by regulations on the legal framework for the custody system of Ukraine, securities placement and circulation.

12. In the course of depository activity of a custodian the NBU shall perform the following functions:

- 1) depository activity of a custodian regarding securities owned by the NBU based on property rights

2) depository activity of a custodian for depositors of the NBU serviced in compliance regulations on depository activity

3) depository activity related to safe-keeping of assets of the Corporate Non-State Pension Fund established by the NBU

4) other statutory prescribed functions associated with operations on the stock market, transacting depository activity of a custodian by the NBU.

13. The following falls within remit of the NBU for performing functions of a custodian:

1) keeping the record of rights to securities and restrictions thereon, servicing circulation of securities and corporate issuers' transactions on securities accounts of the NBU and/or its depositors

2) opening and managing depositors' securities accounts

3) monitoring compliance of the number of rights to securities owned by the NBU and/or its depositors with the number determined in the relevant orders for delivery of securities

4) providing the NBU and/or its depositors with respective securities accounts statements

5) freezing securities on securities accounts of the NBU and/or depositors in the manner prescribed by laws of Ukraine

6) transacting other operations that may be attributed by laws of Ukraine to functions of a custodian

7) performing of other actions provided by regulations on operations on the stock market, specifically, transacting depository activity of a custodian by the NBU.

The procedure for the NBU's activities of a custodian is prescribed by regulations on depository activity of a custodian.

The NBU in case of provision of depository activity of a custodian opens depositors' securities accounts for the Corporate Non-State Pension Fund established by the NBU and the NBU itself, the Deposit Guarantee Fund, the State Treasury Service of Ukraine, ENTERPRISE DEVELOPMENT FUND, the state of Ukraine represented by the central body of executive power, which implements the state budget policy in the field of public debt management and state-guaranteed debt, for record-keeping rights to securities and restrictions thereon, and other persons for record-keeping rights to securities and restrictions thereon resulting from pledge in favor of the NBU.

*(paragraph 13 Chapter 3 Section I was supplemented with a new indent in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent ten paragraph 13 Chapter 31 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(indent ten paragraph 13 Chapter 3 Section I as amended by NBU Board Resolution No. 122 dated 19 August 2020)*

14. The NBU shall open its own securities account to ensure record-keeping securities owned by it based on property rights and record-keeping of the rights to these securities and restrictions thereon.



In order to service own securities account of the NBU as well as to send orders and requests to the NBU Depository the NBU Governor or the person acting as the NBU Governor shall appoint at least two operators of the account and approve a card with specimen signatures of such persons stating their personal digital signature key identifiers used for submitting electronic documents to the Responsible Unit.

*(indent two paragraph 14 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

15. In the course of depository activity, the NBU acting as the NBU Depository shall open and service securities accounts under the following agreements:

- 1) depository agreement for servicing custodians
- 2) agreement on servicing securities issue for servicing issuers
- 3) correspondent relations agreement for servicing foreign depositories
- 4) agreement on settlements in securities based on the results of clearing, as well as agreement on servicing CIs/the Settlement Center concluded in the form of a depository agreement for servicing CIs/the Settlement Center.

After entering into a respective agreement the persons specified in subparagraphs 1–4 paragraph 15 Chapter 3 Section I hereof shall receive the status of customers of the NBU Depository.

the NBU Depository shall enter into depository agreements with custodians or CIs/the Settlement Center and an agreement on settlements in securities based on the results of clearing of CIs/the Settlement Center according to the ICA codes they received in the manner provided by laws on depository activity.

16. For the purpose of opening accounts for issuers and foreign depositories the NBU Depository, when establishing contractual relationships, shall assign them customer codes of the NBU Depository.

16<sup>1</sup>. For servicing municipal bonds placement the NBU Depository enters into information exchange agreements with stock exchanges.

*(supplemented with paragraph 16<sup>1</sup> pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

17. In the course of depository activity of a custodian the NBU shall open and service securities accounts of securities holders who receive the status of depositors after signing an agreement on servicing the securities account.

17<sup>1</sup>. Agreements concluded by the NBU with the depository's clients / depositors shall meet the requirements established by the Regulation.

The NBU shall conclude agreements with clients of the depository /depositors, specified in clauses 15, 17, chapter 3, section I of the Regulation, in the form of paper or electronic documents.

The NBU shall have the right to conclude an agreement with a client of the depository/depositor by joining the client of the depository /depositor to the agreement proposed by the NBU in general according to the Civil Code of Ukraine and the Commercial Code of Ukraine. Should the agreement be concluded by joining the client of the depository /depositor to the agreement proposed by the NBU,

the latter shall publish the text of the agreement and amendments thereto on the official Internet website of the NBU.

Agreements concluded by the NBU with depositors must contain the right of the NBU to perform depository operations at the order of the pledgee in case of foreclosure on securities pledged in favor of the NBU out of court.

The rights and obligations of the parties under the agreements concluded between the NBU and the depository's clients / depositors shall meet the requirements established by the Regulation.

Depending on the type of agreement concluded between the NBU and the depository's client, the NBU shall have the right to establish the rights and obligations of the parties in accordance with the list of rights and obligations of the parties under agreements concluded between the NBU and the depository's clients as specified in Annex 1 to the Regulation. The agreement between the NBU and the depository's client may establish other rights and obligations of the depository of the NBU / depository's client, other than specified in Annex 1 to the Regulation.

The rights and obligations of the parties to the agreement concluded between the NBU and the depositor are determined taking into consideration the requirements for such agreements established by the National Securities and Stock Market Commission, taking into account the features established by the Regulation and the legal act of the NBU which regulate issues of depository activity of the depository institution.

*(Chapter 3 Section I was supplemented with paragraph 17<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

18. In order to ensure the NBU's provision of services of the NBU Depository and a custodian, the Responsible Unit shall draft agreements set out in the Law and/or this Regulation after agreement with the Legal Department approve the templates of agreements with the Deputy Chairman of the NBU, who based on the allocation of responsibilities is responsible for depository activity by the NBU. The NBU Depository shall ensure release of the approved templates of agreements on the official website of the NBU. When drafting relevant agreements the Responsible Unit shall be governed by laws of Ukraine and, specifically, by regulations of the National Securities and Stock Market Commission setting requirements to agreements based on the powers prescribed by law and to the extent that is not in conflict with specifics of depository activity by the NBU.

*(paragraph 18 Chapter 3 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 18 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

19. The NBU may approve the forms of incoming and outgoing documents for depository activity. Forms of documents drafted by the Responsible Unit shall be approved by the Deputy Chairman of the NBU, who according to allocation responsibilities is responsible for depository activity by the NBU, and published on the official website of the NBU.

*(paragraph 19 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

20. The internal procedure for the NBU Depository's performance of each depository operation along with the rules of procedure for the internal controls shall be developed by the Responsible Unit and

after agreement with departments of the NBU, approved by the Deputy Chairman of the NBU, who according to allocation responsibilities is responsible for depository activity by the NBU.

*(paragraph 20 Chapter 3 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

21. The NBU Depository shall process corporate operations of issuers on securities accounts of custodians and foreign depositories in accordance with the depository agreement, the agreement on servicing securities issue, the correspondent relations agreement and these Regulations. Corporate transactions shall be serviced based on orders of issuers, custodians, foreign depositories and/or the NBU Depository while transacting an unconditional operation.

The NBU Depository based on the agreement on servicing securities issue shall ensure performance of cash settlements between the State Treasury Service of Ukraine (hereinafter referred to as the “Treasury of Ukraine”) and custodians and foreign depositories following domestic government bonds placement, payment of income with regard to securities and/or redemption thereof including by means of cash clearing.

The NBU Depository shall process operations of issuers associated with the securities they issued including placement, distribution of income and/or repayment, buyback, conversion (replacement), cancellation and other operations associated with such securities and provided by laws of Ukraine, in the manner prescribed by laws of Ukraine related to depository activity, securities placement and circulation.

Placement of domestic government bonds is carried out only over-the-counter in the manner prescribed by laws of Ukraine and regulations of the NBU on depository activity, securities placement and circulation.

22. In order to perform its activities the NBU Depository shall have the following rights:

- 1) to receive from custodians free-of-charge information about securities holders in the events provided by these Regulations and laws of Ukraine
- 2) to submit to custodians electronic orders on rectifying deficiencies of depository record-keeping, including via e-mails of the NBU
- 3) to refuse processing operations under securities in case of violation of the set requirements for filing, filling out and security of electronic documents defined by these Regulations or other regulations of the NBU
- 4) to impose in accordance with a depository agreement penalties to custodians in case of their breach of requirements hereof, orders of the NBU Depository and failure to file appropriate information
- 5) to block securities on securities accounts of custodians in the events provided by laws of Ukraine
- 6) to impose restrictions on rights to securities of issuers' own issues in the events provided by laws of Ukraine;
- 7) other rights provided by these Regulations, relevant agreements and/or laws of Ukraine on depository activity and banking activities.

Chapter 4. Operating Principles of the Depository Record-Keeping System of the NBU Depository

23. The NBU Depository shall perform record-keeping of securities that according to laws of Ukraine are within its remit, process securities operations on securities accounts of customers of the NBU Depository, and perform clearing activity and settlements under securities operations in the manner provided by laws of Ukraine according to the chart of accounts of depository record-keeping (Appendix 2) and the list of custodian entries for securities operations (Appendix 3) drafted in accordance with the depository record-keeping Standard No. 1: *General Principles of depository record-keeping. Balance Sheet Accounts of depository record-keeping* approved by the Resolution of the Board of the National Depository of Ukraine No. 25/1 dated 25 October 2000 registered with the Ministry of Justice of Ukraine under No. 796/5017 on 10 November 2000.

*(paragraph 23 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Securities record-keeping/keeping records of rights to securities is conducted by the NBU Depository and custodians using balance sheet accounts of depository record-keeping broken down by asset side accounts of depository record-keeping (hereinafter referred to as “asset side accounts”) and liability side accounts of depository record-keeping (hereinafter referred to as “liability side accounts”).

24. In depository record-keeping asset side accounts are used for:

- 1) record-keeping of location (of safe-keeping) of securities
- 2) recognition of the status of securities issue.

25. Liability side accounts in depository record-keeping are used for:

- 1) record-keeping of securities, rights to securities on securities accounts of depositors, nominal holders with custodians

*(subparagraph 1 paragraph 25 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 2) record-keeping of securities on accounts of custodians and foreign depositories, CIs/the Settlement Center with the NBU Depository

- 3) record-keeping of the status of encumbrance (restrictions of circulation) of securities/rights to securities

- 4) separate record-keeping of rights to securities owned by a custodian as a legal person separate from record-keeping of rights to securities owned by its depositors clients and clients of nominal holders' clients

*(subparagraph 4 paragraph 25 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 5) record-keeping in the NBU Depository of the securities accrued to an issuer's account following the issuer's operations under securities issued thereby.

26. Depository record-keeping on accounts of custodians shall be performed in a generalized/consolidated manner with a breakdown by groups of accounts based on types of holders on aggregated securities accounts or individually for each holder, nominal holder on segregated securities accounts. Securities record-keeping on a segregated account implies recording details of a depositor, nominal holder in the system of the NBU Depository.

*(paragraph 26 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

27. For the purposes of securities record-keeping a custodian may open aggregated and/or segregated accounts in the system of depository record-keeping of the NBU Depository. Depositors of a custodian may choose the type of account for record-keeping their own securities with consideration of restrictions on use of an aggregated account by depositors specified in paragraph 29, Chapter 4, Section I hereof. The depository institution shall have the right to open exclusively segregate accounts to nominal holders within its securities account.

*(paragraph 27 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

28. A custodian may use an aggregated account for the following types of depositors:

- 1) resident legal persons
- 2) resident natural persons.

29. A custodian shall use only segregated securities accounts for own securities and securities, the rights to which are recorded in securities accounts of:

- 1 ) nonresident legal entities
- 2) nonresident individuals
- 3) banks which are not depository institutions
- 4) nominal holders
- 5) territorial communities.

To open a segregated account under a depositor's order a nominal holder, a custodian shall record information on such depositor and account thereof to the depository record-keeping system of the NBU Depository through the automated system of the NBU Depository. When recording the information of nonresident depositors or nominal holders, a custodian shall use registration code of such nonresident, nominal holder in the country of their registration. When introducing details on non-resident depositors which are natural persons, the depository institution shall have the right to use the registration number of the taxpayer's account card of such natural person (if any).

*(paragraph 29 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

30. For a foreign depository the NBU Depository shall open only an aggregated securities account serviced under the principle of nominal servicing.

The principle of nominal servicing implies that on an aggregated account opened by the NBU Depository for a foreign depository securities owned by all customers of such foreign depository shall be recorded. However, a foreign depository shall not assume liability to disclose the holders of securities.

31. In order to open securities accounts with the NBU Depository, the customers of the NBU Depository shall submit documents provided by these Regulations and/or other regulations on depository activity.

The documents submitted to the NBU Depository shall be prepared in accordance with the requirements hereof and laws of Ukraine, and the copies of documents submitted by the customers shall be certified in the manner prescribed by laws of Ukraine.

All official documents for submission to the NBU Depository which were issued or prepared in a foreign state shall be legalized according to the established procedure, unless otherwise specified by international treaties binding according to the Verkhovna Rada of Ukraine. These documents can be certified according to laws of the country of origin, translated into Ukrainian, and the translation shall be certified in the manner prescribed by laws on notarization, and legalized in a consular institution of Ukraine or certified by the embassy of the respective state located in Ukraine and legalized with the Ministry of Foreign Affairs of Ukraine, or certified by an Apostille in accordance with the Convention of 5 October 1961 abolishing the requirement of legalization of foreign public documents.

Unofficial documents issued or prepared in a foreign state shall not be subject to mandatory legalization. Such documents shall be translated into Ukrainian and such translation shall be certified by a notary or an official entitled to perform such notarization according to laws of Ukraine. If such documents were drafted in Ukrainian and certified in the country of origin and according to laws of this country, or certified by an apostille in accordance with international treaties of Ukraine, they are not subject to additional translation or certification.

A custodian's customer shall not re-submit the documents to the NBU Depository, if such have already been submitted to the NBU for other services under the Master Agreement on Banking and Other Services by the NBU of Ukraine (hereinafter referred to as the Master Agreement).

32. The NBU Depository shall process documents received from the customers of the NBU Depository and/or persons intending to become customers of the NBU Depository in the following order:

- 1) all documents submitted to the NBU Depository shall be registered in the manner established by the relevant regulations of the NBU
- 2) the NBU Depository shall accept hard and soft copies of documents as provided by these Regulations
- 3) in case of inconsistencies found in presented set of documents for opening an account or performing another depository activity, the NBU Depository, when possible, shall complete verification of all submitted documents and inform a person who presented them about the inconsistencies found
- 4) after rectifying inconsistencies found in the submitted documents, the NBU Depository shall continue processing thereof
- 5) if a person refuses to rectify inconsistencies found in the documents or fails to submit corrected documents within a period not exceeding 30 calendar days, the NBU Depository shall refuse to enter with a customer into the agreement /to transact operations and deliver of other services
- 6) the NBU Depository may refuse to enter into the agreement/to transact operations and deliver of other services, if an incomplete set of documents was submitted, documents contain unreliable or

contradictory information or were signed by persons with no proper authorization, do not meet the requirements hereof or laws of Ukraine, due to other reasons prescribed by the regulations of the NBU or laws of Ukraine.

33. For opening securities accounts customers of the NBU Depository shall assign at least two operators for an account. During the whole functioning of the account, at least two operators shall manage these securities account.

*(paragraph 33 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

34. The depository record-keeping system of the NBU Depository comprises information on different media that contains personalized data related to securities record-keeping and circulation of securities on the accounts of specific custodians, depositors, nominal holders, issuers, foreign depositories, CIs/the Settlement Center. Access to this information is provided in a printed or electronic form, specifically, via the automated system of the NBU Depository.

*(paragraph 34 Chapter 4 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

35. Information which is compiled based on information provided by the NBU Depository as an information processor, and is not a part of the depository record-keeping system of the NBU Depository but based on its contents can be classified as statistical information and in accordance with law is classified as public information may be published without restrictions by the NBU Depository.

36. Information constituting a part of the depository record-keeping system of the NBU Depository is deemed restricted information in accordance with the legal treatment. The conditions, security procedure and disclosure of restricted information from the depository record-keeping system shall be prescribed by these Regulations and other regulations of the NBU on information protection with consideration of the requirements of Articles 24–26 of the Law.

37. the NBU Depository and custodians shall be liable to protect information in the depository record-keeping system by implementing legal, administrative, organizational, operational, technical and other measures for safeguarding, integrity and an appropriate access procedure.

38. An access procedure for units of the NBU to information in the depository record-keeping system is established by a separate regulation of the NBU.

39. Custodians that became customers of the NBU Depository shall have access to their information from the depository record-keeping system by the automated system of the NBU Depository or by filing requests to the NBU Depository for such information disclosure.

The NBU Depository shall provide information based on the requests of customers of the NBU Depository in the manner and within the timeframe prescribed by these Regulations, laws of Ukraine and the relevant service agreements.

Requests may be filed and information may be disclosed by the NBU Depository in printed form, using the automated system of the NBU Depository, and send from the NBU's e-mail.

40. The NBU Depository and custodians shall provide security of depository activity by implementing regular, targeted and compliant with objectives, tasks and timeframe organizational,

technical and engineering measures in order to guaranty confidentiality, integrity and accessibility of information in the depository record-keeping system of the NBU.

41. Customers of the NBU Depository, members of the Ukrainian banking system and non-banking institutions, when interacting with the NBU Depository regarding information assignments of the NBU shall apply the information protection means developed by the NBU in accordance with the provisions of the Regulation On the Procedure for the Development, Production, and Operation of the Means of Cryptographic Protection of Information approved by the Order of the Administration of the State Service of Special Communications and Information Protection of Ukraine No. 141 dated 20 July 2007 registered with the Ministry of Justice of Ukraine under No. 862/14129 on 30 July 2007 (as amended by the Order of the Administration of the State Service of Special Communications and Information Protection of Ukraine No. 767 dated 14 December 2015). The procedure for receiving, record-keeping, transferring, using and storing information protection means of the NBU and complying with information security rules shall be governed by the regulations of the NBU on ensuring protection of electronic banking documents by institutions connected to the information network of the NBU.

42. When interacting with the NBU Depository, custodians shall ensure protection of information in the depository record-keeping system in accordance with the requirements of laws of Ukraine on depository activity and information protection.

#### Chapter 5. Rules of Procedure of the NBU Depository

43. The Rules of Procedure of the NBU Depository (hereinafter referred to as the “Rules of Procedure”) establish a general technical procedure for submitting/receiving and complying with electronic documents by the NBU Depository, in the course of depository activity in the depository record-keeping system of the NBU Depository.

The NBU Depository under agreements shall provide customers with access to the automated system of the NBU Depository with relevant software and technical documentation. The NBU Depository shall keep technical documentation up-to-date ensuring its automatic update.

The NBU Depository shall perform depository record-keeping of securities by means of the automated system of the NBU Depository.

Customers of the NBU Depository shall comply with the requirements related to operating procedures of the automated system of the NBU Depository including the integrated system of cryptographic protection of the NBU's information, and shall not introduce any modifications without a written agreement of the NBU.

In order to connect to the automated system of the NBU Depository customers of the NBU Depository shall undergo certification of cryptographic protection keys in the NBU issued to operators of securities accounts, and shall record identifiers of these keys in a card with specimen signatures of operators of an account of the NBU Depository's customer.

43<sup>1</sup>. The NBU Depository shall display information on all transactions on securities accounts of depositors and nominal holders of each custodian in the order, terms and scope as prescribed by the Regulation.

*(Chapter 5 Section I was supplemented with paragraph 43<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*



44. Depository operations in the depository record-keeping system shall transacted based on orders in the form of electronic documents received by the NBU Depository from Depository's customers/account managers by means of the automated system of the NBU Depository, e-mails of the NBU, SWIFT system, other software of the NBU, except operations transacted based on paper documents as provided by these Regulations and/or laws of Ukraine. When providing orders through the automated system of the NBU Depository, the Depository's customers /account managers should choose the appropriate type of a transaction that corresponds to the essence of the transaction.

*(indent one paragraph 44 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Custodians, custodians when performing functions of account manager of a foreign depository, CIs and the Settlement Center shall provide the NBU Depository with information by e-mail and/or the automated system of the NBU Depository electronic documents in a protected from modification and data corruption form, which necessarily contain an identifier of a key of an automated workstation that generated these documents and the electronic digital signature of a person who generated these documents placed using the information security means of the NBU.

*(indent two paragraph 44 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall interact and share information with issuers/account managers by means of electronic documents and/or hard-copy documents in the manner set out in the agreement on servicing securities issue.

The NBU Depository shall interact and share information with foreign depositories through the SWIFT system and/or other communication channels set out in the agreement with a foreign depository.

If a foreign depository appoints an account manager, and the automated system of the NBU Depository can be used for interacting with the account manager and the NBU Depository.

*(indent five paragraph 44 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall interact and share information with stock exchanges during municipal bonds placement on FOP terms by means of electronic and/or printed documents in the manner set out in the information exchange agreement. Electronic documents are exchanged through interaction between the automation system of the NBU Depository and respective software and hardware of the stock exchange or be means of other systems for exchanging electronic documents in line with the cooperation procedure between the NBU Depository and the stock exchange, which is the integral part of the information exchange agreement.

Orders, notifications and other electronic documents sent to the NBU Depository shall detail in full the nature of an operation and shall be compiled in accordance with laws of Ukraine and these Regulations.

*(supplemented with indent five pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

45. If the depository record-keeping system of the NBU Depository receives information on an operation initiated by a counterparty of a custodian the latter can generate a counterclaim based on the information provided by that counterparty listing the mandatory details.

46. When accepting the orders the NBU Depository shall check completeness and correctness of recorded details and the correspondence of the number of securities specified therein with securities on the respective account. If the orders do not comply with the requirements hereof, the NBU Depository shall refuse to accept such orders for their further execution.

47. The NBU Depository shall after processing the filed order for transfer/write-down of securities block securities on the account of the respective customer to complete the operation by transferring securities to a respective balance sheet account. The customer of the NBU Depository who filed an order for transfer/write-down of securities may cancel the execution thereof by submitting to the NBU Depository an cancellation order of this order by the time of confirmation matching of counterclaims with counterclaims of the counterparty. Based on the received cancellation order the NBU Depository shall unblock previously blocked securities by transferring securities between respective liability side accounts of the depository record-keeping.

48. The customer of the NBU Depository, who filed the order for depositing securities, may, if any errors are found in the given order, send a new order to the NBU Depository for depositing securities with correct details without mandatory cancellation of the previous order.

49. The order to execute depository operations on FOP basis sent to the NBU Depository by automated means that were not matched within a business day shall be retained in the automation system of the NBU Depository as expecting a match until confirmation matching or cancellation of such order by the initiator of the operation (save for cases set out in Chapter I Section 5 paragraph 49 indent two hereof).

The NBU Depository shall – on terms of an unconditional operation – cancel the order to execute depository operations provided by automated means to the NBU Depository that as of the date of termination of depository activity of the custodian remained unmatched and/or cancelled by the initiator.

