**AFME Post Trade**

**Due Diligence Questionnaire**

**December 2017**

The AFME Due Diligence Questionnaire is available to any party to use. However, in order to maintain the integrity of the document, we ask users to recognise and respect the numbering and wording of all questions.

Please note that “Section 6 – Global Custodian Questions” is only applicable if your service provision is on a multi-market basis and involves your own appointment of a local sub-custodian and/or your direct participation in the local Central Securities Depository in one or more markets.

If this arrangement is applicable to our relationship, please provide a full response to each question in Section 6. If not, please mark each question as “Not Applicable”.

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Questionnaire

1 Credentials

1.1 Respondent Information

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| --- |
| 1.1.1 Respondent Information |

|  |  |
| --- | --- |
| Name of Entity responding: |   |
| Market |   |
| Designated Responding Manager (Name/Title) |   |
| Contact Details (Email/Phone) |   |
| Date Submitted |   |
| Signature (if not responding via electronic platform) |   |

1.2 Your name

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| 1.2.1 Please state the name of the legal entity (i.e. contracting party) providing custody services in your jurisdiction and responding to this questionnaire. |

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| 1.2.2 Please provide the full legal address and the country of incorporation of the contracting entity providing custody services in your jurisdiction. |

|  |  |
| --- | --- |
| Legal Address |     |
| Country of Incorporation |   |

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| 1.2.3 Please state the full legal addresses of your Head Office and the locations and full legal addresses of any departments that service us e.g. Processing Hubs, including outsourced suppliers. |

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| 1.2.4 Please provide an overview of your expertise in the market and how you differentiate yourselves from your competitors. |

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1.3 Your regulatory environment

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| 1.3.1 Where your Securities Services business (including custody, banking and securities services) is regulated and licenced by an official body, please advise the organisation responsible and the frequency with which the approval or licence is renewed. Please provide as an attachment a copy of the current approval or licence. |

|  |  |  |
| --- | --- | --- |
|  | Licensed/Regulated by | Frequency |
| Securities Services and Custody |   |   |
| Banking |   |   |
| Please attach file here: |
|  [File Attachment] |
| Comments: |
|      |

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| --- |
| 1.3.2 Has your regulator(s) raised any material issues in respect of your Securities Services, Custody and Banking activities within the last 12 months? |

|  |
| --- |
| ( ) Yes( ) No |
| If yes, please describe below: |
|      |

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| --- |
| 1.3.3 If you are a branch of an entity incorporated in another country, please explain the division of regulatory responsibility between host and home state regulators. |

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| 1.3.4 Please confirm that you comply with local regulatory requirements in relation to the provision of custody services in your jurisdiction. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

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| --- |
| 1.3.5 Have you been subject to any other regulatory or similar fines or actions/decisions by authorities against you during the past 24 months? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

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| 1.3.6 Please confirm which of the following criteria you meet in order to comply with the current US Investment Company Act 1940, Rule 17(f)5 ? Please provide a copy of your 17(f)5 confirmation. |

|  |
| --- |
|  |
| a) A U.S. bank as specified in Section 17(f) or a member of a U.S. national securities exchange as specified in Section 17(f). | ( ) Yes( ) No |
| b) Eligible Foreign Custodian - an entity incorporated or organised under the laws of a country, other than the US and that is a Qualified Foreign Bank or a majority owned direct or indirect subsidiary of a U.S. Bank or bank holding company. | ( ) Yes( ) No |
| c) A Qualified Foreign Bank - a banking institution or trust company, incorporated or organised under the laws of a country, other than the US, that is regulated by its national regulator. | ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
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| 1.3.7 Please confirm which of the following criteria you meet to be an "approved bank" under the UK Financial Conduct Authority (FCA's) guidelines: |

|  |  |
| --- | --- |
| a) Supervised by the Central Bank or other banking regulator of a member state of the OECD. | ( ) Yes( ) No |
| b) Regulated by a local banking regulator, required to provide audited accounts; have minimum net assets of £5 million (or equivalent) and have had a surplus revenue over expenditure for the last two financial years. | ( ) Yes( ) No |
| What is your Financial Registration Number or a Tax ID Number? |    |
| Comments: |
|      |

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| 1.3.8 Please confirm which of the following criteria you meet to comply with the current European Union (EU) directives and regulations applicable to AIFs and UCITS. |

|  |  |
| --- | --- |
| a) A central bank of a member state of the EU | ( ) Yes( ) No |
| b) A credit institution authorised in accordance with Directive 2013/36/EU on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms | ( ) Yes( ) No |
| c) A third country credit institution subject to prudential regulation and supervision which have the same effect as European Union law and are effectively enforced and is in accordance with the principles laid down in Article 16 of Directive 2006/73/EC | ( ) Yes( ) No |
| Note re c): Such effective and prudential regulation and supervision would include aspects of the following (a) custody services being governed by law (b) your assets being clearly segregated from those of your clients (c) there being a Deposit guarantee schemes in place for Cash in the event of your failure (d) your regulator being a member of the International Organisation of Securities Commissions (IOSCO)? |
| Comments: |
|      |

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| 1.3.9 Have your regulators required your organisation to undertake any stress testing to ensure your risk management and capital planning decisions can sufficiently withstand adverse market events? If yes, please provide details. |

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| --- |
| ( ) Yes( ) No |
| Comments: |
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| 1.3.10 Please list those countries that your jurisdiction's financial regulator has a co-operation agreement with. |

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1.4 Your group

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| 1.4.1 Describe any changes to your group's ownership structure in the last 12 months. |