The NBU Depository shall – if settlements under securities operations are transacted on DVP basis – cancel matched operations at end of the business day on terms of an unconditional operation, unless the payment under the fund transfer notice (&P) was not delivered before the date set out in such notice, the NBU Depository shall cancel the matched orders and return securities to securities accounts of securities holders, where such securities were record-kept before the respective operation.

*(indent one paragraph 49 shall be replaced by three new indents according to NBU Board Resolution No. 100 dated 18 September 2018, thus indent two shall be deemed indent four)*

Regarding securities deals resulting in a title transfer of securities if settlements are made on DVP basis, securities shall be deposited to the account of the depositor being the new owner with restricted circulation before the completion of settlements for the respective deal.

Securities transactions (except for Eurobonds and government derivatives) with a nonresident party can be transacted over the counter on DVP, FOP or PVD terms exclusively, if the other party of such deal is a bank acting on its own behalf and at its own account, or other party is a nonresident/ client, a client of a nominal holder's client.

*(paragraph 49 shall be supplemented with an indent according to NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent five paragraph 49 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall – in other cases, when a nonresident/client, client of the nominal holder’s client is a party to the transaction on securities (except Eurobonds and government derivatives) – service settlements on such security deals exclusively on DVP basis and only if such are transacted on the stock exchange. Except for settlements for transactions on securities related to the execution of court decisions or decisions of a state body authorized by law or its official, transactions of donation, inheritance and succession, contribution of securities to the authorized (composed) capital of legal entities, return of contributions to authorized capital in the form of securities, in kind, and performance of other unconditional operations on securities.

*(paragraph 49 shall be supplemented with an indent according to NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent six paragraph 49 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

50. The NBU Depository shall in order to ensure depository operations transfer securities between liability side subaccount of the depository record-keeping on customers' accounts in the manner established by the list of custodian record-keeping entries of securities operations (Appendix 3).

*(paragraph 50 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

51. The NBU Depository shall change the status of processing orders of customers in the depository record-keeping system depending on the progress status of a relevant transaction.

52. The NBU Depository shall process operations on securities accounts under securities deals including related settlements based on such documents:

1) orders of customers of the NBU Depository, including clearing balances drawn by CIs/the Settlement Center on securities deals transacted on the stock exchange and over the counter, statements drawn by the stock exchange on municipal bonds placement

*(subparagraph 1 paragraph 52 Chapter 5 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

2) electronic statements on matched orders drawn by the NBU Depository based on the consolidated statement of securities distribution among custodians participating in placement or based on the fulfilled orders for cash withdrawal from refinancing operations against pledged securities based on information generated by corresponding software of the NBU

3) orders of issuers/underwriters and relevant custodians

4) other documents provided by regulations on depository activity.

53. A regular operational day of the NBU Depository starts at 9 a.m. and ends at 7:30 p.m. of each business day. The NBU Depository accepts electronic and printed documents within a regular operational day of the NBU Depository with the following features:

*(indent one paragraph 53 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) for securities deals transacted on DVP terms the NBU Depository shall accept documents from the CIs/the Settlement Center from 9 a.m. to 5:55 p.m.

2) for securities deals transacted on FOP terms the NBU Depository shall accept orders from customers from 9 a.m. to 7:30 p.m., except events set out in subparagraph 2<sup>2</sup> paragraph 53 Chapter 5 Section I hereof

*(subparagraph 2 paragraph 53 Chapter 5 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(subparagraph 2 paragraph 53 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2<sup>1</sup>) for securities deals transacted on FOP terms, in case of transactions with the account of the NBU Depository in a foreign depository, the NBU Depository shall accept orders from Depository's customers from 9.00 a.m. to 7.30 p.m. The NBU Depository in case of receiving an order from the custodian before 1.00 pm shall issue to the foreign depository the relevant order for the depository operation on the same day, otherwise the NBU Depository shall issue the relevant order to the foreign depository for the depository operation on the next business day;

*(paragraph 53 Chapter 5 Section I was supplemented with subparagraph 2<sup>1</sup> in accordance with NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 53 Chapter 5 Section I was supplemented with subparagraph 2<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

2<sup>2</sup>) for securities deals transacted on FOP terms on municipal bonds placement on the stock exchange the NBU Depository shall of accept statements from 10 a.m. to 16 p.m.

*(paragraph 53 Chapter 5 Section I was supplemented with subparagraph 2<sup>2</sup> in accordance with NBU Board Resolution No. 70 dated 25 June 2018)*

3) for securities deals transacted on PVD terms the NBU Depository shall accept orders for depositing/crediting/transferring securities for interbank settlements from 9 a.m. to 5:30 p.m. Notification on completion of settlements shall be sent from 9 a.m. to 5:55 p.m. In addition, the SEP is provided in compliance with its operating procedure with the files with electronic settlement documents for securities deals transacted on FOP terms by the SEP means from 9 a.m. to 6 p.m.

*(subparagraph 3 paragraph 53 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

4) for securities deals transacted on FOP terms the NBU Depository shall accept orders for depositing/crediting/transferring securities for interbank settlements and a notification on completion of settlements from servicing banks from 9 a.m. to 7:30 p.m.

*(subparagraph 4 paragraph 53 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

5) according to agreements on storing the cash reserves of the NBU, the NBU Depository shall decide to block (impose encumbrance on) securities/title to securities as a result of a pledge to the NBU and release (release of pledge on) securities that were blocked for the NBU on FOP terms from 9 a.m. to 5 p.m.

*(paragraph 53 Chapter 5 Section I was supplemented with subparagraph 5 in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

6) for domestic government bonds placement the NBU Depository shall accept the order for unconditional depository operation for domestic government bonds transfer blocked until payment as provided by paragraph 160<sup>1</sup> Chapter 19 Section III hereof from 9 a.m. to 11 a.m., but not after the NBU Depository has drawn a fund transfer notice (&P) of the amount due under domestic government bonds placement.

*(paragraph 53 Chapter 5 Section I was supplemented with subparagraph 6 in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

The operating procedure of the NBU Depository with regard to accepting for accepting orders and payment orders may change if the operating procedure of the SEP changes.

54. The NBU Depository (as required) may prolong an funds-transfer business day discretionary or based on a request from a customer of the NBU Depository to the Responsible Unit. The Responsible Unit shall consider the request for prolongation of the funds-transfer business day and discretionary decide on such prolongation of the day no later than before the end of the current funds-transfer business day if the inability to complete the transactions is caused by technical reasons serves as a reason for prolongation of the day. The Responsible Unit shall in the event of receipt of requests for prolongation of the funds-transfer business day due to other reasons initiate prolongation of the funds-transfer business day no later than before the regulated start time of the next funds-transfer business day, if the NBU Deputy Governor approves such prolongation, who according to distribution of competences is responsible for depository activity by the NBU, or by an Acting Deputy Governor or the NBU Governor. In order to prolong the funds-transfer business day for a period exceeding the scheduled start time of the next funds-transfer business day, the decision shall be made by the Board of the NBU. The Responsible Unit, when processing the requests for prolongation of the funds-transfer business day shall take into consideration information on planned maintenance affecting the operation of the depository record-keeping system of the NBU Depository.

*(indent one paragraph 54 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU structural unit for information system support shall prolong the funds-transfer business day of the NBU Depository based on a notification from the Responsible Unit. The Responsible Unit shall send such notification by corporate e-mail of the NBU with the electronic digital signature before the end of a regular funds-transfer business day of the NBU Depository.

*(indent two paragraph 54 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

During the funds-transfer business day the NBU Depository may introduce service breaks shall notify customers on the matter by means of the automated system of the NBU Depository as soon as they log in to the system.

55. The NBU Depository shall in the depository record-keeping system ensure record-keeping end-to-end registers and statements that chronologically detail all changes on the depository record-keeping system of the NBU Depository.

56. If a custodian due to some technical reasons is unable to submit to the NBU Depository an order in the form of an electronic document, the NBU Depository may transact a depository operation upon a written order (instruction) of such custodian or other person in cases provided by laws of Ukraine, if the following requirements are met:

1) operations under these orders do not contradict the requirements of laws of Ukraine

2) upon receiving written orders from a custodian which detail in full the subject matter of the operation and contain all the necessary data for its completion, as well as in case of presenting supporting documents of completion of the operation (as provided by laws of Ukraine).

57. If a custodian due to any valid reasons is unable to submit to the NBU Depository an order in the form of an electronic document, the NBU Depository may transact a depository operation upon a written order (instruction) of such custodian or other person in cases provided by laws of Ukraine, if the following requirements are met:

1) operations under these orders do not contradict the requirements of laws of Ukraine

2) upon receiving written orders from a custodian which detail in full the subject matter of the operation and contain all the necessary data for its completion, as well as in case of presenting supporting documents of completion of the operation (as provided by laws of Ukraine).

3) in case of presenting a written order by the Deputy Chairman of the NBU who according to distribution of competences is responsible for depository activity by the NBU (or the Acting Deputy), or by the NBU Governor on agreement of completing transactions based on written documents.

58. Custodians shall start a funds-transfer business day in their own depository record-keeping system on every business day, and the NBU Depository shall communicate therewith on every funds-transfer business day. A custodian with securities accounts registered in the register of agreements of brokers shall communicate with the NBU Depository during each funds-transfer business day of the NBU Depository before the due time of settlements on DVP terms. If it is found impossible for a custodian to communicate/continue to communicate with the NBU Depository during the funds-transfer business day of the NBU Depository, that custodian shall inform the NBU Depository on the matter.

59. The securities account opened by a custodian for a depositor, nominal holder in the software module of a custodian to ensure interaction with the depository record-keeping system of the Central Depository, and the securities account opened in the software module of a custodian to ensure interaction with the depository record-keeping system of the NBU Depository shall constitute a single securities account.

*(paragraph 59 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

60. Custodians shall in order to complete settlements under securities deals recorded in the depository record-keeping system of the NBU ensure completion of relevant operations on depositors' and/or nominal holders' securities accounts before the end of a business day of a custodian. Operations shall be deemed completed only after a custodian records relevant changes on depositors' and/or nominal holders' securities accounts based on data on operations under the securities account of this custodian in the depository record-keeping system of the NBU Depository.

*(paragraph 60 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Custodians shall provide the nominal holder with a report or information on depository transactions performed on the nominal holder's securities account before the end of an operational day of a custodian to reflect changes in the securities accounts of his clients and clients of his clients.

*(paragraph 60 Chapter 5 Section I was supplemented with indent two in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

61. The software of custodians should ensure reliable storage of information on depository activity and performance of the functions and operations by custodians as defined in these Regulations and meet the following requirements:

- 1) separate servicing all securities accounts at the same time
- 2) drawing up the depository balance for each issue of securities and in a consolidated form for all securities recognized by this custodian
- 3) printing out of securities accounts statements at any time
- 4) protection of depository record-keeping data from unauthorized access of unauthorized persons and accidental damage

*(subparagraph 4 paragraph 61 Chapter 5 Section I as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

- 5) backup copy of depository record-keeping data at any time and ability to restore depository record-keeping data from backup copies
- 6) reproduction of information on the status of securities accounts, information on securities operations on securities accounts and other information as provided by laws of Ukraine over the past five years
- 7) other requirements provided by regulations on depository activity.

62. Custodians should ensure backup and storage of information being the part of the depository record-keeping system of a custodian. A custodian shall create backup of information of each funds-transfer business day.

Custodians should ensure the option for restoring information in the event of breach of its integrity, as well as in the event of loss, theft, unauthorized destruction, distortion, forgery, copying information from the depository record-keeping system. Custodians shall according to the internal documents of a custodian restore information within the period not exceeding one day of such breach.

63. The NBU Depository and custodians shall ensure integrity and inviolability of the depository record-keeping system and accurate of drawing up of the depository balance.

64. To ensure integrity of depository record-keeping the NBU Depository shall take the following measures:

- 1) daily monitoring of depository balance of the number of securities issued and their number recognized on customers' accounts as well as of breakdown of securities by codes of respective groups of owners prescribed by laws of Ukraine on depository activity
- 2) daily monitoring of depository balance of the number of securities on the account of the NBU Depository in a foreign depository and their number recorded in the depository record-keeping system of the NBU Depository, specifically, on the accounts of the NBU Depository's customers
- 3) at least once a year, an inventory of depository assets and verification of the data of the depository record-keeping with depository assets with preparation of the relevant statement following the inventory findings

4) suspension of custodian's securities operations of a certain issue if such custodian does not comply with a required depository balance.

65. To ensure integrity of depository record-keeping custodians shall take the following measures:

1) maintaining a balanced ratio of depository assets, securities and title to securities credited to depositors'. nominal holders' securities accounts (depository balance)

*(subparagraph 1 paragraph 65 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1<sup>1</sup>) comply with the proportion between the total number of securities, rights to securities, rights to securities accounted for in the nominal holder's securities account in custodian and the total number of securities, rights to securities accounted for in securities accounts of the nominal holder's clients;

*(paragraph 65 Chapter 5 Section I was supplemented with subparagraph 1<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

2) maintaining a balanced ratio of data of the depository balance of a custodian and data of a custodian's account opened with the NBU Depository

3) closing a funds-transfer business day in its own depository record-keeping system and starting a new funds-transfer business day after closing a funds-transfer business day of the NBU Depository only after the balance reconciliation is completed

4) introducing other measures provided by regulations on depository activity and information protection.

66. The NBU Depository shall have a right in accordance with the requirements of laws of Ukraine, as provided by these Regulations, and an agreement and/or laws of Ukraine to stop or restrict operations on the customer's securities account of the NBU Depository.

*(paragraph 66 Chapter 5 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

#### Chapter 6. Interaction Between the NBU Depository and the Settlement Center, Clearing Institutions, Central Securities Depository and Stock Exchanges

*(name of Chapter 6 Section I as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

67. In accordance with relevant agreements, the NBU Depository shall open securities accounts for clearing institutions and the Settlement Center for specific purpose of such accounts with regard to their functions according to Ukrainian laws, namely:

1) for establishing a system to manage risks and performance bonds under securities contracts within the remit set out by law of Ukraine

2) to make settlements in securities following clearing.

The NBU Depository shall open an account for establishing a system to manage risks and ensure discharge of liabilities under securities contracts with CIs/the Settlement Center subject to CIs/the Settlement Center service contract concluded in the form of a depository agreement.



68. The procedure of entering into a depository agreement and a CIs/the Settlement Center service contract shall be determined by the general procedure for servicing custodians set out in section III hereof with the following special features:

1) for entering into a contract with the NBU Depository, CIs/the Settlement Center do not require a license for depository activity, however the NBU Depository shall check the information on the license for clearing activity

2) the account for CIs/the Settlement Center has a limited designated use and shall be opened subject to limited functionality that suggests inability to recognize securities on such account owned by CIs/the Settlement Center.

69. The NBU Depository shall open an account for CIs/the Settlement Center for clearing settlements in securities in accordance with a separate agreement on securities settlements following clearing results.

In order to open an account to make clearing settlements in securities, CIs/the Settlement Center shall file to the NBU Depository the documents specified in Chapter 17 Section III hereof, for custodians. Should CIs/the Settlement Center already have an account opened with the NBU Depository, the documents for account opening shall be provided only when update of earlier submitted documents is required and/or supplement submitted previously documents.

70. To ensure servicing the account for clearing settlements in securities, CIs/the Settlement Center shall agree and enter into with the NBU Depository cooperation rules, which is an integral part of the agreement on clearing settlements in securities.

The cooperation rules shall detail provisions, procedure, form, and terms for exchange of information, orders, and other documents, as well as the rules for interacting for the purpose of clearing settlements.

71. The NBU Depository shall process depository operations on accounts of custodian's customers under over-the-counter operations in the form of gross settlements based on CIs/the Settlement Center documents.

The NBU Depository shall process depository operations on customers' accounts under stock-exchange deals in the form of gross or netting settlements based on CIs/the Settlement Center documents.

At the same time regarding deals settled by netting the NBU Depository does not conduct record-keeping for netting transactions individually, but recognizes in the depository record-keeping system all the operations of the netting settlement.

72. In order to transact depository activity as custodian, the NBU shall be opened an account with the Central Securities Depository based on the relevant depository agreement. The special terms for servicing such an account, as well as the cooperation procedure between the NBU Depository and the Central Securities Depository are established by the cooperation rules between the Central Securities Depository and the NBU. These rules shall set out the procedure for exchange of electronic documents, as well as the procedure and terms for providing information on securities codes of issues of domestic government bonds, including financial instrument classification codes (hereinafter referred to as – the CFI code), special identification of the NBU as the pledgee, and special features of pledging securities in favor of the NBU in the depository record-keeping system of the Central Securities Depository, as well as special cooperation with the Central Securities Depository acting as an authorized safe-keeper.

*(paragraph 72 Chapter 6 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The interaction and exchange of information between the NBU Depository and the Central Securities Depository in cases provided by these Regulations and laws of Ukraine shall be effected by means of printed and/or electronic documents in the manner specified by the cooperation rules with the Central Securities Depository.

72<sup>1</sup>. The NBU Depository shall interact and share information with stock exchanges for municipal bonds placement on the stock exchange on FOP terms. For the purpose of such cooperation the NBU Depository enters into an agreement on information exchange with the stock exchange for municipal bonds placement. The procedure for exchange of information and documents for municipal bonds placement is set out in the cooperation rules between the NBU and the stock exchange.

The cooperation rules between the NBU and the stock exchange shall detail provisions, procedure, form, and terms for exchange of information, orders, and other documents, as well as the rules for interacting for the purpose of settlements under stock exchange deals on municipal bonds placement.

The NBU Depository shall process depository operations on customers' accounts under municipal bonds placement deals on the stock exchange based on documents from the stock exchange.

*(supplemented with paragraph 72<sup>1</sup> pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

## Section II. Procedure for Servicing Issuers by the NBU Depository

### Chapter 7. Contractual Relations and Administrative Operations on Issuers' Accounts

73. In order to enter into securities issue servicing agreement with the NBU Depository and to open a securities account, the issuer shall submit a letter of application for concluding the agreement and opening a securities account in any form, stating the list of attached documents as follows:

- 1) securities account application in the form approved by the NBU Depository and available on the official website of the NBU
- 2) copies of documents confirming the election and appointment of persons authorized to act on behalf of the issuer without a power of attorney and/or a written statement on officially released documents that confirm the election and appointment of persons authorized to act on behalf of the issuer without a power of attorney certified by director's signature and seal of the issuer
- 3) a power of attorney granting powers to act as authorized signatory issued and signed by the director or other person duly authorized as per the issuer's incorporation documents and certified by issuer's seal, if the account agent is a person authorized to act on behalf of the issuer without a power of attorney
- 4) copies of incorporation documents or other documents establishing rights, responsibilities, forms, methods, organization and business of the issuer certified by the director's signature and seal of the issuer. Legal entities of the public law acting in accordance with law shall not submit incorporation documents
- 5) a specimen signature form containing a signature of authorized signatories approved by director or other person duly authorized by the issuer's incorporation documents and bearing the issuer's seal

6) two counterparts of securities issue servicing agreement filled out by the issuer according to the template approved by the NBU Depository and made available on the official website of the NBU, signed by the director or other person duly authorized by incorporation documents of and sealed by the issuer.

Where it is necessary to amend the agreement, the issuer shall timely provide the proposed amendments for approval of the NBU Depository and submit the documents only after receiving the approved form of the agreement.

The Verkhovna Rada of the Autonomous Republic of Crimea or the City Council that intends to issue municipal bonds may enter into a preliminary agreement on securities issue servicing.

74. The issuer may appoint a manager of its securities account. At the same time, the issuer shall have the right to divide the powers to manage the securities account among several account managers. Different account managers acting as professional stock traders shall not be delegated the same powers. Only one account manager may be assigned to a certain issue of securities.

In the event of appointment of a securities account manager, the issuer shall state information on the securities account manager in the securities account application and shall additionally submit the following documents:

1) a securities account manager application according to the template approved by the NBU Depository and available on the official website of the NBU

2) a specimen signature form containing signatures of authorized signatories acting on behalf of accounts manager approved by the director or other person duly authorized by incorporation documents of the securities account manager

<sup>2</sup><sub>1</sub> ) copies of documents confirming the appointment of persons entitled to act on behalf of the account manager without a power of attorney;

<sup>2</sup><sub>2</sub> ) an original or a copy of the power of attorney of the authorize signatory, issued and signed by the director or other person authorized by the constituent documents of the account manager, if the authorized signatory is not entitled to act on behalf of the account manager without a power of attorney;

*(paragraph 74 Chapter 6 Section I was supplemented with two subparagraphs <sup>2</sup><sub>1</sub> and <sup>2</sup><sub>2</sub> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

3) original document confirming the powers of the account manager

4) a copy of incorporation documents of a legal entity appointed by the securities account manager signed by the director of the securities account manager, if incorporation documents are not available on the web-site of legal entities, sole proprietors, and NGOs. Legal entities, which incorporation documents of which are available on web-sites of legal entities, sole proprietors, and NGOs need not submit a copy of incorporation documents.

75. The NBU Depository shall verify the documents and information provided by the issuer. In the process of verifying an authorized employee of the NBU Depository shall check whether the submitted documents comply with the data specified in registration documents released on web-sites of legal entities, sole proprietors, and NGOs. The authorized employee of the NBU Depository shall store the excerpt from the Uniform State Register of Legal Entities, Sole Proprietors, and Non-

Governmental Organizations in the form of electronic document using a personal digital signature on the electronic source designated for storing the documents of electronic contractual files.

76. Following the findings of the verification, the NBU Depository shall:

1) sign the securities issue servicing agreement, open the securities account for the issuer, and return the second counterpart of the agreement along with the notice of issuer's status as a customer of the NBU Depository and information on the securities account opened for the issuer, should there be no issues with the documents

2) provide a justified written refusal to enter into the securities issue servicing agreement and to open the account, unless the revealed shortcomings are eliminated, in the event of inconsistencies in documents and information provided.

77. In the event of any changes in information or documents provided for opening and servicing the securities account, the issuer shall submit the documents to the NBU Depository to effect an administrative action regarding the amendment of the securities account application as follows:

1) an order to amend the securities account application

2) a reissued securities account application

3) original counterparts or duly certified copies of the documents confirming the appropriate changes.

A reissued or additional specimen signature card bearing signatures of authorized signatories certified in accordance with these Regulations shall be additionally submitted, should the securities account application undergo changes of the information on the authorized signatory in the specimen signature card of such authorized signatory, or in case of a change of the authorized signatory.

In case of changes regarding the securities account manager, the relevant documents regarding the securities account manager drawn up and certified in accordance with the requirements hereof shall be additionally submitted.

78. The NBU Depository shall review the received documents for performing the administrative operation regarding changes in the securities account application and information detailed in the documents submitted and shall either make corresponding changes in the depository record-keeping system or prepare a justified written refusal to transact the operation in the manner set out in paragraph 32 Chapter 4 Section I hereof.

Following the processing submitted documents, the NBU Depository shall provide the issuer with the notice regarding the findings of such processing.

79. The issuer's securities account may be closed along with the termination of securities issue servicing agreement in accordance with the terms of the agreement based on order of the issuer/securities account manager, where such closure is initiated by the customer of the NBU Depository or on order of the person authorized by the NBU Depository, if the closure is initiated by the NBU Depository, but only if there are no securities left on the issuer's securities account.