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| 1.4.2 What is your relationship to the above? |

|  |  |
| --- | --- |
| Full Branch: (if proposed sub-custodian is a bank) | ( ) Yes( ) No |
| If a branch please confirm where your parent is incorporated |    |
| Subsidiary - wholly owned: | ( ) Yes( ) No |
| Subsidiary - not wholly owned: | ( ) Yes( ) No |
| If not wholly owned, what is the breakdown of ownership (%)? |    |
| Comments: |
|      |

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| --- |
| 1.4.3 Please provide a simple high level diagram illustrating any changes in the last 12 months to your group's organisational structure and the different strategic business areas. The diagram should clearly indicate in which strategic business area your custody operation fits. |

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| --- |
| Please attach file here: |
|  [File Attachment] |
| Comments: |
|      |

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| --- |
| 1.4.4 Group financial performance. Please complete the following matrix. Please complete all financial data questions in your base (group accounting) currency in millions.This figure must reconcile to your most recent annual report and the preceding year. |

|  |  |
| --- | --- |
| State base currency: |   |
|  | Net Assets (Equity + Reserves) | A - Total Income | B - Total non-interest income | (B/A x 100%) |
| Year preceding most recent annual report |   |   |   |   |
| Year of most recent annual report |   |   |   |   |
| Comments (including exchange rates): |    |

|  |
| --- |
| 1.4.5 In order to judge the materiality of your local custody business i.e. in relation to the rest of your organisation, please complete the following table, for your last financial year. |

|  |  |
| --- | --- |
| State base currency: |   |
|  | A - Total Organisation |  | B - Domestic Custody | (B/A x 100%) |
| Total revenues, includinginterest |   | Total revenues (DomesticCustody) |   |   |
| Total non-interestexpenses |   | Total non-interest expenses (Domestic Custody) |   |   |
| Total interest expenses |   | Total interest expenses(Domestic Custody) |   |   |
| Net earnings |   | Net earnings(Domestic Custody) |   |   |
| Total number of full-time equivalent employees |   | Total number of full-time equivalentemployees in Domestic Custody |   |   |
| Total IT spend |   | Total IT spend on Domestic Custody |   |   |
| Comments: |      |

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| 1.4.6 For this jurisdiction, please indicate the percentage of custody revenue that it contributes to the total domestic custody business revenues outlined in B in Q1.4.5. |

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| 1.4.7 Please state the latest available Basel II and estimated Basel III ratios (where available). If your local regulators specify more stringent requirements than the Basel Agreement, please indicate the requirements and whether you comply. |

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| --- | --- | --- | --- |
|  | Basel II Tier 1 (%) | Basel III (estimated %) | Meets local requirements |
| Capital adequacy ratio (%) |   |   | ( ) Yes( ) No |
| Regulatory requirements |   |   | ( ) Yes( ) No |
| Comments: |
|      |
| Please specify in comments if Basel III is in transition or fully implemented and the basis of calculation for your Risk Weighted Assets (RWA i.e. Standardised or advanced). |
|  | Transition | Fully Implemented | Standardised | Advanced |
| Basel III | ( ) Yes( ) No | ( ) Yes( ) No | ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: |
|      |

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| 1.4.8 Please specify the name of the contracting party, and state the contracting party's credit ratings in the table below. |

|  |  |
| --- | --- |
| Contracting Party: |   |
|  |
|  | Credit Rating (Year End) | S&P | Moody | Fitch |
| Long-term Rating | Current | ( ) AAA( ) AA+( ) AA( ) AA-( ) A+( ) A( ) A-( ) BBB+( ) BBB( ) BBB-( ) BB+( ) BB( ) BB-( ) B+( ) B( ) B-( ) CCC+( ) CCC( ) CCC-( ) CC( ) C( ) D | ( ) Aaa( ) Aa1( ) Aa2( ) Aa3( ) A1( ) A2( ) A3( ) Baa1( ) Baa2( ) Baa3( ) Ba1( ) Ba2( ) Ba3( ) B1( ) B2( ) B3( ) Caa1( ) Caa2( ) Caa3( ) Ca( ) C | ( ) AAA( ) AA+( ) AA( ) AA-( ) A+( ) A( ) A-( ) BBB+( ) BBB( ) BBB-( ) BB+( ) BB( ) BB-( ) B+( ) B( ) B-( ) CCC( ) DDD( ) DD( ) D |
|  | Preceding year | ( ) AAA( ) AA+( ) AA( ) AA-( ) A+( ) A( ) A-( ) BBB+( ) BBB( ) BBB-( ) BB+( ) BB( ) BB-( ) B+( ) B( ) B-( ) CCC+( ) CCC( ) CCC-( ) CC( ) C( ) D | ( ) Aaa( ) Aa1( ) Aa2( ) Aa3( ) A1( ) A2( ) A3( ) Baa1( ) Baa2( ) Baa3( ) Ba1( ) Ba2( ) Ba3( ) B1( ) B2( ) B3( ) Caa1( ) Caa2( ) Caa3( ) Ca( ) C | ( ) AAA( ) AA+( ) AA( ) AA-( ) A+( ) A( ) A-( ) BBB+( ) BBB( ) BBB-( ) BB+( ) BB( ) BB-( ) B+( ) B( ) B-( ) CCC( ) DDD( ) DD( ) D |
| Comments: |   |

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| 1.4.9 Please provide a copy (in English) of the contracting entity’s latest annual report and accounts or a link to your website for the same documents. If not available, please provide similar details for the parent organisation. |

|  |
| --- |
| Please attach file here: |
|  [File Attachment] |
| Comments: |
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| 1.4.10 Please confirm if your organisation is considered a systematically important financial institution as defined by the Financial Stability Board (FSB)/Basel Committee on Banking Supervision (BCBS) in the jurisdiction where it is registered. |

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| ( ) Yes( ) No |
| Comments |
|      |

1.5 Insurance

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| --- |
| 1.5.1 Insurance coverage |

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| Please confirm that you maintain adequate insurance policies to cover: |
| (a) Any liabilities and indemnities that you may incur in connection with services you provide. | ( ) Yes( ) No |
| (b) Loss of physical securities and/or documents of title (if any) held in custody or during transfer process (including cross-border). | ( ) Yes( ) No |
| If no, please explain why you do not maintain adequate insurance cover. |    |
| (If yes, please attach a copy of the valid insurance certificate) |
|  [File Attachment] |
| Comments: |
|      |

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| 1.5.2 How often is the adequacy of your insurance cover reviewed and by whom? |

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1.6 Your strategy

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| 1.6.1 Briefly outline your group's overall business strategy. This should include areas to be enhanced and decreased and details of future investment expenditure in the next two years. |

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| --- |
| Comments: |
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| 1.6.2 In the last 12 months have there been any changes to your business activities which are relevant to the services that you provide to your custody clients? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 1.6.3 Do you undertake other business activities which could compromise your ability to provide services as a custodian? If yes, please provide details.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
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| 1.6.4 Please outline upcoming business development priorities for custody over the next two years. |

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| 1.6.5 Please outline any regulatory changes being implemented that will impact your custody business strategy over the next two years. |

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| 1.6.6 IT |

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| --- | --- |
| Please outline any significant IT developments / enhancements you are currently implementing. |     |
| Please outline any significant IT developments / enhancements planned over the next two years. |     |
| Please outline key upcoming market developments that will impact your IT investment strategy over the next two years. |     |
| Comments |
|      |

1.7 Your Organisation

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| --- |
| 1.7.1 Is your custody operations department (including the systems used) a segregated unit or part of any trading/investment banking activity? |

|  |
| --- |
| ( ) Segregated unit( ) Part of a trading/investment banking unit |
| Comments: |
|      |

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| --- |
| 1.7.2 Where you have offshored or centralised activities or functions within your own organisation please confirm what activities are included, e.g. Instruction capture, matching, settlements, reconciliations, corporate actions. |

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| --- |
| 1.7.3 Where your organisation has outsourced activities or functions to a third party provider, please confirm what activities are included, e.g. instruction capture, matching, settlements, reconciliations. |

|  |
| --- |
| Comments |
|       |

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| --- |
| 1.7.4 Does your organisation have any plans to outsource any aspect of the custodial services or operational processes in your market to another part of your group or to a third party within the next 12 months? If yes, please provide details.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 1.7.5 Where you have offshored or centralised activities or functions within your own organisation does your organisation have any plans to offshore or centralise any aspect of the custodial services or operational processes in your market to another office or location within the next 12 months? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 1.7.6 Where you have offshored or centralised activities or functions within your own organisation, are there any legal and regulatory changes planned for your market which will affect the offshoring models you employ? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

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| --- |
| 1.7.7 Are there any legal and regulatory changes planned for your market which will affect the outsourcing models you employ? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

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| --- |
| 1.7.8 Where you have offshored or centralised activities or functions within your own organisation: |

|  |
| --- |
| a) How are the processes monitored by management in the home jurisdiction? |
|       |
| b) Who has ownership of the processing activities (i.e. accountable for service issues impacting clients)? |
|       |

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| --- |
| 1.7.9 Are there contracts and Service Level Agreements between you and the entities to which activities and/or functions have been outsourced or off-shored?  |

|  |  |
| --- | --- |
| Contract | SLA |
| ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: |
|       |

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| 1.7.10 Please confirm that you have all necessary regulatory approvals in place, regarding any outsourced and off-shored activity. |

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| --- |
| ( ) Yes( ) No |
| Comments: |
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| 1.7.11 Please describe the procedures in place to monitor the service provided. Please specify what MIS is used and the frequency with which it is reviewed. |

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| --- |
| Comments: |
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| 1.7.12 Please confirm that you receive and review a copy of the internal and external audit report for offshore and outsourced services. |

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| --- |
| Offshore |
| ( ) Yes( ) No |
| Outsourced |
| ( ) Yes( ) No |
| Comments: |
|     |

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| --- |
| 1.7.13 Where your organisation has outsourced processing activities to a third party (i.e. not the legal entity that has been contracted with for the provision of services), what is the relationship of that third party to your parent organisation? |

|  |  |  |  |
| --- | --- | --- | --- |
| Relationship | Yes/No | Location (Country/City) | Legal Name |
| Affiliate | ( ) Yes( ) No |   |   |
| Subsidiary | ( ) Yes( ) No |   |   |
| Joint Venture | ( ) Yes( ) No |   |   |
| External Party | ( ) Yes( ) No |   |   |
| Other | ( ) Yes( ) No |   |   |
| Comments |
|      |

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| --- |
| 1.7.14 Where your organisation has offshored processing activities to a centralised operational hub(s), what is the relationship of that hub to your organisation? |

|  |  |  |  |
| --- | --- | --- | --- |
| Relationship | Yes/No | Location (Country/City) | Exact Name |
| Branch | ( ) Yes( ) No |   |   |
| Subsidiary | ( ) Yes( ) No |   |   |
| Joint Venture | ( ) Yes( ) No |   |   |
| Other | ( ) Yes( ) No |   |   |
| Comments |
|      |

1.8 Your Performance

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| --- |
| 1.8.1 Please briefly describe your lobbying activities and achievements in the last 12 months, both locally and globally, in making improvements to local and world-wide settlement practices/procedures and custody. |