The NBU Depository shall notify the issuer on the closure of the securities account and on the termination of securities issue servicing agreement.

80. Following the decision on the bonds placement passed by the issuer, the NBU's structural unit for domestic government bonds placement if placement/ additional placement of domestic government bonds is conducted with "League" of the "DGB online" system shall prepare the information on the bonds placement and complete placement of domestic government bonds. Thereupon, information shall be drawn up and provided to the NBU Depository to create automatically orders for crediting domestic government bonds placed on the relevant active and passive depository accounts for placement of domestic government bonds.

*(indentt one paragraph 80 Chapter 8 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall check the status and parameters of announced placements and domestic government bonds to be placed/additionally placed and shall perform the following actions:

- 1) record securities codes in the depository record-keeping system based on the notice of assigning securities codes from the Central Securities Depository in the event of primary placement of a new issue of domestic government bonds
- 2) check securities codes recorded during primary placement of domestic government bonds, in the event of additional placement of domestic government bonds.

80<sup>1</sup> . The NBU Depository for servicing settlements following the results of domestic government bonds placement by means of the electronic trading system (hereinafter referred to as – the ETS) shall maintain a register of primary dealers in the depository accounting system based on information on the list of primary dealers who are given the opportunity to participate in bonds placement by the ETS, received from the issuer.

Before entering to the register the primary dealer, which is not a custodian, the NBU Depository shall check the availability of information on the details of the servicing bank of the primary dealer in the depository accounting system. Based on the results of the inspection, the NBU Depository shall provide the issuer with information on the possibility to admit the primary dealer to participate in the domestic government bonds placement by means of the information system which is used in accordance with NBU regulations.

Based on the results of the issuer's decision on bonds placement, the ETS provides through a secure data channel to the NBU Depository information on the terms of issue and amount of bond placement, as well as on accepted and rejected applications of bond placement participants.

The Central Depository shall assign the code to domestic government bonds which were placed and transmit this information to the NBU Depository by means of the system of electronic interaction of executive bodies, the NBU's e-mail or other secure communication link, which is used in accordance with NBU regulations, to be entered into the depository record-keeping system.

The NBU Depository shall verify the information provided by the ETS and the Central Depository for the possibility of correct settlements based on the results of domestic government bonds placement.

*(Chapter 8 Section II was supplemented with paragraph 80<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

80<sup>2</sup> . In case of errors in the provided information and impossibility to make settlements based on the results of domestic government bonds placement, the NBU Depository shall perform the actions

provided for by the legislative acts on domestic government bonds placement. If the verification of information has passed successfully, the NBU Depository shall perform the following actions:

- 1) to enter the type (if necessary) and amount of domestic government bonds into the depository accounting system according to the information published on the issuer's website and /or contained in the notice on placement of domestic government bonds;
- 2) to enter securities codes into the depository accounting system according to a notification from the Central Depository on assignment of securities codes in case of initial placement of a new issue of domestic government bonds;
- 3) to check securities codes recorded during primary placement of domestic government bonds, in the event of additional placement of domestic government bonds.

*(Chapter 8 Section II was supplemented with paragraph 80<sup>2</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

81. Upon completing the actions specified in clauses 80-80<sup>2</sup> of chapter 8 of section II of the Regulation, the NBU Depository shall issue and execute the order on depositing domestic government bonds to appropriate asset side and liability side depository accounts as follows:

*(indent one paragraph 81 Chapter 8 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 1) deposit the total number of placed domestic government bonds to the issuer's securities account and the relevant active depository account
- 2) transfer domestic government bonds to be placed from the issuer's account to securities accounts of custodians and/or aggregated, and/or segregated accounts opened for record-keeping depositors', nominal holders' securities within securities accounts of custodians subject to relevant limitations regarding the securities circulation for settlements following placement.

*(subparagraph 2 paragraph 81 Chapter 8 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 2 paragraph 81 Chapter 8 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Depositing and transfer operations of domestic government bonds during placement shall be unconditional operations of securities account management and do not require the issuer to send specific orders to the NBU Depository.

Upon completion of actions specified in subclause 1, 2 of clause 81 of chapter 8 of section II of the Regulation, the NBU Depository shall enter into the depository accounting system information on the CFI code for domestic government bonds placed.

*(paragraph 81 Chapter 8 Section II was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

82. Settlements following placement of domestic government bonds shall delivered in cashless form in the manner prescribed in Chapter 10 Section II hereof and regulations of the NBU on cashless settlements in Ukraine, in domestic currency of Ukraine, if the terms of the issue provide for the issue of domestic government bonds denominated in Ukrainian currency or in cashless form as per laws of

Ukraine on currency regulation, currency control, and cashless settlements, provided that the issue of domestic government bonds denominated in foreign currency is prescribed by issue conditions.

83. Domestic government bonds shall only be circulated after the NBU Depository transacts unconditional depository transfer of domestic government bonds from securities account to the balance sheet account for record-keeping unencumbered domestic government bonds, the said transfer is transacted upon full discharge of domestic government bonds settlements for the primary placement on PVD terms.

84. Domestic government bonds issued based on a specific resolution of the Cabinet of Ministers of Ukraine on issuing domestic government bonds shall be placed as follows:

1) the issuer shall order the NBU Depository to place domestic government bonds referring to the corresponding resolution of the Cabinet of Ministers of Ukraine, released in accordance with laws of Ukraine, and provide a global certificate of issue of domestic government bonds to be placed

2) the NBU Depository shall after approval of an authorized official of the NBU to execute the order check whether the data in the order and in the global certificate comply with the information in the released resolution of the Cabinet of Ministers of Ukraine and in the notice from the Central Securities Depository on assigning securities codes and in case of inconsistencies, shall notify the issuer thereof

3) the NBU Depository shall in case there are no issues with the documents submitted execute the order and shall in the event of primary placement of a new issue of domestic government bonds record new securities and issue features in the depository record-keeping system based on the provided documents

4) the NBU Depository shall deposit the total number of placed domestic government bonds to the issuer's securities account and the relevant asset side depository account

5) the NBU Depository shall issue an order to transfer domestic government bonds from the issuer's account to the account of custodian that provides services to the owner of domestic government bonds

6) the custodian shall issue an order to deposit domestic government bonds to the holder's account

7) after matching orders of the NBU Depository and of the custodian, domestic government bonds shall be deposited to the holder's unencumbered securities account

8) the NBU Depository shall provide the issuer with the relevant report (notice) upon completion of custody operation

9) the NBU Depository shall deposit the global certificate as provided for in Chapter 15 Section II hereof

10) the NBU Depository shall not transact settlements under these operations.

85. Domestic government bonds may be canceled during placement in the following cases:

1) the issuer decides to cancel domestic government bonds deposited to his account, but not transferred to the owner

*(subparagraph 1 paragraph 85 Chapter 8 Section I as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

2) if a placement participant fails to pay for placed domestic government bonds in the manner and under the terms established by applicable regulations on domestic government bonds placement.

In order to cancel domestic government bonds during the placement, the issuer or the account manager shall respectively instruct the NBU Depository and shall in the event of partial cancellation of the domestic government bonds' issue provide a reissued global certificate in the manner set out in Chapter 15 Section II hereof.

The NBU Depository shall transact an unconditional operation of transferring domestic government bonds deposited to own securities accounts of custodians and/or aggregated, and/or segregated accounts opened for record-keeping depositors', nominal holders' securities on such securities accounts of custodians as blocked for settlement following placement that were partially settled to the issuer's account.

*(indent five paragraph 85 Chapter 8 Section I as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent five paragraph 85 Chapter 8 Section I as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

In order to cancel domestic government bonds, the NBU Depository shall debit from the issuer's account and the relevant asset side balance sheet account domestic government bonds that are subject to cancellation, shall provide the issuer with the relevant report (notice) and, as necessary, shall redeem the global certificate in the manner specified in Chapter 15 Section II hereof.

#### Chapter 9. Processing Operations of the Domestic Government Bonds' Issuer on Income Payment and Redemption/Early Redemption of Domestic Government Bonds

86. The NBU Depository shall process issuer's operations on income payments and/or redemption of domestic government bonds under securities accounts of issuers, custodians, and foreign depositories, including post-settlement servicing.

The NBU Depository shall process income payments and/or domestic government bonds redemption by ensuring transfer of income payments and/or domestic government bonds redemption received from the issuer to relevant custodians and foreign depositories.

The special terms for processing income payments and/or domestic government bonds redemption on securities accounts of foreign depositories are defined in Chapter 34 Section IV hereof and are set out in a correspondent relations agreement.

The NBU Depository shall ensure the transfer of income payments and/or domestic government bonds redemption to custodians and foreign depositories holding securities accounts, where the relevant issues of domestic government bonds are recognized. The accounts to be credited with such funds shall be indicated in the securities account applications.

If the date of income payments and/or domestic government bonds redemption falls on a non-business day, such settlements shall be made on the next business day.

The NBU Depository shall process settlements on income payments and/or domestic government bonds redemption as provided for in Chapter 10 Section II hereof.

87. On the record date the NBU Depository shall instruct CIs/the Settlement Center to lift encumbrances and/or lift restrictions on rights to deliver and/or receive domestic government bonds



that are restricted from being traded on the stock exchange or over-the-counter on DVP terms and are subject to redemption.

CIs/the Settlement Center shall lift encumbrances and/or lift restrictions on rights to deliver and/or receive domestic government bonds and shall list restrictions on domestic government bonds based on instructions of the NBU Depository following completion of deal settlements prior to the end of the funds-transfer business day of the record date on terms of an unconditional operation.

The NBU Depository and CIs/the Settlement Center shall unblock domestic government bonds/liabilities and/or rights to deliver and/or receive domestic government bonds on the last business day preceding the record date, if the record date falls on a non-business day.

88. On a business day following the record date, in order to deliver income payments and/or domestic government bonds redemption based on the information on securities holders from the depository record-keeping system as of the record date, in case of redemption of domestic government bonds, the NBU Depository shall block domestic government bonds on holders' accounts according to the unconditional operation procedure.

89. The issuer of domestic government bonds shall in accordance with requirements and terms provided by the securities issue servicing agreement ensure on the payment date transfer of income payments and/or domestic government bonds redemption to the relevant account of the NBU Depository opened with the NBU.

On the payment date for domestic government bonds, denominated in national currency or on the day preceding the payment date for domestic government bonds, denominated in foreign currency, the NBU Depository shall perform a cash clearing in the manner prescribed in Chapter 10 Section II hereof and shall, based on the information in the consolidated statement on domestic government bonds clearing and settlement, as well as information on domestic government bonds holders, generate register(s) of payment orders and sends the same by means of the automated system of the NBU Depository to NBU structural unit for cash settlements for transferring funds to recipients' accounts.

*(indent two paragraph 89 Chapter 9 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU's structural unit for cash settlements shall, based on the documents provided by the automated system of the NBU Depository before to end of the funds-transfer business day of the payment date ensure the transfer of funds to accounts of custodians and foreign depositories. Should the transfer be impossible on the payment date, the NBU structural unit for cash settlements shall immediately notify the NBU Depository thereof. The NBU Depository shall take all necessary measures to deliver the payment.

*(indent two paragraph 89 Chapter 9 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall, upon payment of domestic government bonds redemption to custodians and foreign depositories, transfer domestic government bonds of the issue to be redeemed to the issuer's securities account, cancel the issue on the terms of unconditional operation, and redeem the global certificate as provided for in Chapter 15 Section II hereof.

In the event of partial redemption of the issue in case of early redemption of domestic government bonds, the NBU Depository shall transfer domestic government bonds to be redeemed to the issuer's securities account, write down the redeemed domestic government bonds on the terms of

unconditional operation, and process the global certificate as provided for in Chapter 15 Section II hereof.

The issuer may as provided by laws of Ukraine instruct the NBU Depository to act according to other procedure and/or timeframe of income payments and/or domestic government bonds redemption.

90. The issuer shall after grating the requests for early redemption but no later than two business days before the set date of the early redemption respectively instruct the NBU Depository to deliver the early redemption in any form. In the event of a partial redemption of domestic government bonds, such instructions shall be accompanied by the documents for reissue of the global certificate as provided for in Chapter 15 Section II hereof.

On the day preceding the set date of early redemption, which is the record date, according to the issuer's order the NBU Depository shall check for blocked domestic government bonds blocked on the accounts of custodians (in terms of owners/types of owners) which are subject to early redemption and shall record relevant information on the amount of domestic government bonds to be redeemed early in the depository record-keeping system.

The NBU Depository shall on the record date deliver early redemption of domestic government bonds as provided for in paragraphs 86–89 Chapter 9 Section II hereof.

The NBU Depository shall, when early redemption is initiated by the issuer and/or as otherwise may be provided by laws of Ukraine, process operations of early redemption of domestic government bonds' issued by the issuer as provided for herein subject to the special terms of early redemption established by the issuer.

#### Chapter 10. Processing Operations of the Issuer of Domestic Government Bonds Regarding Cash Clearing and Settlements under Corporate Operations of the Issuer of Domestic Government Bonds

91. The NBU Depository shall process settlements following domestic government bonds placement and regarding income payments and/or domestic government bonds redemption on either terms:

1) in case of coincidence of terms of cash settlements based on the results of domestic government bonds placement with terms of income payment and /or redemption for domestic government bonds denominated in the same currency (except for domestic government bonds placed on accounts of primary dealers which are not depository institutions) - with cash clearing;

*(subparagraph 1 paragraph 91 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) in all other cases - without cash clearing.

*(subparagraph 2 paragraph 91 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

92. Settlements following domestic government bonds placement and income payments and/or redemption shall be made in cashless form in the currency being the denomination currency of domestic government bonds.

93. The payment date shall be determined by the issuer on the terms and conditions of corresponding placement or additional placement of domestic government bonds.

The payment date of income payments and/or redemption shall be determined on the terms of the relevant issue of domestic government bonds.

94. To perform cash clearing of domestic government bonds denominated in domestic currency, the NBU Depository shall prepare and submit on the payment date and based on the information in the depository record-keeping system as of the relevant record date as follows:

1) a clearing statement broken down by issues of domestic government bonds to the issuer's servicing bank

2) a clearing statement broken down by issues of domestic government bonds to the NBU's structural unit for cash settlements

*(subparagraph 2 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

3) a consolidated statement of securities distribution among placement participants to the NBU structural unit for cash settlements

*(subparagraph 3 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

4) a register of payment orders based on liabilities of each custodian and/or foreign depository to the NBU structural unit for cash settlements in respect of custodians, to which the issuer is liable under clearing operation and/or foreign depositories

*(subparagraph 4 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 4 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

5) a fund transfer notice amounting to liabilities (&P) and information on clearing results and settlements in terms of payments and liabilities of an individual client of the NBU Depository — to custodian with depositors, nominal holders which have pecuniary liabilities to the issuer based on clearing results..

*(subparagraph 5 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 5 paragraph 94 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

6) clearing information on mutual settlements based on the results of bonds placement and payments for bonds in terms of liabilities of an individual primary dealer — to custodians which, and/or whose depositors, clients have pecuniary liabilities to the issuer based on clearing results.

*(paragraph 94 Chapter 10 Section II was supplemented with subparagraph 6<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

94<sup>1</sup> . To implement cash clearing operations on domestic government bonds denominated in the national currency, the NBU Depository shall, on the payment date and based on the information contained in depository accounting system as of the relevant record date, shall prepare and submit:

- 1) a clearing statement broken down by domestic government bonds issues to the issuer's servicing bank;
- 2) a clearing statement broken down by domestic government bonds issues to the NBU structural unit for cash settlements;
- 3) orders on financial issues related to money transfer - to the NBU structural unit for cash settlements in respect of foreign depositories and depository institutions, to which the issuer bears pecuniary liabilities based on clearing results;
- 4) information on clearing results and settlements in terms of payments and liabilities of an individual client of the NBU Depository— to custodians which, and/or whose depositors, clients have pecuniary liabilities to the issuer based on clearing results;
- 5) clearing information on mutual settlements based on the results of bonds placement and payments for bonds in terms of liabilities of an individual primary dealer — to custodians which, and/or whose depositors, clients have pecuniary liabilities to the issuer based on clearing results.

*(Chapter 10 Section II was supplemented with paragraph 94<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

95. Submission of requests for drawing up own statements on clearing and settlements in automated system of the NBU Depository shall be available to custodians in the depository record-keeping system once the NBU Depository issues a statement on clearing and settlements broken down by issues of domestic government bonds.

*(paragraph 95 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

96. The NBU Depository shall after the completion of clearing settlements perform unconditional depository operations to unblock placed domestic government bonds and shall before the end of the funds-transfer business day perform unconditional depository operations to transfer domestic government bonds to be redeemed to the issuer's account.

*(paragraph 96 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

97. To make settlements on payment of income and/or domestic government bonds redemption without cash clearing on the date of payment for domestic government bonds denominated in national currency and on the day preceding the date of payment for domestic government bonds denominated in the foreign currency and based on the information contained in the depository accounting system as of the relevant record date, the NBU Depository shall prepare and submit:

- 1) a clearing statement broken down by domestic government bonds issues to the issuer's servicing bank;
- 2) a clearing statement broken down by domestic government bonds issues to the NBU structural unit for cash settlements;

- 3) a register of payment orders and / or orders on financial issues related to money transfer in respect of foreign depositories and depository institutions, to which the issuer bears pecuniary liabilities based on clearing results - to the NBU structural unit for cash settlements;
- 4) information on clearing results and settlements in terms of payments and liabilities of an individual client of the NBU Depository— to depository institutions, and/or foreign depositors.

*(paragraph 97 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

97<sup>1</sup>. To make settlements based on the results of domestic government bonds placement without cash clearing on the date of payment for domestic government bonds denominated in national currency and on the day preceding the date of payment for domestic government bonds denominated in the foreign currency, based on the information contained in the depository accounting system as of the relevant record date, the NBU Depository shall prepare and submit

- 1) a clearing statement broken down by domestic government bonds issues to the issuer's servicing bank;
- 2) a clearing statement broken down by domestic government bonds issues to the NBU structural unit for cash settlements;
- 3) summary statement of securities distribution between placement participants — to the NBU structural unit for cash settlements;
- 4) fund transfer notice amounting to liabilities (&P) in national currency, data on clearing results and settlements in terms of payments and liabilities of an individual client of the Depository of the NBU and clearing information on mutual settlements based on the results of bonds placement and payments for bonds — to custodians which, and/or whose depositors, clients have pecuniary liabilities to the issuer;
- 5) information on settlements based on the results of bonds placements in terms of liabilities of an individual primary dealer — to custodians, if their depositors, which are primary dealers, have pecuniary liabilities to the issuer;
- 6) payment request (& P) in the amount of liabilities of the primary dealer in the national currency — to the servicing bank of the primary dealer, which is not a custodian.

*(Chapter 10 Section II was supplemented with paragraph 97<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

97<sup>2</sup>. The primary dealer, which is not a custodian, shall apply to the custodian, servicing its securities account, to obtain details of payment documents for payment based on the results of bonds placement.

To make payment based on the results of bonds placement of domestic government bonds, the primary dealer, which is not a custodian, shall take into account the following features:

- 1) for domestic government bonds denominated in national currency, cash settlements shall be made on the basis of fund transfer notice (&P) sent by the NBU Depository to the servicing bank of the primary dealer using special EPS tools and indication of domestic government bonds placement numbers in payment details;

2) for domestic government bonds denominated in foreign currency, cash settlements shall be made in the general order determined by the regulations of the NBU on non-cash settlements in Ukraine with indication in payment orders in the column "purpose of payment" of numbers of bonds placement resulted in cash settlements.

*(Chapter 10 Section II was supplemented with paragraph 97<sup>2</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

98. The NBU shall transfer to the issuer's servicing bank the funds received based on cash clearing results and /or result of domestic government bonds placement on the day of receipt of these funds on the account of the NBU Depository.

*(paragraph 98 Chapter 10 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 11. Servicing domestic government bonds issuer operations on redemption and cancellation of domestic government bonds redeemed by issuer and other operations

*(title of Chapter 11 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

99. The NBU Depository shall process issuer's operations on buying in domestic government bonds on the stock exchange or over-the-counter, where settlements are delivered on terms DVP, FOP or PVD based on orders from the issuer, custodians and/or foreign depositories and/or clearing information from CIs/the Settlement Center.

100. Should domestic government bonds be bought in over-the-counter, when settlements are made on PVD terms, the domestic government bonds' issuer shall in accordance with requirements and terms provided by the relevant agreements, instruct the NBU Depository to deposit domestic government bonds to be bought in to its account. The NBU Depository shall, based on issuer's instructions, initiate the respective operation.

Upon acknowledgment (in depository record-keeping system) of the order to deposit domestic government bonds from the issuer and the order to write down domestic government bonds from the account of the custodian that services the owner of domestic government bonds to be bought in, the NBU Depository shall transfer domestic government bonds to be bought in to the issuer's account to recognize the securities that were blocked for settlements, draw up and issue to the issuer's servicing bank a fund transfer notice.

*(indent two of paragraph 100 Chapter 11 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

The NBU Depository shall while confirming the completion of settlements unblock domestic government bonds on the issuer's account in the manner prescribed for unconditional operations.

101. Should domestic government bonds be bought over-the-counter on FOP terms, domestic government bonds' issuer shall in accordance with requirements and terms provided by the relevant agreements instruct the NBU Depository to deposit domestic government bonds to be bought in to its account.

After confirmation matching (in the depository record-keeping system) the order to deposit domestic government bonds from the issuer and the order to write down domestic government bonds from account of custodian which services the owner and / or nominal holder that serves the owner or its client serves the owner of domestic government bonds to be bought in, the NBU Depository shall transfer domestic government bonds to be bought in to the issuer's account.

*(indent two paragraph 101 Chapter 11 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

102. Should domestic government bonds be bought in on the stock exchange or over-the-counter in compliance with DVP terms for settlements, the domestic government bonds' issuer shall deposit the funds for trading in the manner determined by the relevant agreements and regulations on clearing and settlements. In order to buy in domestic government bonds, the domestic government bonds' issuer shall provide the NBU Depository with corresponding orders and documents to record the data on the selected securities trader in the register of agreements of brokers.

Once receiving the clearing balance from CIs/the Settlement Center and instructions on transfer of domestic government bonds bought in by the issuer, the NBU Depository shall make settlements in securities in the manner prescribed for unconditional operations.

103. No settlements on own domestic government bonds bought in by the issuer shall be made, if the terms of income payments and/or redemption become due.

103<sup>1</sup>. The NBU Depository shall perform other operations at the order of the issuer, provided in accordance with the legislation of Ukraine.

*(Chapter 11 Section II was supplemented with paragraph 103<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

#### Chapter 12. Processing the Municipal Bonds Issuer Operations Regarding Placement of Municipal Bonds

104. The NBU Depository shall service placement of municipal bonds over-the-counter in the manner provided by laws of Ukraine and subject to these Regulations.

*(paragraph 104 Chapter 12 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

105. Settlements resulting from placement of municipal bonds shall be made in cashless form in the manner specified by regulations of the NBU on cashless settlements in Ukraine in domestic currency of Ukraine, unless otherwise provided for by the terms of municipal bonds issue.