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| 1.8.2 Please indicate your membership and participation in industry bodies/initiatives.  |

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| 1.8.3 Please complete the following table indicating the domestic and foreign clients you currently serve, plus current client assets under custody in each case. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of Domestic Clients | Percentage of Assets Under Custody represented | Number of Foreign Clients | Percentage of Assets under Custody represented |
| Banks/Global Custodians |   |   |   |   |
| Asset Managers/Institutions |   |   |   |   |
| Brokers/Dealers |   |   |   |   |
| Private Clients |   |   |   |   |
| Mutual Funds |   |   |   |   |
| Public Sector (Sovereign Wealth, National Pension Funds, Central Banks) |   |   |   |   |
| Other (Please Specify) |   |   |   |   |
| Comments |
|      |

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| --- |
| 1.8.4 Client numbers: How many clients have you gained and lost in the last 12 months? |

|  |  |
| --- | --- |
| Gained |   |
| Lost |   |
| Comments (please state for any clients lost in the last year, the reasons why this occurred.) |
|      |

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| 1.8.5 Growth in total assets under custody - Complete the following tables for total assets under custody in your local market in millions (use local currency). |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| State Currency |   |  |  |  |
| Year End | ATotal assets under custody held for domestic clients(Million) | BTotal assets undercustody held for foreign clients(Million) | A+B Total assetsunder custody(Million) | Total number oftransactions |
| This year |   |   |   |   |
| Preceding year |   |   |   |   |
| Comments |
|      |

|  |
| --- |
| 1.8.6 Please provide an estimate of the market share of custody business that your organisation has based on Assets under custody and transaction volumes. |

|  |  |  |
| --- | --- | --- |
|  | Assets under Custody (%) | Transaction Volumes (%) |
| Domestic |   |   |
| International Clients |   |   |
| Comments |
|      |

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| 1.8.7 Employees - Please complete the following table, showing the total number of domestically located custody employees plus a breakdown by key activities. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Number of Custody Employees | % of Total | Avg length of service | Staff turnover in previous year (%) |
| Total |   | 100% |   |   |
| Management |   |   |   |   |
| Operations |   |   |   |   |
| Client Services |
| - Relationship Managers |   |   |   |   |
| - Account Officers |   |   |   |   |
| Other |   |   |   |   |
| Comments: |      |

|  |
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| 1.8.8 Has your organisation been named in a lawsuit in the past 12 months relating to your securities or custody business? If yes, explain the circumstances of each suit and the outcome(s) to the extent legally permissible. |

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| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

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| 1.8.9 Please confirm that you and, if applicable, any sub-contracted entity supporting your custody services provides ongoing training to all relevant staff to ensure that knowledge is maintained at the requisite levels for the performance of their respective duties |

|  |
| --- |
| ( ) Yes( ) No |

2 Asset Safety and Custody

2.1 Regulations, laws and market practices

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| --- |
| 2.1.1 Please describe the processes that allow you to manage regulatory rule changes within your organisation. |

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| --- |
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| --- |
| 2.1.2 Are you subject to local regulatory disclosure reporting requirements? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.1.3 Do you obtain an external legal opinion? |

|  |
| --- |
| ( ) Yes( ) No |
| If yes, please provide a copy. |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 2.1.4 In the last 12 months have there been any changes that affect either (a) legal requirements or (b) market practices related to the holding of client assets? If yes, please provide details. |

|  |
| --- |
| (a) Legal Requirements |
| ( ) Yes( ) No |
| (b) Market Practices |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.1.5 In the last 12 months have there been any changes to local law in your jurisdiction which require us to grant you a security interest, lien or right of set-off over our clients’ assets to recover debts that are not related to our clients? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.1.6 Concerning laws which affect the assurance that your organisation’s clients have rights to have securities and cash held by you returned to the clients in the event of your insolvency, and that would protect the clients from having their assets taken by an insolvency authority to satisfy claims against you by any other person including creditors, please confirm the following: |

|  |
| --- |
| a. That laws assuring the above currently exist or and that there have been no changes to these insolvency/bankruptcy laws in the last 12 months. |
| ( ) Yes( ) No |
| If Yes, please provide details of relevant legislation. |
|     |
| b. That new insolvency/bankruptcy laws or amendments are pending implementation. |
| ( ) Yes( ) No |
| If Yes, please provide details of relevant legislation. |
|     |
| c. That you will, within a reasonable time, inform us should there be any changes in the insolvency/bankruptcy laws. If no, please comment why: |
| ( ) Yes( ) No |
| If Yes, please provide details of relevant legislation. |
|     |

|  |
| --- |
| 2.1.7 Are there any ongoing or planned changes to the current legal framework regarding the required account structure (e.g. omnibus or segregated accounts)? If yes, please specify in detail and provide copies of respective information (e.g. expected new laws, current media reports), if available. |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 2.1.8 Please specify or confirm under which names it is legally possible to record or register legal title to securities in your jurisdiction. (Please answer "Confirmed" next to each possible name listed below) (Please note that "legal title holder" in this case is the person that the issuer of the securities would recognise as having direct ownership of the securities). |

|  |  |
| --- | --- |
| Our client’s/investor/beneficial owner name: | [ ] Confirm |
| Our Nominee name: | [ ] Confirm |
| Your sub custodian name: | [ ] Specify name |
| Your sub custodian nominee name: | [ ] Specify name |
| Name of third party and nominee name: | [ ] Specify name |
| Other - please specify: |
|      |

|  |
| --- |
| 2.1.9 Please provide evidence and/or confirmation from your legal counsel confirming the different names in which it is possible to register or record legal title to client securities under the laws of your jurisdiction and if in accordance with market practice. |