Settlements resulting from municipal bonds placement, should municipal bonds issue terms provide for the issue of municipal bonds denominated in foreign currency and/or placement of municipal bonds denominated in domestic currency of Ukraine among nonresidents, shall be delivered in cashless form in accordance with laws of Ukraine on currency regulation and control and cashless settlements.

106. Upon registration of municipal bonds issue or registration of municipal bonds issue and approval of the municipal bonds prospectus by the registration authority and after receiving the temporary certificate of issue, the issuer shall draw up and submit for deposition purposes with the NBU Depository the temporary global certificate of issue in the manner detailed in Chapter 15 Section II hereof, and shall respectively instruct on depository operations.

*(indent one of paragraph 106 Chapter 12 Section I as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

The NBU Depository shall, based on received documents and orders and after depositing the temporary global certificate in the manner detailed in Chapter 15 Section II hereof, deposit the total number of municipal bonds to the issuer account in order to recognize the securities blocked under the temporary global certificate and enter information on the CFI code for the municipal bonds being placed into the depository system.

*(indent two paragraph 106 Chapter 12 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall in order to deliver settlements for municipal bonds placement on the stock exchange on FOP terms records information in the register of agreements of brokers on the underwriter based on order of the issuer/ securities account manager.

*(paragraph 106 Chapter 12 Section II was supplemented with a new indent in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

107. The NBU Depository shall process settlements following the results of the placement of municipal bonds on the following terms:

- 1) PVD for over-the-counter placement
- 2) FOP for over-the-counter placement
- 3) FOP for placement on the stock exchange.

*(supplemented with subparagraph 3 pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

108. The NBU Depository shall process settlements under municipal bonds contracts during over-the-counter placement of municipal bonds on PVD terms in the following order:

- 1) issuer/underwriter shall instruct the NBU Depository to transfer municipal bonds from issuer's account
- 2) custodians servicing the first owners of municipal bonds shall instruct the NBU Depository to transfer municipal bonds to accounts of custodians in accordance with owners/types of owners
- 3) following the results of confirmation matching of counterclaims of the issuer and custodians, the NBU Depository shall transfer municipal bonds from issuer's securities account to securities accounts of custodians to deposit the same to securities accounts of the first owners subject to certain restrictions regarding circulation of securities for settlements and shall send a fund transfer notice (&P) equal to liabilities to the bank servicing the respective first owners

*(subparagraph 3 paragraph 108 Chapter 12 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

4) the NBU Depository shall along with transferring funds for acquired municipal bonds by the first owners transact unconditional depository operations to transfer the placed municipal bonds to securities accounts of the first owners in order to recognize the securities blocked according to issue restrictions.



109. The NBU Depository shall process settlements under municipal bonds contracts on over-the-counter placement of municipal bonds on FOP terms in the following order:

1) the issuer/underwriter shall instruct the NBU Depository to transfer municipal bonds from issuer's securities account to accounts of the owners / nominal holders serving the owners

*(subparagraph 1 paragraph 109 Chapter 12 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) custodians servicing the first owners and/or nominal holders that serve the first owners or its client serves the first owners of municipal bonds shall instruct the NBU Depository to transfer municipal bonds from the issuer's securities account to the securities accounts of custodians in accordance with owners/types of owners/ nominal holders who serve the owners

*(subparagraph 2 paragraph 109 Chapter 12 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

3) following the results of confirmation matching of counterclaims of the issuer and custodians, the NBU Depository shall transfer municipal bonds from issuer's securities account to securities accounts of custodians to deposit the same to securities accounts of the first owners and/or nominal holders that serve the first owners or its client serves the first owners subject to certain restrictions regarding circulation of securities blocked according to issue restrictions. Settlements in this case shall be delivered without involving the NBU Depository.

*(subparagraph 3 paragraph 109 Chapter 12 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

109<sup>1</sup>. The NBU Depository shall process settlements under municipal bonds contracts on stock exchange placement of municipal bonds on FOP terms in the following order:

1) the issuer/underwriter shall instruct the NBU Depository to block municipal bonds on the issuer's account to be traded on the stock exchange

2) the NBU Depository shall block municipal bonds on the issuer's account to be traded on the stock exchange and provides the stock exchange with information on blocked municipal bonds

3) the stock exchange following municipal bonds placement shall file the statement to the NBU Depository

4) the NBU Depository based on the statement from the stock exchange shall draw up and deliver to custodians servicing the first owners of municipal bonds the order to transfer municipal bonds to accounts of custodians for further depositing to accounts of the first owners

5) custodians servicing the first owners shall confirm to the NBU Depository depositing municipal bonds to accounts of the first owners

6) the NBU Depository shall transfer municipal bonds from issuer's securities account to securities accounts of custodians to deposit the same to securities accounts of the first owners subject to certain restrictions regarding circulation of securities blocked according to issue restrictions.

Transfer operations of municipal bonds from the securities account of the issuer during placement on the stock exchange shall be unconditional operations of securities account management and do not require the issuer to send specific orders to the NBU Depository.

The NBU Depository shall unblock municipal bonds that were blocked on the issuer's account to be traded on the stock exchange and not placed according to the respective order of the issuer.

*(supplemented with paragraph 109<sup>1</sup> pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

110. The issuer shall within seven business days after receiving the registration certificate of bonds issue draw up and provide the global certificate of issue to be deposited to the NBU Depository in the manner detailed in Chapter 15 Section II hereof.

The number of municipal bonds specified in the global certificate of issue shall match the total number of placed municipal bonds, for which funds have been received. If the issue is placed in part, the NBU Depository shall write down the remaining unplaced municipal bonds from the issuer's account with subsequent cancellation of the same in accordance with the issuer's/underwriter's instructions.

111. Following depositing the global certificate of municipal bonds issue the NBU Depository shall recognize in the depository record-keeping system the change by the issuer of the temporary global certificate for the global certificate and files to custodians servicing the first owners and/or nominal holders that serve the first owners or their clients serve the first owners of a respective municipal bonds issue an order to unblock municipal bonds on the deponents accounts being the first owners to the balance account for record-keeping unencumbered securities.

*(paragraph 111 Chapter 12 Section II as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 111 Chapter 12 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

### Chapter 13. Processing Operations of Municipal Bonds Issuer on Income Payment, Redemption/Early Redemption of Municipal Bonds and Cancellation of Municipal Bonds Issue

112. The NBU Depository shall process issuer's operations on income payments and/or redemption of municipal bonds on securities accounts of issuers, custodians, and foreign depositories, including post-settlement servicing.

The NBU Depository shall process income payments and/or municipal bonds redemption operations by transferring income payments and/or municipal bonds redemption funds received from the issuer's relevant servicing bank for income payments and/or municipal bonds redemption operations.

the NBU Depository shall transfer income payments and/or municipal bonds redemption funds received by custodians and foreign depositories, on accounts whereof relevant municipal bonds issues are recognized, to their accounts indicated in the securities account applications.

If the date of payment under municipal bonds falls on a non-business day, such settlements shall be made on the next business day.

The special terms for processing income payments and/or domestic government bonds redemption on securities accounts of foreign depositories are defined in Chapter 34 Section IV hereof and are set out in a correspondent relations agreement.

113. On the record date, the NBU Depository shall instruct CIs/the Settlement Center to lift encumbrances and/or lift restrictions on rights to deliver and/or receive municipal bonds that are

restricted from being traded on the stock exchange or over-the-counter on DVP terms and are subject to redemption.

CIs/the Settlement Center shall lift encumbrances and/or lift restrictions on rights to deliver and/or receive municipal bonds and shall list restrictions on municipal bonds based on instructions of the NBU Depository following completion of deal settlements prior to the end of the funds-transfer business day of the record date on terms of an unconditional operation.

The NBU Depository and CIs/the Settlement Center shall unblock municipal bonds/liabilities and/or rights to deliver and/or receive municipal bonds on the last business day preceding the record date, if the record date of municipal bonds falls on a non-business day.

114. On a business day following the record date, the NBU Depository shall, in order to perform distribution of income and/or redemption of municipal bonds based on the information on securities holders from the depository record-keeping system as of the record date, in case of redemption of municipal bonds, block municipal bonds on holders' accounts for redemption purposes according to the unconditional operation procedure.

115. The issuer of municipal bonds shall in line with the time frame provided by the securities issue servicing agreement and municipal bonds prospectus and/or the decision on municipal bonds issue ensure on the payment date transfer of income payments and/or municipal bonds redemption to the relevant account of the NBU Depository with the NBU. The date the funds are deposited to the account of the NBU Depository shall be deemed the payment date.

*(paragraph 115 Chapter 13 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

116. On the payment date the NBU Depository shall perform a cash clearing and shall, based on the information in the consolidated statement on municipal bonds clearing and settlement, as well as information on municipal bonds holders, generate register(s) of payment orders and sends the same by means of the automated system of the NBU Depository to its NBU structural unit for cash settlements for transferring funds to recipients' accounts.

*(indent one paragraph 116 Chapter 13 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU structural unit for cash settlements shall, based on the documents provided by the automated system of the NBU Depository before to end of the funds-transfer business day of the payment date ensure the transfer of funds to accounts of custodians and foreign depositories. If transfer cannot be performed on the date of payment, the NBU structural unit for cash settlements shall forthwith notify to the NBU Depository. The NBU Depository shall take all necessary measures to deliver the payment.

*(indent two paragraph 116 Chapter 13 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

117. To make settlements on municipal bonds the NBU Depository shall, on the day preceding the payment date and based on the information in the depository record-keeping system as of the relevant record date, prepare and submit:

*(subparagraph 1 paragraph 117 Chapter 13 Section II was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

1) a clearing statement broken down by issues of municipal bonds to the NBU structural unit for cash settlements

*(subparagraph 2 paragraph 117 Chapter 13 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) a register of payment orders based on which payment requests are created in the amount of liabilities (&P) per each custodian and/or foreign depository — to the NBU structural unit for cash settlements in respect of foreign depositories and custodians, which serve the owners of municipal bonds and /or nominal holders that serve the owners or its client serves the owners of municipal bonds being redeemed

*(subparagraph 3 paragraph 117 Chapter 13 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 3 paragraph 117 Chapter 13 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

118. The NBU Depository shall, simultaneously with the completion of settlements, transact depository operations on transferring municipal bonds to be redeemed in to the issuer's account on the terms of an unconditional operation.

119. An issue (series) of bonds can be repaid early either on the issuer's initiative or on request of the owners of bonds, should this be provided for in the municipal bonds prospectus and/or the decision on issue of municipal bonds. The NBU Depository shall transact depository operations on early redemption as instructed by the issuer, custodians, and foreign depositories servicing the municipal bonds owners in accordance with FOP terms.

*(paragraph 119 Chapter 13 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(paragraph 120 Chapter 13 Section II was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

121. The NBU Depository shall ensure servicing municipal bonds redemption in the manner and under the terms established by provisions hereof, unless otherwise provided for in the municipal bonds prospectus or/and the decision on municipal bonds issue.

*(indent one of paragraph 121 Chapter 13 Section I as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

The NBU Depository shall after revoking the registration of the municipal bonds issue based on the instructions of an authorized person of the registration authority cancel the municipal bonds issue and redemption of the global certificate on municipal bonds issue as provided for in Chapter 15 Section II hereof.

Chapter 14. Processing Operations of the Municipal Bonds Issuer on Purchase of Municipal Bonds  
by Issuer

122. In cases provided by the prospectus of municipal bonds and/or the decision on municipal bonds issue or set out in laws of Ukraine, the NBU Depository shall process issuer's operations on purchase/sale of bought back municipal bonds in the manner specified in Chapters 25–28 Section III hereof subject to special terms set out in Chapter 14 Section II hereof and by the prospectus of corresponding municipal bonds issue.

*(paragraph 122 Chapter 14 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

123. According to the respective orders issued by the authorized person of the registration authority, the NBU Depository shall transact unconditional operations to suspend or renew municipal bonds circulation, if the issuer has bought in all bonds of municipal bonds issue (series) before the due date of bonds redemption.

124. The NBU Depository shall after revoking the registration of the municipal bonds issue based on the instructions of an authorized person of the registration authority cancel the municipal bonds issue and redemption of the global certificate on municipal bonds issue as provided for in Chapter 15 Section II hereof.

#### Chapter 15. Procedure for Depositing, Record-keeping, and Redeeming Temporary Global Certificates/Global Certificates of Securities Issues

125. The issuer that entered into securities issue servicing agreement with the NBU Depository in order to ensure the safe-keeping and record-keeping of securities in the depository record-keeping system of the NBU Depository, shall issue and deposit a temporary global certificate or a global certificate with the NBU Depository.

126. The NBU Depository shall keep records, store, and redeem temporary global certificates and global certificates in accordance with these Regulations and other regulations of the NBU regarding record-keeping and safe-keeping depository assets.

The NBU Depository shall keep records of temporary global certificates and global certificates in the electronic logbook of deposition to and withdrawal from the vault of the NBU Depository certificated depository assets.

Temporary global certificates shall not be issued for municipal bonds issues.

Global certificates/temporary global certificates are issued in the form of a paper or electronic document in accordance with the legislation on electronic documents and electronic document management..

*(indent four paragraph 126 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Global certificates/temporary global certificates in electronic form shall be signed by affixing the qualified electronic signature of the issuer's authorized person.

*(indent five paragraph 126 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(indent six paragraph 126 Chapter 15 Section II was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall deposit and redeem global certificates based on issuer's orders.

127. Global certificates for domestic government bonds issues shall be drawn up and deposited in the manner prescribed by these Regulations and other regulation on depository activity with consideration to the following:

1) domestic government bonds' issuer shall, based on information on settlements following securities placement at an auction, prepare and provide within seven business days an order to the NBU Depository to deposit a global certificate and a global certificate of domestic government bonds' issue for the total number of securities, which corresponds to the volume of placed domestic government bonds, for which funds have been received

2) in the event of the additional placement, the domestic government bonds' issuer shall reissue a global certificate by way of depositing a new global certificate for the total number of securities subject to additional placement

3) the NBU Depository shall, based on orders of the domestic government bonds' issuer, deposit the global certificate for domestic government bonds

4) in accordance with domestic orders of the government bonds' issuer, the NBU Depository shall simultaneously with depositing a new global certificate as a result of an additional placement redeem the global certificate which has been reissued.

128. Temporary global certificates for municipal bonds issues shall be drawn up and deposited in the manner prescribed by these Regulations and other regulation on depository activity with consideration to the following:

1) upon receiving a temporary certificate on municipal bonds issue registration, municipal bonds issuer shall issue and deposit a temporary global certificate

2) upon receiving a municipal bonds issue registration certificate from the registration authority, municipal bonds issuer shall issue a global certificate and, at the moment of depositing the same instruct the NBU Depository to redeem the temporary global certificate.

129. In order to deposit the global certificate/temporary global certificate, the municipal bonds issuer shall submit the following documents to the NBU Depository:

1) an order to deposit a global certificate/temporary global certificate

1<sup>1</sup>) an order to credit securities as a result of depositing a global certificate / temporary global certificate;

*(paragraph 129 Chapter 15 Section II was supplemented with subparagraph 1<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

2) drawn-up global certificate/temporary global certificate

3) copy of the approved municipal bonds prospectus and/or decision on municipal bonds issue

*(subparagraph 3 paragraph 129 Chapter 15 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

4) a copy of certificate/temporary certificate of registration of the bonds issue.

The NBU Depository shall according to the issuer's orders deposit the temporary global certificate/global certificate for municipal bonds.

In the event of depositing an municipal bonds global certificate the NBU Depository shall simultaneously redeem the temporary global certificate.

130. In the event of any change in the information detailed in the global certificate, the issuer shall reissue the global certificate by providing the NBU Depository with a new global certificate to be deposited.

In order to reissue the global certificate, the issuer shall provide the NBU Depository with the following:

- 1) an order to redeem the global certificate to be reissued
- 2) a new global certificate issued with consideration of the changes
- 3) an order to deposit the new global certificate
- 4) a copy of the certificate of state registration of bonds issue in case of reissue (for municipal bonds)
- 5) copy of the approved changes to the municipal bonds prospectus.

*(subparagraph 5 paragraph 130 Chapter 15 Section II as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

131. The NBU Depository shall store deposited global certificates/ temporary global certificates in the form of an electronic document according to the legislation on electronic documents and electronic document management, regulations and administrative acts of the NBU.

The The NBU structural unit for cash settlements shall ensure the safe-keeping of global certificates/temporary global certificates in paper form for securities issues, transferred by the Responsible Unit, in the vault of the NBU and shall recognize the number of global certificates/temporary global certificates deposited for safe-keeping on respective record-keeping accounts.

The NBU structural unit for cash settlements shall provide global certificates/temporary global certificates in paper form to the authorized person of the NBU Depository for redemption based on appropriate instructions from the NBU Depository.

*(paragraph 131 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

132. The NBU Depository shall ensure the redemption of global certificates in the event of an additional placement, early redemption of securities at the owner's discretion, redemption of securities or reissue of a global certificate by the issuer, cancellation of municipal bonds issue registration or in other cases provided by laws of Ukraine.

The NBU Depository shall ensure the redemption of global certificates / temporary global certificate of securities issue in the form of an electronic document, based on the issuer's order and /or other documents provided by laws of Ukraine by making appropriate amendments and entering information on redemption to the information system in which the NBU stores electronic documents in accordance with administrative and /or regulatory acts of the NBU.

*(paragraph 132 Chapter 15 Section II was supplemented with a new indent two in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

Redeemed global certificates / temporary global certificates in the form of an electronic document shall be stored for five years from the date of redemption and then subject to destruction supported with the relevant certificates in accordance with regulations and administrative acts of the NBU on record keeping and archiving.

*(paragraph 132 Chapter 15 Section II was supplemented with a new indent three in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

In order to ensure the redemption of a global certificate/temporary global certificate in paper form for securities issue, the NBU Depository shall according to the issuer's orders and/or other documents provided by laws of Ukraine instruct the NBU structural unit for cash settlements to issue the relevant global certificate/temporary global certificate.

*(indent four paragraph 132 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU structural unit for cash settlements shall provide corresponding global certificates/temporary global certificates in paper form of securities issues to the authorized employee of the NBU Depository. The NBU Depository shall redeem global certificates/temporary global certificates by affixing the seal on redemption and return redeemed global certificates/ temporary global certificates of securities issues to the NBU structural unit for cash settlements for further pre-archival storage and transfer for archival storage in accordance with regulations, legal and administrative acts of the NBU on record keeping and archiving.

*(indent five paragraph 132 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Redeemed global certificates/temporary global certificates in paper form shall be stored for five years of the date of redemption and then must be destroyed. The fact of destruction shall be evidenced by the relevant report containing a description of individual features of each global certificate/temporary global certificate in the manner prescribed by laws of Ukraine.

*(indent six paragraph 132 Chapter 15 Section II as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

133. The NBU Depository shall notify the issuer of the depository operations on a global certificate/temporary global certificate of securities issue by filing the relevant report (notice).

134. The NBU Depository shall make an inventory of global certificates/temporary global certificates at least once a year in the manner prescribed by the relevant regulations of the NBU on record-keeping and safe-keeping of depository assets, as well as by laws of Ukraine.

#### Chapter 16. Processing Issuer's Information Operations

135. The NBU Depository shall conduct the following information operations for issuers:

- 1) issuing a securities account statement of the issuer
- 2) issuing a statement on securities operations of the issuer



- 3) providing the register of securities holders
- 4) providing all other reference and analysis forms regarding the issuer's securities
- 5) certification of the statement on municipal bonds placement
- 6) certification of the statement on municipal bonds redemption
- 7) certification of the statement on early redemption of municipal bonds
- 8) providing other information in accordance with agreement terms and subject to regulations on depository activity, placement, and circulation of securities.

136. The NBU Depository shall perform information operations in the manner and under the terms defined by regulations of Ukraine on depository activity, by the agreement with the issuer, and/or laws of Ukraine.

137. The NBU Depository shall perform information operations according to relevant requests of the issuer/account manager or as may be defined from time to time by laws of Ukraine by the agreement with the issuer.

Issuers/account managers shall file requests to the NBU Depository to perform information operations in free format. Such requests shall outline necessary details for transacting the respective operation as follows:

- 1) description of the information operation
- 2) full name of the issuer
- 3) identification code with the Uniform State Register of Enterprises and Organizations of Ukraine (hereinafter referred to as “EDRPOU”) of the issuer
- 4) the date as of which the information is to be provided or the period for providing the information
- 5) code(s) of the securities according to which the information operation is executed (when necessary)
- 6) signature of the authorized signatory and issuer's seal
- 7) other information that describes the nature of the information operation.

138. The NBU Depository shall, based on the request of the issuer/account manager perform an information operation and provide the information requested by the issuer/account manager within time limits and as provided for herein and/or securities issue servicing agreement.

### Section III. Procedure for Servicing Custodians by the NBU Depository

#### Chapter 17. Contractual Relations and Administrative Operations on Custodians' Accounts

139. Depository agreement shall concluded by accession of a custodian to the terms and conditions of the Master Agreement made available on the official website of the NBU.

140. A custodian, which has not subscribed to the NBU e-mail and has not received in prescribed manner the means for information protection of the NBU in information systems, in order to enter into the agreement shall perform the following:

1) file to the NBU Depository an application for accession to the terms and conditions of the Master Agreement drawn up according to the form available on the NBU's official website (hereinafter referred to as the "Application"). In the Application the custodian shall express the intent to receive depository services, as well as connection services to the NBU's e-mail and provision of means for protecting the NBU's information in information systems; or providing access to the NBU's information network through allocated communication channels

*(subparagraph 1 paragraph 140 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) submit a copy of registered incorporation documents certified by the signature of the custodian manager, provided that such document has not been made available on the portal of electronic services of legal entities, sole proprietors, and NGOs. Custodians, incorporation documents whereof are available on the portal of electronic services of legal entities, sole proprietors, and NGOs, need not submit a copy of incorporation documents

3) take appropriate actions defined by regulations of the NBU on information protection to receive connection to the NBU's e-mail services or to obtain access to the NBU's information network through allocated communication channels and means to protect information of the NBU in information systems.

*(subparagraph 3 paragraph 140 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

A custodian that is not a subscriber of the NBU's e-mail service shall have the right not to join the Master Agreement in terms of receiving the service of connection to the NBU's e-mail, but to subscribe to the service in terms of providing access to the NBU's information network via allocated communication channels. In this case the exchange of information between the NBU Depository and the custodian is conducted by sending it by e-mail to the e-mail address of the custodian specified in the securities account application form and the e-mail address of the NBU Depository specified on the official website of the NBU, if the information is considered open by the order of access, and /or by mail to the address of the custodian, specified in the securities account application form and the postal address of the NBU Depository respectively. Should information be sent to the e-mail address of the custodian, the NBU Depository shall not be responsible for the integrity and timeliness of receipt of such information by the custodian.