|  |
| --- |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
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| --- |
| 2.1.10 Within the last 12 months, have there been any errors which have resulted in securities (Prop or Client) not being adequately safeguarded. If so, please describe.  |

|  |
| --- |
|       |

|  |
| --- |
| 2.1.11 Within which entity or entities is legal ownership recorded? |

|  |
| --- |
| ( ) CSD( ) Custodian( ) Registrar |
| Comments: |
|       |

|  |
| --- |
| 2.1.12 In your market, is the nominee concept fully recognised and accepted? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 2.1.13 If answer to above is yes, does the definition of a nominee company under your local market laws/regulations comply with the following definition; ‘a body corporate whose business consists solely of acting as a nominee holder of investments or other property’? |

|  |
| --- |
| ( ) Yes( ) No( ) Not applicable |
| Comments: |
|       |

|  |
| --- |
| 2.1.14 Is there a difference between a legal owner and a beneficial owner of securities according to local rules and regulations? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.1.15 In the last 12 months have there been any changes to the registration practices for client securities in your jurisdiction? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.1.16 Are there any legal requirements or market practices related to the holding of our assets or our client’s assets that could adversely affect our rights or our clients’ rights? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 2.1.17 Can securities that you hold in an omnibus account, or an omnibus account itself, be restricted for any reason other than a valid court order? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.1.18 Has there been any changes in the last 12 months to the protection or compensation available to our organisation if you are unable to meet your obligations? |

|  |
| --- |
|      |

|  |
| --- |
| 2.1.19 Please outline the actions we need to take to recover our assets/monies in the event of your bankruptcy. |

|  |
| --- |
|      |

2.2 Your accounts

|  |
| --- |
| 2.2.1 Are you able to identify assets / securities held in your omnibus accounts as client assets? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.2.2 Acting as custodian, do you provide segregation: |

|  |  |
| --- | --- |
| a) Between your proprietary holdings and clients’ holdings? | ( ) Yes( ) No |
| b) Between clients’ proprietary holdings and your client’s clients’ holdings? | ( ) Yes( ) No |
| c) Throughout the custody chain including at CSD level? | ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 2.2.3 Are assets settled directly into a segregated client account or are they settled into a commingled firm / client account and subsequently segregated? |

|  |  |  |
| --- | --- | --- |
|  | Fully segregated | Commingled, then segregated |
| Settlement at Sub-custodian |     |     |
| Settlement at CSD |     |     |
| Comments: |
|       |

|  |
| --- |
| 2.2.4 At the request of your client, do you segregate the following on your books and records? If yes, please describe how. |

|  |  |
| --- | --- |
| Client’s UCITS securities from other client’s non-UCITS securities | Comments: |
| ( ) Yes( ) No |   |
| Client’s UCITS cash holdings from other client’s non-UCITS cash holdings |
| ( ) Yes( ) No |   |
| Client’s AIF securities from other client’s non-AIF securities |
| ( ) Yes( ) No |   |
| Client’s AIF cash holdings from other client’s non-AIF cash holdings |
| ( ) Yes( ) No |   |
| Comments: |
|       |

2.3 CSD

|  |
| --- |
| 2.3.1 How are assets held in your market?  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Physically | Immobilised at the CSD | Dematerialised | Other (please specify) |
| Equities | [ ] | [ ] | [ ] |   |
| Government Bonds | [ ] | [ ] | [ ] |   |
| Corporate Bonds | [ ] | [ ] | [ ] |   |
| Money Market Instruments | [ ] | [ ] | [ ] |   |
| Comments: |
|       |

|  |
| --- |
| 2.3.2 In the last 12 months have there been any changes that affect the securities account structure and/or account naming conventions at either the level of the Central Securities Depository (CSD) or local custodian? If yes, please provide details. |

|  |
| --- |
| CSD |
| ( ) Yes( ) No |
| Local Custodian |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.3.3 If you maintain client assets in one or more accounts with the CSD, please confirm that the account names reflect that;  |

|  |  |
| --- | --- |
| a) Your clients' assets are held in an account entitled “Clients” or in the name of the client. | ( ) Yes( ) No |
| b) Your clients’ assets are segregated from your proprietary holdings. | ( ) Yes( ) No |
| c) Your proprietary assets (including those of affiliates) are not held in the same nominee name as those assets belonging to your client assets. | ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|       |

|  |
| --- |
| 2.3.4 If the account naming as requested above is not possible within your legal jurisdiction, please provide the reasons.  |

|  |
| --- |
|       |

|  |
| --- |
| 2.3.5 Please confirm whether securities for resident clients are separated from non-resident clients at the CSD? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 2.3.6 Where functions are performed by a CSD(s) away from the entity providing custody services to us, who do we have recourse to in the event of any errors by the CSD? |

|  |
| --- |
|       |

|  |
| --- |
| 2.3.7 Please confirm that under no circumstances would the CSD have any right of lien or retention of sale over client assets that you hold in safe custody. |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
| Comments: |
|     |

|  |
| --- |
| 2.3.8 Please confirm that you would notify us of any changes in respect of the CSD and its right of lien, retention or sale over our assets that you hold in safe custody? |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
|      |

2.4 Control and reconciliation

|  |
| --- |
| 2.4.1 Please confirm that neither you nor your affiliates will transfer securities in the absence of an instruction from us. |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
| Comments: |
|      |

|  |
| --- |
| 2.4.2 Please confirm that you would provide adequate notification to us prior to making any changes that were not initiated by an instruction sent by ourselves, to the numbers or titles of our accounts in your books or at the CSD. |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
| Comments: |
|      |

|  |
| --- |
| 2.4.3 Please outline your procedures and controls to prevent brokers/third parties accessing client’s Central Depository holdings directly? |

|  |
| --- |
|       |

|  |
| --- |
| 2.4.4 Where assets are being held in any of your nominee companies, please provide evidence that these and any new nominee companies are owned and controlled by you. Suitable evidence is in the form of extracts from financial statements, Directors’ reports or other forms of official company documentation. |

|  |
| --- |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|       |

|  |
| --- |
| 2.4.5 Please advise at what point you would contact us to advise of any loss of securities. |

|  |
| --- |
|       |

|  |
| --- |
| 2.4.6 Please confirm the frequency and automation of reconciliation to the following entities of your own securities and cash balances |

|  |  |  |
| --- | --- | --- |
|  | Securities | Cash |
|  | (Frequency of reconciliation) | Automation | (Frequency of reconciliation) | Automation |
| CSD (Balance) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| CSD (Transaction) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| Central Bank (Balance) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| Central Bank (Transactions) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| Registrar (Balance) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| Registrar (Transactions) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) N/A |
| Delegated Sub-Custodians (Balance) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) N/A |
| Delegated Sub-Custodians (Transactions) | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A | ( ) Intraday( ) Daily( ) Weekly( ) Monthly( ) > Monthly( ) N/A | ( ) Fully automated( ) Semi automated( ) Manual( ) N/A |
| Comments: |
|      |

|  |
| --- |
| 2.4.7 Re 2.4.6 above, where manual intervention is required, please describe the entity and process below. |

|  |
| --- |
|       |

|  |
| --- |
| 2.4.8 Have there have been any changes to the reconciliation processes over the last 12 months? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.4.9 Within the last 12 months have there been any changes to your procedure used when a discrepancy is identified? If yes, please describe.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.4.10 Do you have a tracking process for aged discrepancies including standardised thresholds/KPIs? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.4.11 Does your system record where securities are held in custody but are unavailable for delivery due to being out for transfer or splitting, or being used for collateral or lending or stopped for other reason? |

|  |  |  |
| --- | --- | --- |
|  |  | Comments: |
| Transfer | ( ) Yes( ) No |   |
| Splitting | ( ) Yes( ) No |   |
| Collateral | ( ) Yes( ) No |   |
| Lending | ( ) Yes( ) No |   |
| Other | ( ) Yes( ) No |   |
| Comments: |
|       |

|  |
| --- |
| 2.4.12 In the last 12 months, has there been a significant or material change in the number of unreconciled items regarding the following. If yes, please detail in the comments section. Please note: material equals +/-10%. |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Average Monthly Volume | Comments: |
| Securities balances | ( ) Yes( ) No |   |   |
| Cash balances | ( ) Yes( ) No |   |   |
| Securities transactions | ( ) Yes( ) No |   |   |
| Cash transactions | ( ) Yes( ) No |   |   |
| Comments: |
|     |

|  |
| --- |
| 2.4.13 In the last 12 months have there been any changes or enhancements regarding the process for reconciliation of breaks or outstanding items? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.4.14 Please provide the reasons for any of our unresolved breaks within the last 12 months, of more than 3 months duration, and advise of the actions you have taken to clear them. |

|  |
| --- |
| Comments: |
|      |

2.5 Physical holdings (answer if applicable)

|  |
| --- |
| 2.5.1 Please confirm that your vault security features include the following: |

|  |  |
| --- | --- |
| Security Guards | ( ) Yes( ) No |
| 24-hour closed-circuit camera surveillance | ( ) Yes( ) No |
| Dual control over all activities | ( ) Yes( ) No |
| Monitoring of access via a log book | ( ) Yes( ) No |
| Alarms | ( ) Yes( ) No |
| Panic Buttons | ( ) Yes( ) No |
| Movement Detectors | ( ) Yes( ) No |
| Timed Locks | ( ) Yes( ) No |
| Fire Suppression Systems | ( ) Yes( ) No |
| Flood control systems | ( ) Yes( ) No |
| Please list additional features |     |

|  |
| --- |
| 2.5.2 Please state the location of the vault, e.g. is it in the same building as your securities services operations, which floor is it located on? |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.3 Do you have procedures and controls for physical transportation of securities? |

|  |
| --- |
| ( ) Yes( ) No |
| If Yes, please provide details of relevant legislation. |
|      |

|  |
| --- |
| 2.5.4 Were there any exceptions for the vault safeguards noted in your last audit? If yes, please outline the exceptions and steps taken to rectify. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.5.5 In the last 12 months, have you experienced any breaches in these safeguards? If yes, how have they been addressed / resolved? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.5.6 Do you outsource the safekeeping of physical assets? If yes please provide further details.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 2.5.7 Please outline your vault procedures and controls and when these were last reviewed by your internal auditors. |

|  |
| --- |
|      |

|  |
| --- |
| 2.5.8 Please confirm that there are dual controls in place for all physical security management e.g. certificates and delivery of physical securities. |

|  |
| --- |
| Dual Controls |
| ( ) Confirmed( ) Not Confirmed |
| Comments: |
|     |

|  |
| --- |
| 2.5.9 Please confirm that there is a segregation of duties between the maintenance of physical custody records and their reconciliation. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 2.5.10 Please outline how client assets are segregated within the vault from the organisation's own and other clients' assets. |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.11 Please advise in which entity's name the physical securities (not immobilised at the CSD) are registered. |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.12 Please outline how you record bearer instruments in your books and records so that you know who the beneficial owner is. |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.13 Please outline how you monitor vault capacity levels and advise what capacity the vault is operating to. |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.14 Please outline your Business Continuity Plan should the operation of your vault become impaired. |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.15 How frequently are physical securities held on our behalf counted and reconciled to your records?  |