*(paragraph 140 Chapter 17 Section III was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

141. The custodian, which has subscribed to the NBU's e-mail and/or has received as provided the means to protect information of the NBU in information systems or has taken measures to establish connection in line with paragraph 140, Chapter 17, Section III hereof in order to enter into the agreement, shall generate digital signature keys for all authorized signatories, record digital signature key in the specimen signature form containing signatures of the relevant authorized signatories, and file to the NBU Depository the following documents:

*(indent one paragraph 141 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 1) the updated Application declaring the custodian's intent to receive depository services (to be filed in the event the custodian has declared its intent to receive depository services in a previous application for accession)
- 2) a copy of registered incorporation documents certified by the signature of the custodian manager, provided that such document has not been made available on the portal of electronic services of legal entities, sole proprietors, and NGOs. Custodians, incorporation documents whereof are available on the portal of electronic services of legal entities, sole proprietors, and NGOs, need not submit a copy of incorporation documents
- 3) a securities account application signed by the authorized signatory
- 4) a signature specimen form containing signatures of authorized signatories certified by the CEO of the legal entity, and IDs of electronic digital signature keys
- 5) original or copy of the power of attorney issued to the authorized signatory and signed by the manager or other person duly authorized by incorporation documents of the legal entity, if the authorized signatory is a person that is not authorized to act on behalf of the legal entity without a power of attorney

*(subparagraph 6 paragraph 141 Chapter 17 Section III was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

142. The authorized employee of the NBU shall check whether the documents comply with the data in documents made available on the portal of electronic services of legal entities, sole proprietors, and NGOs, upload the excerpt from the Uniform State Register of Legal Entities, Sole Proprietors, and Non-Governmental Organizations and the copies of incorporation documents (if incorporation documents are available on the portal of electronic services of legal entities, sole proprietors, and NGOs) in electronic form, and posting such on the specific electronic source of the NBU for storing documents of electronic contractual files subject to mandatory certification with a personal digital signature.

The authorized employee of the NBU Depository shall check whether the documents submitted by a custodian comply with requirements hereof and laws of Ukraine. During review the authorized employee of the NBU Depository shall check whether the submitted documents comply with the data specified in electronic contractual case, the data from the depository record-keeping system of the NBU Depository, the data from the license for stock market operations, namely depository activity of custodians and, when necessary, the data from other publicly available sources.

143. The NBU Depository shall, within three business days of the date of submission of compliant documents by the custodian for opening the account, review the filed set of documents and in case a document required for account opening is lacking and/or inconsistency of filed documents with the requirements hereof or Ukrainian laws, provide relevant comments to the custodian.

144. The custodian shall within 30 calendar days of comments provided by the NBU Depository rectify inconsistencies and submit corrected documents. If within 30 calendar days of comments provided by the NBU Depository the custodian fails to submit corrected documents, the NBU Depository shall return the submitted documents with a written refusal to open the account for such custodian.

145. The authorized employee of the NBU shall, in case there are no objections to submitted documents, provide the custodian with a notice of accession of the custodian to the Master Agreement

of the NBU Depository services. Afterwards the agreement shall be deemed concluded and the custodian shall acquire the status of a customer of the NBU Depository.

146. The NBU Depository shall, within three business days of the date of agreement, open a restricted securities account for the custodian and record in the depository record-keeping system of the NBU Depository the information on authorized signatories (the document certifying powers, term of powers, and other necessary information).

The NBU Depository shall provide the NBU structural unit for information system support with information on electronic signature key IDs of account operators to perform relevant settings in the depository record-keeping system of the NBU Depository.

*(indent two paragraph 146 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Powers of authorized signatories of the custodian within the depository record-keeping system of the NBU Depository shall be automatically blocked in the event of expiry of the key certificate or powers granted to the authorized person by the relevant deed, and are bound to be blocked by the NBU Depository for transacting an administrative custody operation should any relevant documents from the custodian on early termination of the powers granted to the authorized signatory.

147. After opening a restricted securities account, the NBU Depository shall provide the custodian with a set of software tools for setting access to the automated system of the NBU Depository.

148. Custodian shall, within 30 calendar days of the date of conclusion of the Master Agreement, configure the automated system of the NBU Depository and test interoperability between the automated system of the NBU Depository and the custodian and, when necessary, the automated system of its servicing bank followed by the relevant statement.

The NBU Depository shall, based on the information from the NBU structural unit for information system support, keep the list of banks that have performed interoperability testing of the automated system of the NBU Depository and the automated system of the servicing bank (hereinafter referred to the "List of Servicing Banks"). The up-to-date list of servicing banks shall be released by the NBU Depository by posting it on the official website of the NBU.

*(indent three paragraph 148 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The custodian and the servicing bank shall determine whether to conduct benchmark testing for interoperability of the automated system of the NBU Depository with the automated system of the servicing bank based on the information from the List of Servicing Banks. If a servicing bank of the custodian is on the List of Servicing Banks, the custodian and the servicing bank shall independently determine whether to repeat interoperability testing for the automated system of the NBU Depository and that of the servicing bank. If a servicing bank is not on the List of Servicing Banks, such bank must apply to the NBU structural unit for information system support for testing and conduct benchmark testing for interoperability of the NBU Depository automation system and the automation system of the servicing bank.

*(indent four paragraph 148 Chapter 17 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The custodian may apply to the NBU Depository to request continued operating in reduced functionality mode for the time needed to complete the configuration of settings of the automated

system of the NBU Depository and testing interoperability with the NBU Depository and/or the automated system of its servicing bank, if such custodian is unable due to technical reasons to timely configure the automated system of the NBU Depository and to test interoperability with the NBU Depository and/or the automated system of its servicing bank.

149. After signing the interoperability testing certificate for the NBU Depository automated system and a custodian and, when necessary, the automated system of its servicing bank, the NBU Depository shall within three business days lift functionality restrictions applied to the securities account of the custodian.

150. The NBU Depository shall unilaterally terminate the depository agreement concluded with the custodian, close the securities account of the custodian, and notify in writing the custodian thereof within three business days, if the custodian failed to configure settings of the automated system of the NBU Depository, failed to test the interoperability of the NBU Depository automated system with that of the custodian and, when necessary, the automated system of its servicing bank, and failed to apply to the NBU Depository for continued operating in reduced functionality mode.

151. In the event of any changes in information or documents provided for opening the securities account, the custodian shall submit to the NBU Depository as follows:

- 1) an order to amend the securities account application signed by the authorized signatory
- 2) a reissued securities account application signed by the authorized signatory
- 3) original counterparts or duly certified copies of the documents confirming the appropriate changes.

If there are any amendments to the information securities account application undergoes changes in the information on an authorized signatory, which is mentioned in the specimen signature form containing signatures of such authorized signatory, or in case of changing the authorized signatory, it shall be necessary to submit a form or additional form containing signatures of such authorized signatory certified by the CEO of the legal entity, as well as the original or a copy of the power of attorney issued to the authorized signatory and signed by the CEO or other person authorized by incorporation documents of the legal entity, where the authorized signatory is a person not authorized to act on behalf of the legal entity without a power of attorney.

152. The termination of a depository agreement shall be simultaneously commence with closure of the securities account of the custodian in accordance with the terms of the depository agreement and as provided by these Regulations. The securities account of the custodian shall be closed only if no securities are held on the account.

In order to close the account, the custodian shall issue an order to the NBU Depository to close the account signed by the authorized signatory and shall pay for services of the NBU Depository.

The NBU Depository shall within three business days from receiving the order close the account of the custodian and notify the same in writing.

Chapter 18. Procedure for Administrative Operations Transacted by Custodians on  
Depositors'/Nominal Holders Accounts in the Depository Record-keeping System of the NBU  
Depository

*(title of Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August  
2020)*

153. In order to service depositors, a custodian may open aggregated or segregated accounts within the securities account of the custodian opened with the depository record-keeping system of the NBU Depository.

Securities of a custodian, nonresident depositor, territorial community and non-custodian bank depositor, and securities of clients and clients of nominal holder's clients shall be recognized only on segregated accounts within the custodian securities account with the depository record-keeping system of the NBU Depository.

*(indent two paragraph 153 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Securities of other types of depositors may be recognized on aggregated account or segregated accounts within the custodian securities account opened with the depository record-keeping system of the NBU Depository.

*(indent three paragraph 153 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

154. The NBU Depository shall process operations on a segregated account opened within a custodian balance sheet only based on orders of the custodian, unless otherwise expressly provided by laws of Ukraine. Securities recognized on a segregated account may be restricted for trading only in favor of the account assigned for keeping separate record-keeping of liabilities and/or rights of customers and counterparties of a clearing participant as for supply and/or receiving securities in CIs/the Settlement Center.

In order to open a segregated account, the custodian shall, based on agreement with a depositor or an agreement on servicing a securities account of a nominal holder and custodian internal documents record the depositor or nominal holder account information in the depository record-keeping system of the NBU Depository through the automated system of the NBU Depository and forward the operation to the NBU Depository for authorization.

Custodians on securities account of depositor - primary dealer in accordance with its order shall additionally enter into the depository accounting system of the NBU Depository information on the details of the servicing bank of the primary dealer (bank code and bank identifier code).

The depositor - primary dealer shall be obliged to provide the custodian servicing its securities account with information on the details of its servicing bank, namely the bank code and the identification code of the servicing bank within the day preceding the day of the announced placement in which the depositor intends to participate. Should details of the servicing bank change, the depositor - primary dealer shall be obliged to provide the custodian with updated information within the next day from the moment of the changes, but not later the day before the day of announced placement in which the depositor intends to participate.

The depositor - the primary dealer shall have the right to provide the custodian with the details of the exclusive servicing bank, mentioned in the List of servicing banks.

After entering information on the details of the servicing bank of the depositor - primary dealer, the custodian shall send it to the authorization of the NBU Depository by means of the automated system of the NBU Depository.

The custodian shall be responsible for recording credible information on depositors and nominal holders in the depository record-keeping system of the NBU Depository.

*(paragraph 154 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

155. In the event of administrative depository operations on amending the securities account application or closing the securities account in the depository record-keeping system of the Central Depository in respect of depositors, for which segregated accounts were opened in the depository record-keeping system of the NBU Depository or nominal holders, the custodian shall perform within the same business day relevant depository operations in the depository record-keeping system of the NBU Depository using the means of the NBU Depository's automated system.

*(paragraph 155 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

156. In order to transact the operations following stock exchange operation or over-the-counter on DVP terms, the custodian shall, based on relevant documents record in the register of agreements of brokers in the depository record-keeping system of the NBU Depository through the automated system of the NBU Depository the information on securities trader who services the respective depositor of the custodian or the client, the client of the nominal holder's client.

*(indent one paragraph 156 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

After recording securities trader information in the depository record-keeping system, in order to open a clearing account/sub-account for such securities trader in CIs/the Settlement Center, the custodian shall record in the register of agreements of brokers the depositor data indicating a type of account (segregated or aggregated) or nominal holder.

*(indent two paragraph 156 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The custodian shall have the right to enter in the register of brokerage contracts information on the nominal holder for transactions concluded on the stock exchange on DVP terms only if a mechanism is used for such settlements to reduce risks of default or improper fulfillment of liabilities provided for in the third paragraph of the second part of Article 19<sup>4</sup> of the Law of Ukraine "On Securities and Stock Market"

*(paragraph 156 Chapter 18 Section III was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

157.

The NBU Depository shall provide CI/SC with information from the register of brokerage contracts and on request of CIs/the Settlement Center confirm identification of the clearing account/sub-account opened in CIs/the Settlement Center, after which such clearing account/sub-account becomes available for settlements on DVP terms.

*(paragraph 157 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

158. In case of administrative operations for making changes in the account application of the depositor listed in the register of agreements of brokers, the custodian shall make, when necessary, appropriate changes to the register of agreements of brokers before the end of the current funds-transfer business day.

In the event of closing the depositor's, nominal holder's securities account, the custodian shall be obliged to cancel depositor registration in the register of agreements of brokers. Based on the information from the register of agreements of brokers on brokers operating on the securities market as to the termination of processing operations on the relevant account, CIs/the Settlement Center shall ensure the completion of all settlements under securities agreements concluded in respect of such account. Following results of settlements and/or where there are no securities left on the relevant account regarding securities record-keeping blocked for sale, CIs/the Settlement Center shall confirm the termination of processing operations under such account.

*(indent two paragraph 158 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

159. For the purpose of Article 73 of the Law of Ukraine *On the National Bank of Ukraine* on unconditional and pre-emptive right to discharge any claim due based bank's refinancing or Article 52 of the law of Ukraine *On Households Deposit Guarantee System* on premature discharge of pledgee's claims at the expense of bank's assets pledged by selling securities pledged as collateral to discharge the claims of the NBU, record the information on the NBU as a securities trader for the borrower bank in the register of agreements of brokers operating on the securities market. Such information shall be recorded based on an order of the NBU structural unit for monetary policy in the manner prescribed for unconditional operations.

*(indent two paragraph 159 Chapter 18 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU shall act as a broker managing the account of the bank, which has failed to return the funds under refinancing operations against pledged securities or under other operations on maintaining bank liquidity against pledged securities after recording the information on the NBU as a securities trader in the register of agreements of brokers operating on the securities market and recording such information in CIs/the Settlement Center.

#### Chapter 19. Processing Corporate Operations of the Issuer on Securities Accounts of Custodians Regarding Placement of Domestic Government Bonds

160. Operations on depositing domestic government bonds to own securities accounts of custodians being participants of placement and/or to aggregated, and/or to segregated accounts opened for record-keeping depositors'/nominal holders' securities within securities accounts of custodians are unconditional operations of managing the securities account, and settlements under such operations are delivered on PVD terms.

*(indent one paragraph 160 Chapter 19 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent one paragraph 160 Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall according to accepted offerings of domestic government bonds on the date of placement of domestic government bonds to own securities accounts of the custodian and/or aggregated, and/or segregated accounts opened for record-keeping depositors'/nominal holders' securities on such securities accounts of custodians for record-keeping domestic government bonds blocked for payments.

*(indent two paragraph 160 Chapter 19 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*



*(indent two paragraph 160 Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

If during the verification of information in applications of the placement participants received from the ETS, errors are revealed in the details of the depositor who is a client of the placement participant, the NBU Depository shall credit domestic government bonds in the account of the placement participant in the order of unconditional transaction.

*(paragraph 160 Chapter 19 Section III was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

160<sup>1</sup>. If the depositor/nominal holder is late on transfer or fails to deliver payment for domestic government bonds for placement or other cases, when the depositor/nominal holder is not able to deliver payment, the NBU Depository being the participant of placement shall have the right to order the NBU Depository to transact an unconditional operation on transferring domestic government bonds blocked for payment from aggregated and/or segregated account opened for record-keeping securities of the depositor/ clients, clients of nominal holder's clients within the securities account of the custodian to own securities account of the custodian.

*(indent one paragraph 160<sup>1</sup> Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

In order to send such order on the custodian shall on the date of settling domestic government bonds' placement:

1) through the automated system of the NBU Depository submits a request for the formation of a sample of information on owners/nominal holders who or whose clients serve the owners of domestic government bonds deposited to securities accounts and blocked for payment with a breakdown by codes, volume and distribution of domestic government bonds on the securities account of the custodian and/or securities settlements of depositors/nominal holders

*(subparagraph 1 paragraph 160<sup>1</sup> Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) redistributes domestic government bonds between own securities account of the custodian and aggregated and/or segregated accounts opened within the securities account of the custodian for record-keeping securities of depositors/clients, clients of nominal holder's clients that failed to deliver payments for domestic government bonds on time and initiate unconditional depository operations on transferring domestic government bonds according to such redistribution.

*(subparagraph 2 paragraph 160<sup>1</sup> Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall not meet the order on an unconditional operation on transferring domestic government bonds blocked for payment from aggregated and/or segregated account opened for record-keeping securities of the depositor/clients, clients of nominal holder's clients within the securities account of the custodian to own securities account of the custodian, if according to the terms of placement the placement date of domestic government bonds falls on the settlement date of domestic government bonds.

*(indent five paragraph 160<sup>1</sup> Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall upon receiving the order on an unconditional operation on transferring domestic government bonds blocked for payment from aggregated and/or segregated account opened for record-keeping securities of the depositor/clients, clients of nominal holder's clients within the securities account of the custodian to own securities account of the custodian transfer domestic government bonds between respective accounts after receiving information on completion of settlements.

*(indent six paragraph 160<sup>1</sup> Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(Chapter 19 Section II was supplemented with paragraph 160<sup>1</sup> in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

161. Upon completion of settlements following placement of domestic government bonds in accordance with the procedure detailed in Chapter 21, Section III hereof, domestic government bonds shall be released on the account of the custodian and/or aggregated, and/or segregated accounts for record-keeping securities of depositors/clients, clients of nominal holder's clients within the securities account of the custodian as an unconditional operation, and circulation of domestic government bonds shall be further permitted.

*(indent one paragraph 161 Chapter 19 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent one paragraph 161 Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Domestic government bonds shall be written down from own securities account of the custodian and/or aggregated, and/or segregated accounts for record-keeping securities of depositors/clients, clients of nominal holder's clients within the securities account of the custodian for the purpose of cancellation as an unconditional operation if settlements were not delivered within the timeframe established by laws of Ukraine.

*(indent two paragraph 161 Chapter 19 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent two paragraph 161 Chapter 19 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

162. The NBU Depository shall service placement of domestic government bonds under a designated resolution of the Cabinet of Ministers of Ukraine on FOP terms for settlements, under separate orders of the issuer and the custodian.

Domestic government bonds shall be deposited to the unencumbered securities account of the owner after successful confirmation matching of counterclaims of the issuer and the custodian.

Chapter 20. Processing Issuer's Corporate Operations on Securities Accounts with Custodians on Income payment, Redemption/Early Redemption of Domestic Government Bonds and Purchase of Domestic Government Bonds by the Issuer

163. Following settlement under deals before the end of the funds-transfer business day of the record date the NBU Depository and CIs/the Settlement Center shall on terms of an unconditional operation release domestic government bonds and liabilities and/or rights to deliver and/or receive domestic government bonds blocked for sale redeemed on the accounts of custodians.

The NBU Depository and CIs/the Settlement Center shall unblock domestic government bonds and liabilities and/or rights to deliver and/or receive domestic government bonds on the last business day preceding the record date of domestic government bonds, if the record date falls on a non-business day.

164. The NBU Depository shall block domestic government bonds on accounts of their owners for redemption on terms of an unconditional operation on the business day following the record date for income payments and/or domestic government bonds redemption according to the information obtained from a depository record-keeping system on securities holders as of the record date, in case of redemption of domestic government bonds. In this case, domestic government bonds blocked on the owners' accounts for other reasons shall remain blocked and shall be redeemed from corresponding accounts on terms of an unconditional operation.

165. Custodians each business day shall be required to monitor the information on the distribution of income and/or redemption of domestic government bonds recognized on accounts of custodians and their depositors, nominal holders. Prior to the end of the business day of the record date, the custodian shall notify the nominal holders that serve the holders of domestic government bonds of the issue under redemption that they have to perform the domestic government bonds blocking operation for repayment at the beginning of the business day following the record date.

*(indent one paragraph 165 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The custodian shall consider information on cash clearing performed during settlements in domestic currency by submitting through the automated system of the NBU Depository requests for formation of the relevant record-keeping and analytical forms on amounts and distribution of funds, and cash clearing and based on this information check the received information against its own record-keeping data and distribute funds to the holders or nominal holders which serve domestic government bonds holders or their clients serve domestic government bonds holders, as of the relevant record date in the manner established by the internal regulations of the custodian.

*(indent two paragraph 165 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Custodians based on the distribution of funds and regardless of cash clearing during settlements in domestic currency shall ensure that the income and/or redemption of domestic government bonds are transferred to depositors/nominal holders in full in the manner and on the terms provided by the relevant agreements and/or internal documents of custodians.

*(indent three paragraph 165 Chapter 20 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent three paragraph 165 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

166. The NBU Depository shall pay out income and/or redemption of domestic government bonds to the custodian's bank account indicated in the securities account application before the date of discontinuance of the custodian's activity. Income and/or redemption of domestic government bonds of the date of discontinuance shall be paid in accordance with the procedure detailed in Chapter 32 Section III hereof.

167. The NBU Depository shall write down domestic government bonds from custodians' accounts on terms of an unconditional operation before the end of the funds-transfer business day of the

maturity date set out in the terms of issue. If the day of maturity falls on a non-business day, the NBU Depository shall write down domestic government bonds from custodians' accounts before the end of the next business day.

168. In case of early redemption of domestic government bonds on the initiative of the owner of domestic government bonds, a custodian shall according to the relevant order of the depositor or nominal holder transact a custody operation to block domestic government bonds for early redemption and provide the corresponding report to the owner of domestic government bonds or nominal holder that serves domestic government bonds holders or its client serves domestic government bonds holders.

*(indent one paragraph 168 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

If domestic government bonds' issuer approves applications for early redemption of domestic government bonds, early redemption operations are carried out on the day which is the record date in accordance with the procedure set out in paragraphs 163–167 Chapter 20 Section III hereof.

Domestic government bonds may be released according to an order of the depositor or nominal holder, if requests for early redemption were rejected.

*(indent three paragraph 168 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

169. If the issuer of domestic government bonds initiates early redemption and/or in other cases provided for by laws of Ukraine, the NBU Depository shall service early redemption of issuer's domestic government bonds in the manner prescribed by these Regulations as provided for herein subject to the special terms of early redemption established by the issuer of domestic government bonds.

170. The custodian shall following redemption of domestic government bonds make appropriate changes on own record-keeping accounts for domestic government bonds as well as provide information on domestic government bonds redemption to the nominal holder that serves domestic government bonds holders or its clients serve domestic government bonds holders before the end of the operational day.

*(paragraph 170 Chapter 20 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

171. The custodian shall process corporate operations for buying in domestic government bonds by the issuer in accordance with the record-keeping procedure for transactions specified in Chapters 25 to 28 Section III hereof.

#### Chapter 21. Processing Operations of the Issuer of Domestic Government Bonds on Securities Accounts of Custodians Regarding Cash Clearing and Settlements under Corporate Operations

172. The NBU Depository shall process settlements of custodians following domestic government bonds placement and regarding income payments and/or domestic government bonds redemption on either terms:

1) by cash clearing - for custodians which are primary dealers, in case of coincidence of terms of execution of cash settlements based on the results of domestic government bonds placement with

terms of income payment and / or redemption for domestic government bonds denominated in the same currency;

*(subparagraph 1 paragraph 172 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) without cash clearing - for custodians which are primary dealers, in all other cases, as well as for custodians which are not primary dealers.

*(subparagraph 2 paragraph 172 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(subparagraph 3 paragraph 172 Chapter 21 Section III was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

173. Settlements following placement of domestic government bonds and income payments and/or redemption of domestic sovereign bonds shall be delivered in cashless form in the manner prescribed in Chapter 10 Section II hereof and regulations of the NBU on cashless settlements in Ukraine in domestic currency of Ukraine, if the terms of the issue provide for the issue of domestic government bonds denominated in Ukrainian currency or in cashless form according to laws of Ukraine on currency regulation, currency control, and cashless settlements provided that the issue of domestic government bonds denominated in foreign currency is prescribed by issue conditions.

174. The NBU Depository shall ensure income payments and/or redemption of domestic government bonds on the day of payment to be determined as follows:

1) for domestic government bonds denominated in domestic currency on the day of payment established by the terms of issue

2) for domestic government bonds denominated in foreign currency on the day preceding the payment day established by the terms of issue.

If the date of payment for domestic government bonds denominated in domestic currency falls on a non-business day, the date of payment shall be the following business day.

If the date of payment for domestic government bonds denominated in a foreign currency falls on a non-business day or a non-business day in the country, currency whereof is used for denomination of domestic government bonds, the date of payment shall be the following business day.

175. To ensure settlements, the custodian that is a primary dealer and /or services securities accounts of depositors - primary dealers shall check the settlement information during each operational day of the NBU Depository regularly, at least once an hour, by submitting to the automated system of the NBU Depository of the request for the formation of information on the results of clearing and settlements, clearing information on mutual cash settlements based on bond placement and payments for bonds and information on cash settlements based on bond placements.

*(paragraph 175 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

176. If cash clearing is performed following placement of domestic government bonds and payment of income and/or redemption of domestic government bonds, denominated in national currency, the custodian that is a primary dealer shall take the following actions:

*(indent one paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) distribute funds from income payments and/or redemption amounts between owners of domestic government bonds and/or nominal holders which serve domestic government bonds owners in the manner established by the internal documents of the custodian

*(subparagraph 1 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1<sup>1</sup>) monitor fund transfer according to cash clearing by depositors, nominal holders of the custodian and in case of failure to transfer shall send the order on an unconditional operation on transferring domestic government bonds blocked for payment from aggregated and/or segregated account opened for record-keeping securities of the depositor, a client, a client of the nominal holder's client within the securities account of the custodian to own securities account of the custodian as prescribed by paragraph 160<sup>1</sup> Chapter 19 Section III hereof

*(paragraph 176 Chapter 21 Section II was supplemented with subparagraph 1<sup>1</sup> in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 1<sup>1</sup> paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) monitor receipt of the fund transfer notice from (&P) the NBU Depository for the payment of funds following clearing, if following clearing the custodian and/or its depositors/nominal holders has outstanding liabilities to the issuer

*(subparagraph 2 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 2 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

3) review the amount of liabilities in the order on fund transfer (&P) and ensure payment of the amount of liabilities by the SEP means, and record in payment details the placement numbers of domestic government bonds that are settled.

*(subparagraph 3 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 3 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

4) verify receipt of funds in the national currency and ensure the transfer of income payments and/or redemption due to depositors/clients, clients of nominal holders' clients in full (or partially considering the results of cash clearing of depositors' accounts) from funds received from the NBU Depository and/or from its own funds (following cash clearing) in the manner established by the relevant agreements.

*(subparagraph 4 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 4 paragraph 176 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

177. If cash clearing is performed based on the results of placement of domestic government bonds and payment of income and/or redemption amounts of domestic government bonds, denominated in foreign currency, the custodian that is a primary dealer shall perform the following actions:

1) distribute funds from payment of income and/or redemption amounts between the holders of domestic government bonds and/or nominal which serve domestic government bonds holders, in the manner established by the internal regulations of the custodian;

2) control the transfer of funds based on the results of cash clearing by depositors, clients of the custodian and in case of non-transfer of funds shall have the right to submit an order for unconditional depository transfer of domestic government bonds blocked for payment from an aggregated and / or segregated account opened for accounting securities of a depositor, a client, a client of the nominal holder's client within the account in securities of the custodian, to its own account in securities of the custodian in the manner specified in clause 160<sup>1</sup> of Chapter 19 of Section III of the Regulation;

3) ensure payment of funds based on the results of domestic government bonds placement (indicating in the payment details of domestic government bonds placement numbers of settlements) on the day that is the date of payment, if according to information on clearing and settlement results or clearing information on mutual cash settlements as a result of the bonds placement and payments for bonds, the custodian and /or its depositors /clients have an outstanding liability to the issuer;

4) control the receipt of funds in foreign currency and ensure the transfer due to depositors and /or clients of nominal holders of funds for payment of income and /or repayments in full (or partially taking into account the results of cash clearing of depositors' accounts) from funds received from the NBU, and /or from own funds (depending on the results of money clearing) in the manner prescribed by the relevant agreements.

*(paragraph 177 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

178. A custodian that is not a primary dealer, as well as a custodian that is a primary dealer, in the absence of cash clearing to ensure settlements for payment of income and/or domestic government bonds redemption shall perform the following actions:

1) provide in the automated system of the NBU Depository request for formation of a report regarding the terms and amounts of the payment of income and /or domestic government bonds redemption each business day after the opening of the operation day of NBU Depository

2) perform actions needed for the distribution of funds to the holders of domestic government bonds and / or nominal which serve domestic government bonds owners, control the receipt of funds, if there are any funds to be paid

3) ensure that the funds due to domestic government bonds holders are transferred in the manner established by internal documents and respective agreements.

*(indent four paragraph 178 Chapter 21 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(paragraph 178 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

179. A custodian servicing securities accounts of depositors - primary dealers, or a custodian that is a primary dealer, in the absence of cash clearing to ensure settlements based on the results of domestic government bonds placement, shall perform the following actions:

1) control the transfer of funds by depositors, clients of the custodian and in case of non-transfer of funds shall have the right to submit an order for unconditional depository transfer of domestic government bonds blocked for payment from an aggregated and /or segregated account opened for accounting securities of a depositor, a client, a client of the nominal holder's client within the account in securities of the custodian, to its own account in securities of the custodian in the manner specified in clause 160<sup>1</sup> of Chapter 19 of Section III of the Regulation

2) provide the depositor, who is a primary dealer, with information on cash settlements based on the results of bond placements regarding the amount of such depositor's liability to the issuer based on the results of domestic government bonds placement, as well as details of payment documents by which the depositor should transfer funds based on domestic government bonds placement results in the manner and terms determined by the agreement between the custodian and the depositor, but not later than one hour before the deadline for transfer of funds for purchased domestic government bonds, specified in the statement of cash settlements based on the results of bond placements

3) control the receipt of a payment request (&P) from the NBU Depository regarding payment of funds based on the placement of domestic government bonds denominated in national currency, if the custodian and/or its depositors / clients which are not primary dealers have liability to the issuer

4) review the amount of liabilities in the payment request (&P) and ensure payment of the total amount of liabilities using special means of the EPS and indicate in payment details the numbers of domestic government bonds placements under which payments are made

5) ensure payment of funds based on the results of placement of domestic government bonds denominated in foreign currency (indicating in the payment details of domestic government bonds placement numbers of settlements) on the day that is the date of payment, if according to information on clearing and settlement results or information on cash settlements as a result of the bonds placement, the custodian and /or its depositors /clients have an outstanding liability to the issuer.

*(paragraph 179 Chapter 21 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 22. Processing Corporate Operations of the Issuer on Securities Accounts of Custodians Regarding Placement of Municipal Bonds



180. The NBU Depository shall service placement of municipal bonds by entering into agreements with the first owners during municipal bonds placement on stock or over-the-counter in the manner provided by laws of Ukraine and subject to these Regulations.

*(paragraph 180 Chapter 22 Section III as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

181. Settlements resulting from placement of municipal bonds shall be made in cashless form in the manner specified by regulations of the NBU on cashless settlements in Ukraine in domestic currency of Ukraine, unless otherwise provided for by the terms of municipal bonds issue.

Settlements resulting from municipal bonds placement, should municipal bonds issue terms provide for the issue of municipal bonds denominated in foreign currency and/or placement of said securities denominated in domestic currency of Ukraine among nonresidents, shall be delivered in cashless form in accordance with laws of Ukraine on currency regulation and control and cashless settlements.

182. The NBU Depository shall process settlements following the results of the placement of MUNICIPAL BONDS on the following terms:

- 1) PVD for over-the-counter placement
- 2) FOP for over-the-counter placement
- 3) FOP for placement on the stock exchange.

*(supplemented with subparagraph 3 pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

183. The custodian shall, for transaction operations following placement of municipal bonds, if payments are made on PVD terms, send to the NBU Depository the order to deposit municipal bonds indicating bank details of the depositor being the first owner. At the same time, the custodian shall ensure that the bank of the depositor being the first owner meets the requirements for delivering payments under securities operations based on fund transfer notices (&P) from the NBU Depository.

*(indent one paragraph 183 Chapter 22 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

Following the results of confirmation matching of counterclaims of the custodian and the issuer and the issuer, the NBU Depository shall transfer municipal bonds from the issuer's account to the deponent's account being the first owner subject to certain restrictions regarding circulation of securities for settlements and shall send a fund transfer notice (&P) equal to liabilities to the bank servicing the respective deponent being the first owner set out in the order on depositing.

*(indent two paragraph 183 Chapter 22 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

The servicing bank of the depositor being the first owner shall ensure payment of funds for the purchased municipal bonds under a fund transfer notice (&P) of the NBU Depository using special means before end of the timeframe for acceptance of initial payments in the SEP.

*(indent three paragraph 183 Chapter 22 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

During transferring the funds for acquired municipal bonds the NBU Depository shall effect unconditional depository operations to transfer the placed municipal bonds to securities accounts of deponents being first owners to recognize the securities blocked by restrictions on issue.

If no payment was delivered for the purchased municipal bonds by special means before the end of the timeframe for acceptance of initial payments in the SEP, the NBU Depository shall before the end of the business day of NBU Depository write down municipal bonds from the account of the depositor being the first owner and deposit the same to the account of the issuer on terms of an unconditional operation, and shall cancel confirmation matching orders.

184. The custodian shall, for transaction operations following placement of municipal bonds, if payments are made on PVD terms, send to the NBU Depository the order to deposit municipal bonds.

Following the results of confirmation matching of counterclaims of the custodian and the issuer, the NBU Depository shall transfer municipal bonds from the issuer's securities account to the depositor's account being the first owner and/ or nominal holder that serves the first owners or its clients serve the first owner for record-keeping municipal bonds blocked due to restrictions on issue. The custodian before the end of its operation day shall provide the nominal holder which serves the first owners or its clients serve the first owners with a report on the operation of crediting municipal bonds to securities accounts of nominal holders to account for municipal bonds blocked due to restrictions on issue. Cash settlements shall be delivered without involving the NBU Depository according to terms and conditions of agreements.

*(indent one paragraph 184 Chapter 22 Section III as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(indent two paragraph 184 Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

184<sup>1</sup>. During transacting operations following placement of municipal bonds on stock exchange on FOP terms after receiving from the NBU Depository orders on transferring municipal bonds to accounts of with a breakdown by owners and / or nominal holders who or whose clients serve the owners the custodian shall match the information in the orders with the data in the depository record-keeping system of the custodian and take the following measures:

*(indent one paragraph 184<sup>1</sup> Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) confirm to the NBU Depository the operation on depositing municipal bonds to accounts of first owners and / or nominal holders who or whose clients serve the first owners if the marching was successful or

*(subparagraph 1 paragraph 184<sup>1</sup> Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) send to the NBU Depository letter to the official NBU e-mail on impossibility of depositing municipal bonds to accounts of first owners and / or nominal holders who or whose clients serve the first owners with justification if findings of matching reveals discrepancies between the data in the order to the NBU Depository and the data in the depository record-keeping system of the custodian or nominal holder.

*(subparagraph 2 paragraph 184<sup>1</sup> Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

If the NBU Depository receives the notice from a custodian on inability to deposit municipal bonds to accounts of the first owners and / or nominal holders who or whose clients serve the first owners, the NBU Depository shall take actions to reveal reasons and eliminate hindrances for completing operations in the manner set out in the cooperation rules between the NBU Depository and the stock exchange and laws on depository activity.

*(indent four paragraph 184<sup>1</sup> Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Cash settlements shall be made without involvement of the NBU Depository under the terms of the relevant agreements.

*(supplemented with paragraph 184<sup>1</sup> pursuant to NBU Board Resolution No. 70 dated 25 June 2018)*

185. According to the information on the transactions based on the results of municipal bonds placement by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors and/ or nominal holders in the depository record-keeping system in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(paragraph 185 Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

186. After the issuer deposits a global certificate of municipal bonds issue, the NBU Depository shall send to the custodians servicing the first owners and/ or nominal holders which serve the first owners or their clients serve the first owners of the respective municipal bonds issue an order to release municipal bonds held by deponents being the first owners and / or nominal holders which serve the first owners or their clients serve the first owners. The custodian before the end of its operating day shall provide the nominal holders which serve the first owners or their clients serve the first owners with information on unblocking municipal bonds on securities accounts of nominal holders.

*(indent one paragraph 186 Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Custodians shall confirm operations on releasing municipal bonds on accounts of deponents being the first owners.

*(paragraph 186 Chapter 22 Section III as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

187. Title to municipal bonds shall be acquired of depositing municipal bonds to the securities account of their owner with the custodian or nominal holder. Municipal bonds circulation is permitted after the global certificate has been deposited by the issuer of municipal bonds, and municipal bonds are released on owners' accounts.

*(paragraph 187 Chapter 22 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 23. Processing Issuer's Corporate Operations on Securities Accounts with Custodians on Income payment, Redemption/Early Redemption of Municipal Bonds and Purchase of Municipal Bonds by the Issuer

188. The NBU Depository shall pay out income and/or redemption of municipal bonds to the custodian's bank account indicated in the securities account application before the date of discontinuance of the custodian's activity. Income and/or redemption of municipal bonds of the date of discontinuance of the custodian's activity shall be paid in accordance with the procedure detailed in Chapter 32 Section III hereof.

189. The payment date for municipal bonds shall be the date when the proceeds from payment of income and/or redemption of municipal bonds transferred from the issuer's account are deposited to the account of the NBU Depository.

If the date of payment for municipal bonds denominated in domestic currency falls on a non-business day, the date of payment shall be the following business day.

If the date of payment for municipal bonds denominated in a foreign currency falls on a non-business day or a non-business day in the country, currency whereof is used for denomination of municipal bonds, the date of payment shall be the following business day.

190. Following settlement under deals before the end of the funds-transfer business day of the record date the NBU Depository and CIs/the Settlement Center shall on terms of an unconditional operation release municipal bonds and liabilities and/or rights to deliver and/or receive municipal bonds blocked for sale redeemed on the accounts of custodians.

The NBU Depository and CIs/the Settlement Center shall unblock municipal bonds and liabilities and/or rights to deliver and/or receive municipal bonds on the last business day preceding the record date, if the record date of municipal bonds falls on a non-business day.

191. On a business day following the record date, the NBU Depository shall, in order to perform distribution of income and/or redemption of municipal bonds based on the information on securities holders from the depository record-keeping system as of the record date, in case of redemption of municipal bonds, block municipal bonds on owners' and/or nominal holders' which serve the owners or their clients serve the owners accounts for redemption purposes according to the unconditional operation procedure. In this case, municipal bonds blocked on the owners' and/or nominal holders' which serve the owners or their clients serve the owners accounts for other reasons shall remain blocked and shall be redeemed from corresponding accounts on terms of an unconditional operation.

*(paragraph 191 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

192. The NBU structural unit for cash settlements shall, based on the documents provided by the automated system of the NBU Depository before to end of the funds-transfer business day of the payment date ensure the transfer of funds to accounts of custodians and foreign depositories. Should the transfer be impossible on the payment date, the NBU structural unit for cash settlements shall immediately notify the NBU Depository thereof. The NBU Depository shall take all necessary measures to deliver the payment.

*(paragraph 192 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

193. Custodians each business day shall be required to monitor the information on the distribution of income and/or redemption of municipal bonds recognized on accounts of custodians and their depositors, nominal holders. Before the end of the business day of the record date, the custodian shall notify the nominal holders which serve the owners or their clients serve the first owners of municipal

bonds issue to be repaid that they have to perform the municipal bonds blocking operation for redemption at the beginning of the business day following the record date

The custodian shall through the use of the automated system of the NBU Depository submit requests for formation of the relevant record-keeping and analytical forms on amounts and distribution of funds based on this information check the received information against its own record-keeping data and distribute funds to the owners and nominal holders which serve the owners or their clients serve the owners of municipal bonds as of the relevant record date in the manner established by the internal regulations of the custodian.

*(paragraph 193 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

194. The custodian shall take the following actions for the purpose of settlements on income payments and/or redemption of municipal bonds:

1) submit through the automated system of the NBU Depository a request for formation of a report on the terms and amounts of payment of income and / or municipal bonds redemption

*(subparagraph 1 paragraph 194 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

2) perform actions required for the distribution of funds to owners and/or nominal holders which serve the owners or their clients serve the owners of municipal bonds if there are any funds due and payable

*(subparagraph 2 paragraph 194 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

3) verify the receipt of funds

4) ensure fund transfers due to municipal bonds owners and/or nominal holders which serve the owners or their clients serve the owners of municipal bonds in the manner prescribed by internal documents and respective agreements.

*(subparagraph 4 paragraph 194 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

195. The NBU Depository shall, simultaneously with the completion of settlements, transact depository operations on writing down municipal bonds to be redeemed in to the custodian's and its deponents', nominal holders' accounts.

*(paragraph 195 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

196. The NBU Depository shall transact depository operations on early redemption as instructed by the issuer and custodians servicing the municipal bonds owners and/or nominal holders which serve the owners or their clients serve the owners of municipal bonds in accordance with FOP terms.

*(indent one paragraph 196 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

In the event of early redemption of an issue (series) of municipal bonds in cases specified in municipal bonds prospectus and/or the decision on municipal bonds issue, the custodian shall issue an order to redeem municipal bonds from the account of the owner or from the securities account of the nominal holder which serve the owner or its client serve the owner of municipal bonds. Following the results of confirmation matching of counterclaims of the custodian and the issuer and the issuer, the NBU Depository shall write down municipal bonds from the owner's securities account or from the securities account of the nominal holder which serve the owner or its client serve the owner to the issuer's securities account.

*(indent two paragraph 196 Chapter 23 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent two paragraph 196 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

197. After completion of operations for redemption of municipal bonds, the custodian shall record said operations in its own depository record-keeping system and also provide the relevant report or information to the nominal holder, servicing the municipal bonds owners or its clients serve the municipal bonds owners in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(paragraph 197 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

198. According to the information on operations following municipal bonds write-down by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors and/or nominal holders in the depository record-keeping system and also provide the relevant report or information to the nominal holder, servicing the municipal bonds owners or its clients serve the municipal bonds owners in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(paragraph 198 Chapter 23 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

199. The custodian shall process corporate operations for buying in municipal bonds by the issuer in accordance with the record-keeping procedure for transactions specified in Chapters 25 to 28 Section III hereof.

#### Chapter 24. Processing Record-keeping Operations on Securities Accounts of Custodians Regarding Freezing/Releasing Municipal Bonds for Sale

200. To ensure settlements under deals executed on stock exchange or over-the-counter on DVP terms, a custodian shall block securities for sale.

The securities shall be blocked in accordance with the depositor's, nominal holder's order in case of prior recording of information on securities trader servicing the depositor, nominal holder, its client or client's client in the depository record-keeping system of the NBU Depository in accordance with the procedure specified in paragraphs 156, 157 Chapter 18, Section III hereof.

*(indent two paragraph 200 Chapter 24 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

201. To block securities for sale, the custodian shall submit an order for freezing to the NBU Depository by choosing a segregated account of the depositor, nominal holder or an aggregated account where securities owned by the depositor are recorded, and that are held by the securities trader representing its interests, and the relevant clearing account/subaccount of the securities trader, as well as information on blocked securities.

*(indent one paragraph 201 Chapter 24 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

After verifying the order, the NBU Depository shall transfer the securities to the balance account for record-keeping securities that are blocked for sale, and notify on the custodian and CIs/the Settlement Center freezing securities.

According to the information on operations following freezing securities by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors, nominal holders in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(indent three paragraph 201 Chapter 24 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The securities blocked for sale shall remain blocked until they are released in cases stipulated herein.

202. The NBU Depository shall release the securities that were blocked for sale on terms of an unconditional operation in accordance with the report on release orders provided by CIs/the Settlement Center, except for other cases provided for by these Regulations and laws of Ukraine.

CIs/the Settlement Center shall provide a report on release orders based on the relevant order of the securities trader in favor whereof the securities are blocked, or based on the owner's, nominal holder's that serve the holders or its clients serve the holders order in accordance with the procedure provided for by the internal documents of CIs/the Settlement Center, including as provided by laws of Ukraine in accordance with the orders of the NBU Depository.

*(indent two paragraph 202 Chapter 24 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

203. According to the information on the transactions following release of securities by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors and/or nominal holders and provide the relevant report or information to the nominal holder in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(paragraph 203 Chapter 24 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

#### Chapter 25. Processing Record-keeping Operations on Securities Accounts of Custodians Resulting from Securities Operations Transacted on Stock Exchange on DVP Terms (Including Repo Operations on Delivery of Securities)

204. To ensure settlements under deals executed on stock exchange or over-the-counter on DVP terms, a custodian shall block securities for sale as prescribed in paragraphs 200, 201 Chapter 24 Section III hereof.

205. The Settlement Center shall ensure settlements under deals executed on stock exchange or over-the-counter on DVP terms, a custodian shall block securities for sale.

206. The NBU Depository shall deliver settlements in securities for operations transacted on stock exchange on DVP terms based on the results of processing the clearing report with the list of orders from the Settlement Center taking into account the results of netting, and in individual settlement mode on terms of an unconditional operation.

207. According to the information on the transactions following operations under deals the NBU Depository transacted on stock exchange, the custodian shall make changes on the relevant securities accounts of depositors and/or nominal holders and provide the relevant report or information to the nominal holder in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof. To make changes on the relevant securities accounts of depositors, nominal holders the custodian shall use record-keeping and analytical forms generated by the automated system of the NBU Depository, specifically, when transacting individual operations the custodian shall use an operation log and for netting operations a netting report shall be drawn.

*(paragraph 207 Chapter 25 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 26. Processing Record-keeping Operations on Securities Accounts of Custodians Resulting from Securities Operations Transacted Over-The-Counter on DVP Terms (Including Repo Operations on Delivery of Securities)

208. The NBU Depository shall deliver settlements in securities for operations transacted over-the-counter on DVP terms based on the results of processing the clearing report with the list of orders from the Settlement Center in gross mode on terms of an unconditional operation.

Settlements under over-the-counter operations on DVP terms shall be made by the Settlement Center.

209. According to the information on operations under over-the-counter deals by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors and/or nominal holders in the depository record-keeping system and provide the relevant report or information to the nominal holder in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof. To make changes to the depository record-keeping system on respective securities accounts, the custodian shall use record-keeping and analytical forms generated by the automated system of the NBU Depository, specifically shall use an operation log.