|  |
| --- |
| ( ) Quarterly( ) Semi annually( ) Annually( ) Other (please specify) |
| Comments: |
|     |

|  |
| --- |
| 2.5.16 How are exceptions investigated, reported and corrected in a timely and controlled manner? |

|  |
| --- |
|       |

|  |
| --- |
| 2.5.17 Please confirm that you reconcile registered physical securities in your custody with the relevant registrar at least once every six months. |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
| If not, please advise the scope and frequency of vault counts. |
|       |

|  |
| --- |
| 2.5.18 Do local rules and regulations stipulate how frequently you are required to perform vault reconciliations? If yes, please advise how often? |

|  |
| --- |
| ( ) Yes( ) No |
| Frequency |
| ( ) Quarterly( ) Semi annually( ) Annually( ) Other (please specify) |
| Comments: |
|       |

|  |
| --- |
| 2.5.19 Do local rules and regulations stipulate how frequently you are required to perform reconciliations against registrar records? If yes, please advise how often? |

|  |
| --- |
| ( ) Yes( ) No |
| Frequency |
| ( ) Quarterly( ) Semi annually( ) Annually( ) Other |
| Comments: |
|       |

2.6 Physical Security

|  |
| --- |
| 2.6.1 Please confirm which of these applies to the security on your premises: |

|  |  |
| --- | --- |
| 24-hour security coverage (if security is not provided for on a 24 hour basis, please provide details of arrangements in place | ( ) Yes( ) No |
| External Security personnel | ( ) Yes( ) No |
| Internal Security personnel | ( ) Yes( ) No |
| Armed Security personnel | ( ) Yes( ) No |
| Building entry security clearance and ID if required | ( ) Yes( ) No |
| Physical entry barriers | ( ) Yes( ) No |
| Restricted access ID cards for all staff and visitors | ( ) Yes( ) No |
| Security Cameras | ( ) Yes( ) No |

|  |
| --- |
| 2.6.2 Please confirm that alarm systems are used on your premises to detect the following:  |

|  |  |
| --- | --- |
| Unauthorised entry | ( ) Confirmed( ) Not Confirmed |
| Smoke | ( ) Confirmed( ) Not Confirmed |
| Heat and Fire | ( ) Confirmed( ) Not Confirmed |
| Flooding | ( ) Confirmed( ) Not Confirmed |

|  |
| --- |
| 2.6.3 Are all staff/visitors/vendors properly identified, required to sign in, and wear badges? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.6.4 Are all visitors/vendors supervised whilst on the premises? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 2.6.5 Is data centre access limited to employees with appropriate job responsibilities?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

3 Risk Mitigation

3.1 Operational Controls

|  |
| --- |
| 3.1.1 Do you maintain written operational controls and procedures for all custody operations and banking functions? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.1.2 How frequently are the operational controls and procedures reviewed/updated and by whom? In the last 12 months have there been material changes? If so, please provide details. |

|  |  |
| --- | --- |
| Review | ( ) Quarterly( ) Semi annually( ) Annually( ) Other |
| Reviewed by: |   |
| Changes in past 12 months | ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 3.1.3 In the past 12 months has your local regulator raised any concerns in relation to your operational controls and procedures? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.1.4 Are unique user identifiers used for internal and external systems? If yes, please state the frequency of change. |

|  |
| --- |
| ( ) Yes( ) No |
| Frequency of change: |
|     |

|  |
| --- |
| 3.1.5 Have there been any changes in the last 12 months to the end to end process and interconnectivity between your business units? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

3.2 Risk Management

|  |
| --- |
| 3.2.1 Do you have an independent risk management function in your organisation? If so, please provide an organisation chart showing (or explain) where Risk Management resides within your organisation.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.2.2 Please describe how your Risk Management function operates in relation to your custody business?  |

|  |
| --- |
|       |

|  |
| --- |
| 3.2.3 What are the key processes/elements of your risk framework and does this include the use of Risk and Control Self Assessments (RCSA)? If not, please describe the mechanism for monitoring identified risks.  |

|  |
| --- |
| RCSA |
| ( ) Yes( ) No |
| Comments: |
|     |

3.3 Audit

|  |
| --- |
| 3.3.1 Who are your external auditors responsible for operational audit? |

|  |
| --- |
|       |

|  |
| --- |
| 3.3.2 Please provide (AS AN ATTACHMENT) a diagram showing where your Internal Audit function resides and who it reports to. |

|  |
| --- |
| Please attach file here: |
|  [File Attachment] |
| Comments: |
|      |

|  |
| --- |
| 3.3.3 Please describe the independent reporting lines of your internal audit function, including any changes within the last 12 months. |

|  |
| --- |
|       |

|  |
| --- |
| 3.3.4 Do any supervisory regulations apply to the design of your internal audit function? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.3.5 Do your regulators review your internal procedures? If yes, how frequently? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.3.6 How frequently are your custody operations audited by your internal and external auditors, market regulators and central bank? In the last 12 months has this frequency changed? If yes, please provide details. Please provide the date of the last internal, external and regulatory audits. Please attach a copy of the last audit report from your internal and external auditors, regulator and central bank. |