*(paragraph 209 Chapter 26 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 27. Processing Record-keeping Operations on Securities Accounts of Custodians Resulting from Securities Operations Transacted Over-The-Counter on Payment Versus Delivery Terms (Including Repo Operations on Delivery of Securities)

210. Settlements under over-the-counter operations on PVD terms shall be carried out under counterclaims of custodians servicing the parties to the deal as follows:

1) the custodian of the securities transferor shall provide to the NBU Depository a transfer (write-down) order indicating the bank details of the supplier as follows: code of the supplier's servicing bank, supplier's identification code in the EDRPOU and the supplier's bank account number, as well as the deal type (repo, sale and purchase, other) and other details of the operations

2) the custodian of the securities transferee shall provide to the NBU Depository a transfer (depositing) order indicating the bank details of the transferee as follows: code of the transferee's servicing bank, transferee's identification code in the EDRPOU and the transferee's bank account



number, as well as the deal type (repo, sale and purchase, other) and other details of the operations. At the same time, the custodian shall ensure that the bank of the transferee meets the requirements for delivering payments under securities deals based on fund transfer notices (&P) from the NBU Depository

*(subparagraph 2 paragraph 210 Chapter 27 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

3) in case of matching of counterclaims, the NBU Depository shall transfer securities blocked for payment to the recipient's account

4) the NBU Depository shall send a fund transfer notice (&P) as part of the depositing order on change the status of orders of the parties to the transferee's servicing bank indicated in the order on depositing

*(subparagraph 4 paragraph 210 Chapter 27 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

5) the transferee shall ensure payments before the end of the timeframe for payments acceptance in the SEP by the servicing bank using special means based on a fund transfer notice (&P) from the NBU Depository

*(subparagraph 5 paragraph 210 Chapter 27 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

6) simultaneously with receiving information that the funds were written down from the transferee's account with the servicing bank, the NBU Depository shall transact unconditional depository operations to release securities that were deposited to the transferee's securities account

7) the servicing bank shall send to the NBU Depository a notice of completion of settlements (&A) using special means if the transferor's and transferee's servicing bank is the same bank institution, and intrabank payment shall be made in accordance with a fund transfer notice (&P)

*(subparagraph 7 paragraph 210 Chapter 27 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

If no payment was delivered for the purchased securities by special means before the end of the timeframe for acceptance of initial payments in the SEP, the NBU Depository shall before the end of the business day of NBU Depository transfer securities from the account of the transferee to the account of the transferor on terms of an unconditional operation, and shall cancel matching orders.

211. If after providing counterclaims of the transferor and the transferee such were not confirmed, custodians shall discover the reason and ways to eliminate the discrepancies within the NBU Depository.

212. The custodian may cancel the orders sent to the NBU Depository before matching by sending a respective order to the NBU Depository.

213. According to the information on operations under over-the-counter deals by the NBU Depository, the custodian shall make changes on the relevant securities accounts of depositors in the depository record-keeping system in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

Chapter 28. Processing Record-keeping Operations on Securities Accounts of Custodians Resulting from Securities Operations Transacted Over-The-Counter on FOP Terms (Including Repo Operations on Delivery of Securities)

214. Settlements in securities under deals transacted on FOP terms shall be carried out under counterclaims of custodians servicing the parties to respective deals/nominal holders which serve the parties to the respective deals or their clients serve the parties to the respective deals At the same time, custodians shall indicate the type of the deal (repo, sale and purchase, swap, assignment, crediting, other) and other details of the deal.

*(paragraph 214 Chapter 28 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

215. Following the results of matching of counterclaims, the NBU Depository shall write down securities from the transferor's account to the transferee's account.

216. If the deal was transacted over-the-counter on FOP terms require settlements, such shall be made without involvement of the NBU Depository under the terms of relevant agreements.

217. 4) According to the information on operations transacted by the NBU Depository under executed deals, the depository institutions shall make changes on the relevant securities accounts of depositors and/or nominal holders in the depository record-keeping system and provide the relevant report or information to the nominal holders which serve the parties to the respective deals or their clients serve the parties to the respective deals in accordance with the requirements set forth in clause 60, Chapter 5, Section I of these Regulations.

*(paragraph 217 Chapter 28 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

Chapter 29. Processing Record-keeping Operations on Freezing Securities/Title to Securities as a Result of Pledge on Custodians' Accounts

218. Securities under deals with the NBU being its the party may be pledged on PVD terms or on FOP terms.

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*(indent two paragraph 218 Chapter 29 Section III was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU as a pledge holder shall post and update the application for the pledge holder and card with signature specimens of the pledge holder, as well as documents confirming the authority of the persons authorized to sign on behalf of the pledge holder for using these documents by custodians being pledgers.

The NBU Depository shall record information on custodians and parties to securities freezing operations in the depository record-keeping system (if securities are recorded on segregated accounts of depositors). In the event of change of a party to such operations or a custodian of one of the parties, the relevant custodian shall provide the NBU Depository with documents confirming such changes to be recorded in the depository record-keeping system of the NBU Depository.

219. Custodians and the NBU Depository Execution perform operations for freezing (encumbrance of) securities/title to securities as a result of a pledge to the NBU under refinancing transactions shall be transacted on PVD terms as follows:

*(indent one paragraph 219 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

- 1) the NBU Depository shall prepare a statement on matched orders based on information on confirmed orders
- 2) the NBU Depository shall check compliance of certain securities with the volume of securities on relevant accounts regarding operation for freezing pledged securities in the depository record-keeping system to make settlements on terms of an unconditional operation
- 3) the NBU Depository shall prepare and submit to the NBU structural unit for cash settlements a fund transfer notice (&P)

*(subparagraph 3 paragraph 219 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(subparagraph 3 paragraph 219 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 4) simultaneously with the receiving information on payment in accordance with a fund transfer notice (&P), the NBU Depository shall block securities on the respective account on terms of an unconditional operation to secure the loan

*(subparagraph 4 paragraph 219 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

- 5) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

219<sup>1</sup>. Custodians and the NBU Depository perform operations for freezing (encumbrance of) securities/title to securities as a result of a pledge to the NBU under refinancing transactions on DVP terms as follows:

- 1) the NBU Depository shall, based on information generated by respective software from confirmed requests prepare a statement on matched orders
- 2) the NBU Depository shall check the quantity of certain securities against the quantity of securities on the relevant securities accounts and execute the transactions to block the pledged securities in the depository record-keeping system to make settlements on terms of an unconditional operation
- 3) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(Chapter 29 Section II was supplemented with paragraph 219<sup>1</sup> in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

220. Custodians/NBU and the NBU Depository Execution perform operations for freezing (encumbrance of) securities/title to securities as a result of a pledge to the NBU (including refinancing operations in cases provided by regulations of NBU) or between customers of the NBU Depository under refinancing transactions shall be transacted on PVD terms as follows:

*(indent one paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent one paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) a custodian of the pledger shall provide to the NBU Depository an order for freezing securities to be pledged, indicating the bank details of the pledger as follows: code of the pledger's servicing bank, pledger's identification code in the EDRPOU and pledger's bank account number, as well as bank details of the deal

2) a custodian of the pledge holder shall provide to the NBU Depository an order for freezing securities to be pledged, indicating the bank details of the pledger as follows: code of the pledge holder's servicing bank, pledge holder's identification code in the EDRPOU and pledge holder's bank account number, as well as bank details of the deal At the same time, the custodian shall ensure that the bank of the pledge holder meets the requirements for delivering payments under securities deals based on fund transfer notices (&P) from the NBU Depository

*(subparagraph 2 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

3) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account

4) in case of successful matching counterclaims, the NBU Depository shall block securities to be pledged for delivering settlements and draw up and send to the servicing bank of the pledge holder a fund transfer notice (&P)

*(subparagraph 4 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

5) the pledge holder shall ensure payments before the end of the timeframe for payments acceptance in the SEP by the servicing bank using special means based on a fund transfer notice (&P) from the NBU Depository

*(subparagraph 5 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

6) the servicing bank shall send to the NBU Depository a notice of completion of settlements (&A) using special means if the pledger's and pledge holder's servicing bank is the same bank institution, and intrabank payment shall be made in accordance with a fund transfer notice (&P)

*(subparagraph 6 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

7) simultaneously with payment in accordance with a fund transfer notice (&P), the NBU Depository shall block securities on the respective account on terms of an unconditional operation

*(subparagraph 7 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

If no payment was delivered for the purchased securities in line with the fund transfer notice (&P) by special means before the end of the timeframe for acceptance of initial payments in the SEP, the NBU Depository shall before the end of the business day of NBU Depository transfer securities from the account of the pledger blocked for settlements to be made on to the account of the pledge holder for record-keeping unencumbered securities on terms of an unconditional operation, and shall cancel matching orders

*(subparagraph 8 paragraph 220 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

9) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

221. Operations for freezing (encumbrance of) securities/title to securities as a result of a pledge to the NBU (including refinancing operations in cases provided by regulations of NBU) or between customers of the NBU Depository under refinancing transactions shall be transacted on FOP terms as follows:

*(indent one paragraph 221 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 1) a custodian of the pledger shall provide to the NBU Depository an order for freezing securities to be pledged
- 2) a custodian of the pledge holder shall provide to the NBU Depository an order for freezing securities to be pledged
- 3) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account
- 4) in case of successful matching counterclaims, the NBU Depository shall block securities to be pledged on the respective account
- 5) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors and /or nominal holders, and provide relevant report or information to nominal holders in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(subparagraph 5 paragraph 221 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

222. Custodians and the NBU Depository Execution perform operations for releasing (releasing pledge on) securities/title to securities blocked for the benefit of the NBU under refinancing transactions shall be transacted on PVD terms as follows:

*(indent one paragraph 222 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

1) based on the received notice of intent to repay the loan, the NBU Depository shall prepare a statement on matched orders in the depository record-keeping system

2) the NBU Depository shall check compliance of certain securities with the volume of securities on relevant accounts regarding operation for release pledged securities in the depository record-keeping system to make settlements on terms of an unconditional operation

3) following release of securities, the NBU Depository shall prepare and submit to the servicing bank a fund transfer notice (&P) as necessary

*(subparagraph 3 paragraph 222 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

4) simultaneously with payment in accordance with a fund transfer notice (&P), the NBU Depository shall release securities on the respective account on terms of an unconditional operation on the account of the pledger by transferring securities the respective account for record-keeping unencumbered securities

*(subparagraph 4 paragraph 222 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

5) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

If there are any technical or other objective reasons hindering operations for freezing (encumbrance of) securities/title to securities as a result of a pledge to the NBU under refinancing transactions shall be transacted on PVD terms, such operations shall be transacted as prescribed in paragraphs 56, 57 Chapter 5 Section 5 Section I hereof.

222<sup>1</sup>. Custodians and the NBU Depository Execution perform operations for releasing (releasing pledge on) securities/title to securities blocked for the benefit of the NBU under refinancing transactions shall be transacted on FOP terms as follows:

1) the NBU Depository shall, based on information generated by respective software from confirmed requests prepare a statement on matched orders

2) the NBU Depository shall check the quantity of certain securities against the quantity of securities on the relevant securities accounts and execute the transactions to release the pledged securities in the depository record-keeping system to make settlements on terms of an unconditional operation

3) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(Chapter 29 Section II was supplemented with paragraph 222<sup>1</sup> in accordance with NBU Board Resolution No. 100 dated 18 September 2018)*

223. Custodians and the NBU Depository Execution perform operations for releasing (releasing pledge on) securities/title to securities blocked for the benefit of the NBU (including refinancing operations in cases provided by regulations of NBU) or customers of the NBU Depository shall be transacted on PVD terms as follows:

*(indent one paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

*(indent one paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) a custodian of the pledger shall provide to the NBU Depository an order for releasing securities to be released of pledged, indicating the bank details of the pledger as follows: code of the pledger's servicing bank, pledger's identification code in the EDRPOU, as well as bank details of the deal. At the same time, the custodian shall ensure that the bank of the pledger meets the requirements for delivering payments under securities deals based on fund transfer notices (&P) from the NBU Depository

*(subparagraph 1 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

2) a custodian of the pledge holder shall provide to the NBU Depository an order for releasing securities to be released of pledge, indicating the bank details of the pledger as follows: code of the pledge holder's servicing bank, pledge holder's identification code in the EDRPOU, as well as bank details of the deal

3) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account. At the same time, the NBU Depository will make sure that release orders are provided by the same custodian and the same pledge holder that issued freezing orders under the relevant deal

4) in case of successful matching counterclaims, the NBU Depository shall release securities to be released of pledge for delivering settlements and draw up and send to the servicing bank of the pledger a fund transfer notice (&P)

*(subparagraph 4 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

5) the pledger shall ensure payments before the end of the timeframe for payments acceptance in the SEP by the servicing bank using special means based on a fund transfer notice (&P) from the NBU Depository

*(subparagraph 5 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

6) the servicing bank shall send to the NBU Depository a notice of completion of settlements (&A) using special means if the pledger's and pledge holder's servicing bank is the same bank institution, and intrabank payment shall be made in accordance with a fund transfer notice (&P)

*(subparagraph 6 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

7) simultaneously with payment in accordance with a fund transfer notice (&P), the NBU Depository shall release securities on the respective account on terms of an unconditional operation

*(subparagraph 7 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

If no payment was delivered for the purchased securities in line with the fund transfer notice (&P) by special means before the end of the timeframe for acceptance of initial payments in the SEP, the NBU Depository shall before the end of the business day of NBU Depository transfer securities from the account of the pledger blocked for settlements to be made on to the account of the pledge holder for record-keeping encumbered securities on terms of an unconditional operation, and shall cancel matching orders

*(subparagraph 8 paragraph 223 Chapter 29 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

9) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

224. Operations for release of securities/title to securities ( release of pledge) that were blocked in favor of the NBU (including refinancing operations in cases provided by regulations of NBU) or other customers of the Depository of the NBU are transacted on FOP terms as follows:

*(indent one paragraph 224 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

1) a custodian of the pledger shall provide to the NBU Depository an order for releasing securities released of pledge

2) a custodian of the pledge holder shall provide to the NBU Depository an order for releasing securities released of pledge

3) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account. At the same time, the NBU Depository will make sure that release orders are provided by the same custodian that issued freezing orders under the relevant deal

*(subparagraph 3 paragraph 224 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

4) in case of successful matching counterclaims, the NBU Depository shall release securities to be released of pledge on the respective account

5) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors and /or nominal holders, and provide relevant report or information to nominal holders in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(subparagraph 5 paragraph 224 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

225. Operations for changing securities following freezing securities/title to securities as a result of a pledge to the NBU shall be transacted on FOP terms as follows:

1) the NBU structural unit for credit administration shall issue an order to block securities to be pledged and/or to release securities to be released of pledge by replacing the securities



*(subparagraph 1 paragraph 225 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

- 2) unit of the NBU assigned to service respective deals shall send to the NBU Depository the order to block the securities to be pledged
- 3) a custodian of the pledger shall provide to the NBU Depository an order for freezing securities to be pledged
- 4) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account and block securities
- 5) unit of the NBU assigned to service respective deals shall send to the NBU Depository the order to release the securities to be released pledge
- 6) a custodian of the pledger shall provide to the NBU Depository an order for releasing securities released of pledge
- 7) the NBU Depository shall verify completeness and correctness of filled-in details and check the value of certain securities against the volume of securities on the pledge holder's account and release securities
- 8) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors in accordance the requirements set out in paragraph 60 Chapter 5 Section I hereof.

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227. The NBU Depository shall process operations on foreclosure of pledged securities under counterclaims of custodians serving the parties to the relevant transactions/ nominal holders which serve the parties to relevant transactions or its clients serve parties to relevant transactions, if the pledger and the pledge holder reach an agreement to transfer the title to pledged securities to the pledge holder.

*(indent one paragraph 227 Chapter 29 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

After reviewing the completeness and correctness of filled-in details and compliance of amounts of specified securities with securities on the account of the pledger, the NBU Depository shall transfer the securities blocked on the corresponding account to the account of the pledge holder used for the purpose of recording unencumbered securities.

#### Chapter 30. Processing Unconditional and Other Record-keeping Operations on Custodians' Accounts

228. In case of receiving documents on grounds for transacting the unconditional operation regarding securities of a certain issue, specifically, imposing/releasing restrictions on securities operations, the NBU Depository shall transact respective operations as follows:

- 1) no later than on the business day following the date of receiving the relevant documents, the NBU Depository shall transact the unconditional operation to impose/release restriction on securities

operations of a certain issue, unless these documents set a later date for restriction/cancellation of restriction

2) within the funds-transfer business day when the unconditional operation on imposing/releasing restrictions on securities operations of a certain issue or other unconditional operation on accounts of custodians was transacted, the NBU Depository shall provide custodians and CIs/the Settlement Center with an appropriate notice of such operations

3) according to the information on operations transacted by the NBU Depository, custodians shall make changes in the depository record-keeping system on the relevant securities accounts of depositors and/or nominal holders and provide the relevant report or information to the nominal holders in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(subparagraph 3 paragraph 228 Chapter 30 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

229. The NBU Depository shall process operations for the NBU to exercise its preferential and unconditional right provided by Article 73 of the Law of Ukraine *On the National Bank of Ukraine* on discharging any claim respect of bank refinancing executed in accordance with the procedure established by law and in accordance with regulations of the NBU.

In cases provided for in the relevant agreement, the NBU being a pledge holder may exercise its preferential right to foreclose pledged securities by acquiring the title to securities or selling securities to third parties, specifically on stock exchange.

230. In order to foreclose pledged assets, the NBU being a pledge holder shall issue an order to the NBU Depository to transfer securities from the pledger's account used for record-keeping securities blocked in favor of the NBU to the account used for record-keeping securities blocked as a result of unconditional operations.

After the NBU Depository transacts the unconditional operation of transferring securities to the account for record-keeping securities blocked following the unconditional operation, the NBU being a pledge holder determines the method for pledged security foreclosure and provides the respective order to the NBU Depository.

231. In the event of foreclosure of pledged securities by transferring the title to securities to the NBU, the NBU Depository executes the unconditional operation of transferring securities from the account for record-keeping securities blocked following the unconditional operation of the pledger's custodian to the account of the NBU (the pledge holder) for record-keeping unencumbered securities.

232. In the event of foreclosure of pledged securities by selling securities, the NBU Depository shall transact the unconditional operation of registering the NBU as a pledge holder in the register of agreements of brokers for participation in trading pledged securities and transact the unconditional operation of freezing securities for sale. Securities sold on stock exchange shall be written down in accordance with the procedure for record-keeping operations as provided for in Chapter 25 Section III hereof. Securities are released for trading in accordance with the procedure provided for in paragraph 202 Chapter 24 Section III hereof securities shall be deposited to the account for record-keeping securities blocked as a result of unconditional operations.

*(paragraph 232 Chapter 30 Section III as amended by NBU Board Resolution No. 100 dated 18 September 2018)*

233. If the requirements of the NBU as a pledge holder were fully satisfied at the expense of partial acquisition of pledged securities, the NBU Depository under the order of the NBU as a pledge holder shall release the balance of securities on the pledger's account for unencumbered securities.

234. In case of receiving documents as prescribed by law on grounds for transacting the unconditional operation on accounts in the depository record-keeping system, a custodian shall transact respective operations as follows:

- 1) a custodian shall choose the type of an operation that corresponds to the nature of the deal
- 2) a custodian shall transact the operation on FOP terms and as an unconditional operation
- 3) a custodian shall make changes on the relevant securities accounts of depositors and/or nominal holders in the depository record-keeping system and provide the relevant report or information to the nominal holders in accordance with paragraph 60 Chapter 5 Section I hereof.

*(subparagraph 3 paragraph 234 Chapter 30 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

235. The NBU Depository shall ensure transfer/write-down of securities of the depositor from its account opened with the same custodian deposited to the account of the same depositor opened with another custodian under counterclaims of custodians on DVP terms.

The NBU Depository shall ensure transfer / write-off of securities belonging to the client of the nominal holder, the client of the nominal holder's client from the securities account of the nominal holder opened with the same custodian, for the purpose of their crediting to the securities account of the same nominal holder opened with another custodian, as well as transfer / write-off of securities between the accounts of the nominal holder/holders, provided that as a result of such transaction the owner of securities is not changed on the basis of counter orders of custodians/ custodian on FOP terms.

*(paragraph 235 Chapter 30 Section III was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

In case of transferring blocked securities, they shall be deposited with indication of the same blocked status, and custodians shall ensure transfer of the supporting documents of freezing securities in accordance with the procedure set out in their internal documents.

Custodians shall make changes to relevant securities accounts of depositors and/or nominal holders in the depository record-keeping system and provide the relevant report or information to the nominal holders in accordance with paragraph 60 Chapter 5 Section I hereof.

*(indent four paragraph 235 Chapter 30 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

236. The NBU Depository may also process other record-keeping operations of its customers in accordance with the requirements hereof, laws of Ukraine and terms of agreements concluded with customers.

#### Chapter 31. Processing Information Operations of Custodians

237. The NBU Depository shall conduct the following information operations for custodians:

- 1) securities account statement
- 2) statement on securities operations
- 3) other reference and analytical forms on request of a custodian
- 4) access to generate other electronic record-keeping and analytical forms being a part of the depository record-keeping system of the custodian.

238. The NBU Depository shall perform information operations in the manner and under the terms defined by regulations of Ukraine on depository activity, by the agreement, and/or laws of Ukraine.

239. The NBU Depository shall perform information operations according to relevant requests of the custodian or as may be defined from time to time hereby, by laws of Ukraine, and by the agreement.

240. A custodian shall file requests to the NBU Depository to perform information operations in free format. Such requests shall outline necessary details for transacting the respective operation as follows:

- 1) description of the information operation
- 2) full name of the custodian
- 3) identification code of the custodian in the EDRPOU
- 4) the date as of which the information is to be provided or the period for providing the information
- 5) code(s) of the securities according to which the information operation is executed (when necessary)
- 6) signature of the custodian's authorized signatory
- 7) other information that describes the nature of the information operation.

241. The NBU Depository shall, based on the request of the custodian perform an information operation and provide the information requested by the custodian within timeframe and on terms as provided for herein and/or the respective agreement.

#### Chapter 32. Special Terms for Processing Operations of Custodians during Termination of their Operations on Stock Market – Depository Operations

242. The NBU Depository shall service custodians during termination of their operations on stock market – depository activity considering information on discontinuing activity due to:

- 1) resolution of a legal entity or adoption of the decision to discontinue depository activity by the authorized body of the custodian
- 2) a decision of the National Securities and Stock Market Commission to revoke the license for this type of activity
- 3) withdrawal of license for banking operations.

243. After receiving a notice from a custodian about the decision to terminate operating on stock market (depository operations) in connection with resolution of a legal entity or adoption of the

decision to discontinue depository activity by the authorized body of the custodian, the NBU Depository shall continue to provide services to the custodian on the standard terms until the set date of resolution.

244. If a custodian opens an account to service securities held with another custodian, the NBU Depository shall transfer securities changing the type of the owner of the date of commencement of the termination procedure under the relevant orders of custodians. Such decisions of custodians shall be subject to the NBU authorization.

245. After receiving a notice from the licensing authority on cancelling the license of the custodian's operations on stock market (depository activity) of the date of commencement of the termination procedure, the NBU Depository shall impose restrictions on changes made by the custodian in the depository record-keeping system, except for cases provided for by laws of Ukraine, and shall release on terms of an unconditional operations securities blocked for sale on stock exchange or over-the-counter on DVP terms on the securities account of the custodian.

After the NBU Depository imposes restrictions, of the date of commencement of the termination procedure the custodian shall be required to provide the NBU Depository with documents confirming powers of the authorized signatories or the replacement of authorized signatories. For record-keeping operations after confirmation of powers of authorized signatories, the custodian shall send to the NBU Depository the order to perform the relevant operation in the depository record-keeping system, and shall additionally provide a notice on the nature of the operation, and information on no outstanding income payments and/or redemption payable to the depositor/nominal holder under securities of this operation. The NBU Depository shall review compliance of the available information and the notice and compliance of the possibility of execution of the initiated transaction with restrictions established by laws of Ukraine, as well as information on the amount of outstanding income payments and/or redemption under securities. Unless there are comments, the NBU Depository shall confirm the initiated operation in the depository record-keeping system.

*(indent two paragraph 245 Chapter 31 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

246. The NBU Depository shall deliver income payments and/or redemption to accounts of custodians in the course of discontinuing depository activity without imposing restrictions on payments for non-bank custodians, and on the following individual terms for custodian banks:

1) of the date of terminating banking, income payments and/or redemption to custodian banks with revoked banking licenses shall be delivered to the transit account of the NBU Depository

2) of the date of receipt by the NBU Depository of documents confirming powers of the liquidator and details of the accumulation account opened for the same with the NBU, the NBU Depository shall transfer under the liquidator's order outstanding payments and payments due to the accumulation account before the date of termination of operations on securities owned by the custodian bank

3) of the date of the termination commencement to the date of its finalization, the NBU Depository shall transfer outstanding payments for securities held by depositors and/or nominal holders' clients of the custodian bank to a new custodian after the transfer of the securities by the depositor/nominal holder to this custodian, and if the depositor has no remaining securities or there are no remaining securities on nominal holder's securities account, the NBU Depository shall transfer outstanding payments for securities held by this depositor/nominal holder's clients under the order of the custodian bank discontinuing its activity.

*(subparagraph 3 paragraph 246 Chapter 31 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

247. After closing the funds-transfer business day preceding the date of discontinuing activity of the custodian, the NBU Depository shall impose restrictions on any depository operation for the custodian, and perform on terms of an unconditional operation administrative measures to amend the custodian's securities account application with regard to bank details for repayment of income and redemption for securities recorded on the securities account of this custodian.

248. Of the date of discontinuing activity of the custodian, the NBU Depository shall ensure that payment of income and redemption for securities recognized on the securities account of the custodian that terminated its operations is delivered to the transit account of the NBU Depository, until powers to manage the account are assigned to an authorized safe-keeper.

249. No later than on the business day following the date of the notice from the Central Depository that the authorized custodian has signed the Certificate of Acceptance of documents to the authorized safe-keeper, the NBU Depository shall record in the depository record-keeping system information on granting powers to an authorized custodian to manage the securities account of the custodian that has discontinued its activity.

250. The authorized safe-keeper shall provide to the NBU Depository and update the authorized custodian form, the specimen signatures card of authorized signatories on behalf of the authorized custodian and documents certifying their powers, as well as details of the account with the Settlement Center to deliver outstanding payments and funds payable after the date of discontinuing its activity.

251. Within five business days following the date of the notice from the Central Depository that the authorized custodian has signed the Certificate of Acceptance of documents to the authorized safe-keeper, the NBU Depository shall record in the depository record-keeping system information on granting powers to an authorized custodian to manage the securities account of the custodian that has discontinued its activity.

252. In the event of income payments and/or reimbursement of securities recognized on the securities account of the custodian which remained in the depository record-keeping system of the NBU Depository after custodian ceases depository activity for record-keeping securities of those depositors/ clients, clients of the nominal holders' clients that have not closed their securities accounts in accordance with the established procedure, and which accounts are managed by the authorized safe-keeper, the NBU Depository shall transfer funds to the cash account of the Central Depository in the Settlement Center and send a notice of the transfer to the authorized safe-keeper within three business days of the payment date.

*(paragraph 252 Chapter 31 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

253. Of the date the authorized safe-keeper acquires authority to manage the securities account of the custodian that has discontinued its activity, the NBU Depository shall execute securities operations recognized on these accounts under orders of the authorized safe-keeper as provided by laws of Ukraine.

254. Special terms for servicing the securities account of the custodian which remained in the depository record-keeping system of the NBU Depository after custodian ceases depository activity for record-keeping securities of those depositors/ clients, clients of the nominal holders' clients that have not closed their securities accounts in accordance with the established procedure, and which accounts are managed by the authorized safe-keeper, the NBU Depository shall transfer funds to the

cash account of the Central Depository in the Settlement Center and send a notice of the transfer to the authorized custodian within three business days of the payment date.

*(paragraph 254 Chapter 31 Section III as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

#### Section IV. Interaction between the NBU Depository and Foreign Depositories

Chapter 33. Processing Eurobonds Operations on the Account of the NBU Depository with a Foreign Depository and Record-keeping such Operations in the Depository Record-keeping System of the NBU Depository

*(title of Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

255. The National Bank of Ukraine, in order to exercise its exclusive competence on depository record-keeping of Eurobonds, shall open correspondent accounts with foreign depositories and perform depository record-keeping and processing Eurobonds circulation and government derivatives.

The procedure for opening and servicing the account of the NBU Depository with a foreign depository is established by laws of the respective country and by internal documents of the foreign depository, as well as by the agreement entered into by the NBU Depository and the foreign depository.

Eurobonds and government derivatives shall be recognized on the correspondent account of the NBU Depository with a foreign depository in an aggregated manner.

*(paragraph 255 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

256. Eurobonds deposited to the account of the NBU Depository with a foreign depository shall be registered in the depository record-keeping system of the NBU Depository by depositing to the respective depository balance accounts. The depository assets for Eurobonds and government derivatives deposited to the correspondent account of the NBU Depository shall be an account statement of the NBU Depository with a foreign depository.

*(paragraph 256 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

257. The NBU Depository and a foreign depository shall exchange information by SWIFT or by other means as defined by the agreement with the foreign depository.

The NBU Depository and its customers shall exchange information by means of the automated system of the NBU Depository and e-mail of the NBU.

258. The grounds for recording Eurobonds and government derivatives in the depository record-keeping system of the NBU Depository are as follows:

- 1) an order of the custodian to deposit Eurobonds and government derivatives
- 2) confirmation of depositing respective Eurobonds and government derivatives to the account of the NBU Depository opened with a foreign depository as determined by the relevant agreement with the foreign depository.

*(paragraph 258 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

259. The NBU Depository shall service Eurobonds and government derivatives on accounts of its customers in accordance with the depository agreement. As to Eurobonds and depository agreement recognized by a foreign depository, the NBU Depository shall provide the following services to customers:

- 1) depository operations
- 2) providing information on corporate operations (events)
- 3) ensuring payment of income and redemption under Eurobonds and government derivatives
- 4) other services in accordance with laws and agreement with a foreign depository.

*(paragraph 259 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

260. Settlements under depositing/writing down Eurobonds to/from the account of the NBU Depository with a foreign depository shall be delivered on business days for both the NBU Depository and a foreign depository. If the settlements fall on a day other than a business day for either the NBU Depository or a foreign depository, the same shall be delivered on the next day which is a business day for the both.

Eurobonds and government derivatives circulation in the depository record-keeping system of the NBU Depository shall be carried out in accordance with the procedure prescribed by these Regulations taking into account the requirements of Law of Ukraine on currency, currency control, and cashless settlements.

*(paragraph 260 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

261. Operations for depositing and writing down Eurobonds on the account of the NBU Depository with a foreign depository under orders of custodians shall be transacted only on FOP settlement terms.

The NBU Depository shall issue an order to a foreign depository according to instructions of the custodian.

An operation involving a counterclaim from a foreign depository's customer shall be transacted by a foreign depository after successful matching orders.

If on the day of settlement, the NBU Depository does not receive a confirmation of settlements from a foreign depository, the customer's orders shall be postponed to a later time until the NBU Depository receives from the foreign depository such confirmation or information that the order was canceled.

In case of cancellation by a foreign depository of an order to the NBU Depository for reasons specified in internal rules and provisions of the foreign depository, the NBU Depository shall send information on order cancellation to the custodian that initiated the operation.

Upon receipt of confirmation of the operation from a foreign depository, the NBU Depository will complete the corresponding transaction in the depository record-keeping system of the NBU Depository based on such confirmation.



*(paragraph 261 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

262. A custodian may issue an order to the NBU Depository to cancel the previous order by sending a corresponding order by the depository record-keeping system of the NBU Depository. Upon receiving such order, the NBU Depository will take the following measures:

- 1) cancel the order in the depository record-keeping system of the NBU Depository, if the order has not yet been sent to a foreign depository
- 2) If the order has already been sent to the foreign depository by the NBU Depository, send a cancellation order to a foreign depository, provided that such cancellation is possible under operational procedures of the foreign depository, and if confirmation of cancellation was received from the foreign depository, cancel the order in the depository record-keeping system of the NBU Depository by the automated system of the NBU Depository.

If the order cannot be canceled, the NBU Depository will refuse the order issued by the custodian to cancel the previously issued order in the depository record-keeping system of the NBU Depository using automated system of the NBU Depository.

263. In order to deposit Eurobonds and government depository to its own account, the custodian shall issue an order to the NBU Depository in accordance with the requirements hereof.

*(paragraph 263 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

264. The NBU Depository will review correctness of the order and depending on the review findings, take the following measures:

- 1) issue an order to the foreign depository via SWIFT message or by other means provided for by the agreement with the foreign depository, if the order was filled correctly
- 2) refuse the order, if it does not contain any of the required details.

According to information from the foreign depository on depositing Eurobonds and government derivatives on the securities account of the NBU Depository with a foreign depository, the NBU Depository shall deposit Eurobonds on the securities account of the custodian in the depository record-keeping system of Depository of the NBU.

The NBU Depository shall inform the customer about receiving the operation cancellation notice from a foreign depository, and if the operation cannot be completed, reject the order of send by the custodian.

*(paragraph 264 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

265. In order to deposit Eurobonds and government depository to its own account, the custodian shall issue an order to the NBU Depository in accordance with the requirements hereof.

*(paragraph 265 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

266. The NBU Depository will review correctness of the order and the required volume of securities on the customer's account and depending on the review findings, take the following measures:

1) block securities on the account of the custodian and send an order to the foreign depository to write down securities by SWIFT message or by any other means specified in the agreement with the foreign depository, if the order of the custodian contains all necessary details, and the customer's account contains sufficient unencumbered securities as indicated in the order

2) refuse the order of the custodian, if it does not contain any of the required details or if the volume of unencumbered securities on the account is insufficient to transact the operation. According to information from the foreign depository on writing down Eurobonds and government derivatives from the securities account of the NBU Depository with a foreign depository, the NBU Depository shall write down Eurobonds from the securities account of the custodian in the depository record-keeping system of Depository of the NBU.

Upon receipt of refusal to transact the operation from a foreign depository and failure to complete the operation, the NBU Depository will cancel the order send by the custodian and release securities on the account in the depository record-keeping system of the NBU Depository.

*(paragraph 266 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

267. For processing income payments and/or redemption of Eurobonds and government derivatives, the NBU Depository shall notify custodians about expected income payments and/or redemption according to information from a foreign depository. The NBU Depository shall send a message via e-mail of the NBU to custodians that hold on accounts respective Eurobonds and government derivatives on the same day it obtains information from a foreign depository on income payments and/or redemption. Custodians not connected to the e-mail of the NBU, shall independently monitor information on the dates of payment of income and /or redemption using the directories of the automated system of the NBU Depository. The NBU Depository shall have the right to additionally send such information to the custodian to its e-mail address specified in the securities account application form.

*(paragraph 267 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall process operations on income payments and/or redemption of Eurobonds and government derivatives including service following settlements.

The NBU Depository shall process income payments and/or redemption of Eurobonds and government derivatives by transferring funds from a foreign depository to relevant custodians.

The NBU Depository shall transfer income payments and/or redemption of Eurobonds and government derivatives to accounts of custodians set out in securities account applications.

If the date of payment under Eurobonds and government derivatives falls on a non-business day, such settlements shall be made on the next business day.

*(paragraph 267 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

268. On the record date, the NBU Depository shall instruct CIs/the Settlement Center to lift encumbrances and/or lift restrictions on rights to deliver and/or receive Eurobonds and government derivatives that are restricted from being traded on the stock exchange or over-the-counter on DVP terms and are subject to redemption.

CIs/the Settlement Center shall lift encumbrances and/or lift restrictions on rights to deliver and/or receive Eurobonds and government derivatives based on instructions of the NBU Depository following completion of deal settlements prior to the end of the funds-transfer business day of the record date on terms of an unconditional operation.

The NBU Depository and CIs/the Settlement Center shall unblock liabilities and/or rights to deliver and/or receive Eurobonds and government derivatives on the last business day preceding the record date, if the record date of Eurobonds and government derivatives falls on a non-business day.

In this case, Eurobonds and government derivatives blocked on the owners' accounts for other reasons shall remain blocked and shall be written down from corresponding accounts on terms of an unconditional operation.

*(paragraph 268 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

269. On a business day following the record date, the NBU Depository shall, in order to perform distribution of income and/or redemption of Eurobonds and government derivatives based on the information on securities holders from the depository record-keeping system as of the record date, in case of redemption of Eurobonds and government derivatives, block Eurobonds and government derivatives on holders' accounts for redemption purposes according to the unconditional operation procedure.

On a business day following the record date, the NBU Depository shall provide the NBU structural unit for cash settlements with information on the future income payments and/or redemption of Eurobonds and government derivatives.

*(paragraph 269 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(indent two paragraph 269 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

270. The issuer of Eurobonds and government derivatives shall in line with requirements and the timeframe provided by the prospectus and/or the decision on issue of Eurobonds and government derivatives ensure transfer of income payments and/or redemption of Eurobonds and government derivatives to the relevant account of the NBU Depository with a foreign depository. The payment date is the date of crediting of funds to the account of the NBU Depository with a foreign depository. If the funds are transferred to the account of the NBU Depository with a foreign depository after than two hours before the end of the funds-transfer business day of the NBU Depository, the payment date shall be the following business day of the NBU Depository.

*(paragraph 270 Chapter 33 Section IV as amended by NBU Board Resolutions No. 70 dated 25 June 2018 and No. 100 dated 18 September 2018)*

271. On the payment date, based on information on fund receipt on the account with a foreign depository and based on information from the depository record-keeping system on holders of Eurobonds and government derivatives the NBU Depository shall generate the order on transferring

funds in foreign currency to custodians and provide it to the NBU structural unit for cash settlements for transferring funds to transferees' accounts.

*(indent one paragraph 271 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU structural unit for cash settlements shall, based on the documents provided by the automated system of the NBU Depository before to end of the funds-transfer business day of the payment date ensure the transfer of funds to accounts of custodians. Should the transfer be impossible on the payment date, the NBU structural unit for cash settlements shall immediately notify the NBU Depository thereof. The NBU Depository shall take all necessary measures to deliver the payment.

*(indent two paragraph 271 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(paragraph 271 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

272. The custodian shall take the following actions for the purpose of settlements on income payments and/or redemption of Eurobonds and government derivatives denominated in a foreign currency:

- 1) verify the receipt of funds in foreign currency
- 2) ensure fund transfers due to depositors/ clients and/or clients of the nominal holders' clients in the manner prescribed by internal documents and respective agreements.

*(subparagraph 2 paragraph 272 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

*(paragraph 272 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

273. The NBU Depository shall for redeeming Eurobonds and government derivatives write down Eurobonds and government derivatives from custodians' accounts based on the respective information from a foreign depository on terms of an unconditional operation before the end of the funds-transfer business day of the maturity date set out in the terms and conditions of issue. If a maturity date falls on a non-business day, the NBU Depository writes off Eurobonds from custodians' accounts before the end of the following business day.

*(paragraph 273 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

274. According to the information on operations following freezing Eurobonds and government derivatives by the NBU Depository shall make changes on the relevant securities accounts of depositors/nominal holders in accordance with the requirements set out in paragraph 60 Chapter 5 Section I hereof.

*(paragraph 274 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 274 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

275. The NBU Depository shall send to custodians notices of a foreign depository on Eurobonds and government derivatives that are recorded on their accounts as of the date of receiving such information by the NBU e-mail or if the custodian is not connected to NBU e-mail, by e-mail to the e-mail address of the custodian indicated in the securities account application form, if the information considered as open by access, or in paper form to the postal address of the custodian specified in the securities account application form not later than the following business day of the notice. Custodians shall provide information to depositors/nominal holders in the manner established by internal regulations of the depository institution and respective agreements.

*(paragraph 275 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 275 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

276. Custodians may send information to a foreign depository on Eurobonds and government derivatives recorded on their account. In order to send such notice, custodians shall send the respective order to the NBU Depository by e-mail of the NBU or in paper form.

*(paragraph 276 Chapter 33 Section IV as amended by NBU Board Resolution No. 70 dated 25 June 2018)*

*(paragraph 276 Chapter 33 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

#### Chapter 34. Processing Operations on a foreign depository's Account in the depository record-keeping system of the NBU Depository

277. The NBU Depository shall process operations on safe-keeping, record-keeping and circulation of securities on accounts of foreign depositories in accordance with the correspondent relations agreement. The NBU Depository shall perform record-keeping of securities the title whereof belongs to customers of the foreign depository on the securities account of the foreign depository as well as to the customers of the foreign depository's customer.

*(indent one paragraph 277 Chapter 34 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

The NBU Depository shall open for a foreign depository a nominee account used for comprehensive (aggregated) record-keeping securities without disclosing information on the owners of securities recorded on this securities account, as well as information on transfer of title to securities and securities rights between customers of the foreign depository in depository record-keeping of the NBU Depository.

*(indent two paragraph 277 Chapter 34 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

To ensure the performance of the functions of NBU and in other cases provided by law, the NBU Depository shall have the right to submit to the foreign depository requests for disclosure of information about securities holders, their securities and transactions with securities recorded in the securities account of a foreign depository. The foreign depository shall disclose the specified information in the manner and terms specified in the relevant request of NBU Depository.

*(paragraph 277 Chapter 34 Section IV was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

278. Foreign depositories shall provide the following documents to the NBU Depository to enter into correspondent relations agreement and open a correspondent account with the NBU Depository:

- 1) a securities account application of the foreign depository
- 2) a copy of an extract from a commercial/bank/court register or a registration certificate issued by a local government authority of a foreign country that certifies registration of a legal entity, or other document certifying registration of a legal entity in accordance with the law of the country of domicile
- 3) a copy of the registered incorporation document of the legal entity
- 4) a copy of the license or other document confirming the status of a depository or a financial institution in accordance with the law of the country of domicile of the legal entity
- 5) copies of documents certifying the appointment of persons authorized to act on behalf of the legal entity without a power of attorney
- 6) a specimen signatures card of authorized signatories
- 7) an original or a copy of the power of attorney of an authorized signatory, if the authorized signatory is a person who is not authorized to act on behalf of the legal entity without a power of attorney.

Instead of documents pursuant to subclauses 6 and 7 of clause 278 of Chapter 34 of Section IV of the Regulation, a foreign depository may provide to NBU Depository a copy of the document issued by foreign depository indicating the list of persons entitled to act on behalf of a foreign depository as authorized signatories and their credentials and specimen signatures, respectively.

*(paragraph 278 Chapter 34 Section IV was supplemented with a new indent in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

In case of changes in the information set out in the securities account application and/or documents submitted by a foreign depository along with the account form, the foreign depository shall submit to the NBU Depository a new securities account application and documents confirming the relevant changes on the terms provided by the correspondent relations agreement.

279. A foreign depository shall have the right to appoint an account manager to manage its securities account.

In order to appoint an account manager in addition to the documents specified in clause 278 of Chapter 34 of Section IV of the Regulation, the foreign depository shall provide the NBU Depository with:

- 1) a copy of the registered constituent document of the account manager, certified by the signature of the head of the account operator, if it is not available on the portal of electronic services of legal entities, natural persons - entrepreneurs and public formations. If the constituent documents of the account manager are published on the portal of electronic services of legal entities, natural persons - entrepreneurs and public formations, the foreign depository may not provide a copy of such constituent documents;
- 2) an application form of the securities account manager, signed by the authorized signatory;

- 3) the original or a copy of the document confirming the authority of the account manager;
- 4) a card with specimen signatures of authorized signatories, certified by the head of the account manager with indication of identifiers of electronic signature keys;
- 5) the original or a copy of the power of attorney of the authorized signatory, issued and signed by the head or another person authorized by the constituent documents of the account manager, if the authorized signatory is not entitled to act on behalf of the account holder without a power of attorney.

In case of changes in the information in the application form of the securities account manager and/or documents provided by the foreign depository together with the application form of the securities account manager, the foreign depository /account manager shall submit to the NBU Depository a new application form of the securities account manager and documents confirming the relevant changes.

The appointment of an account manager does not restrict the rights of a foreign depository to dispose of its own securities account and to obtain information on this account.

*(paragraph 279 Chapter 34 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

280. The NBU Depository shall open a securities account to a foreign depository based on the documents filed. In order to open such an account, the NBU Depository will assign a customer code of the NBU Depository to the foreign depository.

281. The NBU Depository shall close a securities account of a foreign depository in accordance with an order of the foreign depository, and only if there are no securities in the account.

282. The NBU Depository and a foreign depository shall exchange orders and information by SWIFT or by other means as defined by hereby and /or the correspondent relations agreement.

283.

*(paragraph 283 Chapter 34 Section IV was deleted in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

284. The NBU Depository shall record operations on the foreign depository's account with settlements on FOP terms in the manner set out in Chapter 28 Section III hereof.

284<sup>1</sup> . The NBU Depository shall carry out for a foreign depository the following information operations to provide:

- 1) statements of holdings;
- 2) statements of transactions;
- 3) other reference and analytical forms at the request of a foreign depository or an account manager.

The NBU Depository shall perform information operations by providing information directly to the foreign depository or by providing the account manager with access to the automated system of the NBU Depository to request electronic reporting and analytical forms that are part of the depository record-keeping system of the NBU Depository. The specific method of providing information shall

be determined by the agreement between the NBU Depository and the foreign depository and/or the document defining the powers of the account manager.

*(Chapter 34 Section IV was supplemented with paragraph 284<sup>1</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

284<sup>2</sup>. The NBU Depository shall perform information operations in the manner and within the terms specified by the regulations of Ukraine on depository activities, the relevant agreement and/ or the requirements of the legislation of Ukraine.

The NBU Depository shall perform information operations on the basis of requests from a foreign depository or account manager or periodically in cases specified by the Regulation, the relevant agreement, and the legislation of Ukraine.

*(Chapter 34 Section IV was supplemented with paragraph 284<sup>2</sup> in accordance with NBU Board Resolution No. 119 dated 18 August 2020)*

285. The NBU Depository may deliver income payments and/or redemption of securities to the account of a foreign depository in the servicing bank or to another account specified in the securities account application form of a foreign depository.

*(paragraph 285 Chapter 34 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*

286. A foreign depository shall ensure transfer of funds due to its customers after payment by the NBU Depository of income and/or redemption of securities recorded on the foreign depository's account in accordance with the procedures provided by the documents of the foreign depository and/or respective agreements.

287. A foreign depository shall restrict of circulation of securities to be redeemed on the date of redemption, and, after the NBU Depository has written down the securities from its account in the depository record-keeping system of the NBU Depository on terms of an unconditional operation in accordance with the relevant information obtained from the NBU Depository until the end of the funds-transfer business day on the maturity date, to recognize on its own account redemption operations performed by the NBU Depository.

If the maturity date falls on a non-business day, the NBU Depository shall write down securities from the foreign depository's account until the end of the following business day.

288. The NBU Depository shall provide all information on corporate operations with securities on the foreign depository's securities account directly to the foreign depository by SWIFT and/or to the account manager by means of the automated system of the NBU Depository, by SWIFT system, or by other means set out in the correspondent relations agreement.

*(paragraph 288 Chapter 34 Section IV as amended by NBU Board Resolution No. 119 dated 18 August 2020)*