|  |
| --- |
| (a) Internal audit: |
| Frequency | Date | Type | Attachment |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify) |   |   |  [File Attachment] |
| Has this frequency changed in the last 12 months? |
| ( ) Yes( ) No |
| (b) External audit: |
| Frequency | Date | Type |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify) |   |   |  [File Attachment] |
| Has this frequency changed in the last 12 months? |
| ( ) Yes( ) No |
| Market Regulators |
| Frequency | Date | Type |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify) |   |   |  [File Attachment] |
| Has this frequency changed in the last 12 months? |
| ( ) Yes( ) No |
| Central Bank |
| Frequency | Date | Type |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify) |   |   |  [File Attachment] |
| Has this frequency changed in the last 12 months? |
| ( ) Yes( ) No |
| Auditors Report | Date |
| External Auditors Report |   |
| SOCI |   |
| SSAE 16 |   |
| ISAE 3402 |   |
| Other |   |
| Comments: |
|      |
| Please attach SOCI file here: |  [File Attachment] |
| Please attach SSAE 16 file here: |  [File Attachment] |
| Please attach ISAE 3402 here: |  [File Attachment] |
| Please attach other equivalent here: |  [File Attachment] |
| Other. Please specify |
|      |
| Comments: |
|      |
| Please upload files here: |
|  [File Attachment] |
|  [File Attachment] |

|  |
| --- |
| 3.3.7 Do you prepare a service auditor’s report in accordance with SSAE16/ISAE3402 (or similar) which includes an auditor’s opinion on your control objectives and control activities? If yes, please provide a copy of the report. |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 3.3.8 Do you prepare assurance reports to prove internal control operations and procedures are efficient, effective, robust and satisfy their control objectives. e.g. in line with Technical release AAF/0106 of the Institute of Chartered Accountants in England and Wales or equivalent? If yes, please provide a copy of the report.  |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
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|  |
| --- |
| 3.3.9 Please highlight any concerns raised in any of the above audits together with actions to remediate these points. |

|  |
| --- |
| Comments: |
|     |
| Upload file below |
|  [File Attachment] |

|  |
| --- |
| 3.3.10 Briefly describe the follow-up procedures that exist to ensure internal/ external audit or regulatory audit recommendations are implemented.  |

|  |
| --- |
|       |

|  |
| --- |
| 3.3.11 Are there any open items from the last recommendations? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.3.12 Are all Key Operating Procedures and escalation procedures clearly documented and accessible to all staff? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

3.4 IT Disaster Recovery (systems and data)

|  |
| --- |
| 3.4.1 Please confirm that you have disaster recovery plans (DRP). |

|  |
| --- |
| ( ) Confirmed( ) Not Confirmed |
| Comments: |
|      |

|  |
| --- |
| 3.4.2 In the last 12 months have there been any material changes to these plans? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 3.4.3 Are these plans reviewed by your regulator? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 3.4.4 Who within your organisation has oversight over your DRP? Who has authority to activate the DRP? |

|  |
| --- |
| Comments: |
|      |

|  |
| --- |
| 3.4.5 Who has authority to activate your DRP? |

|  |
| --- |
|      |

|  |
| --- |
| 3.4.6 How often is your DRP tested? What was the date of the last test? |

|  |
| --- |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify below) |
| Date of last test (DDMMYYYY) |
|      |

|  |
| --- |
| 3.4.7 Was the last DRP test successful? If not, please describe items that that require remediation and confirm that a remediation plan is in place. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.4.8 Is your DRP testing live or simulated? |

|  |
| --- |
| ( ) Live( ) Simulated |
| Comments: |
|     |

|  |
| --- |
| 3.4.9 Does the DRP testing include financial market infrastructures? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.4.10 Does the DRP testing include other third parties?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.4.11 Please confirm that testing replicates a full business day. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments/Qualifications: |
|     |

|  |
| --- |
| 3.4.12 Are the results of the DR test audited by internal or external auditors? If so, please provide a copy of the reports. |

|  |
| --- |
| ( ) Yes, internal( ) Yes, external( ) No |
| Comments/Qualifications: |
|      |
| Please upload files here: |
|  [File Attachment] |
|  [File Attachment] |

|  |
| --- |
| 3.4.13 How do you monitor gaps from these findings and ensure action is taken to remediate these issues? |

|  |
| --- |
| Comments: |
|       |

|  |
| --- |
| 3.4.14 How and when would clients be advised in the event of a disaster?  |

|  |
| --- |
| Comments: |
|      |

|  |
| --- |
| 3.4.15 In a disaster event, how soon do you commit to re-constituting your system/parallel system? |

|  |
| --- |
| ( ) Within 1 hour( ) Within 4 hours( ) Within 12 hours( ) Within 24 hours( ) More than 24 hours |
| Comments: |
|      |

|  |
| --- |
| 3.4.16 In a disaster event, how soon are you able to revert to normal business operations? |

|  |
| --- |
| ( ) Within 1 hour( ) Within 4 hours( ) Within 12 hours( ) Within 24 hours( ) More than 24 hours |
| Comments: |
|      |

|  |
| --- |
| 3.4.17 Are there any limitations to your system capabilities whilst in Disaster Recovery mode? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments/Qualifications: |
|      |

|  |
| --- |
| 3.4.18 Do you back up your data in real time? |

|  |
| --- |
| ( ) Yes( ) No |
| If No, is data backup: |
| Mirrored with delay | [ ] |
| Daily | [ ] |
| Weekly | [ ] |
| Other | [ ] |
| Comments: |
|       |

|  |
| --- |
| 3.4.19 In the last 12 months have you invoked your DRP? If yes, please provide details.  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments/Qualifications: |
|     |

|  |
| --- |
| 3.4.20 Did the results comply with your plan? |

|  |
| --- |
| ( ) Yes( ) No( ) Not applicable |
| Comments/Qualifications: |
|     |

|  |
| --- |
| 3.4.21 How far apart are your primary and secondary processing hardware located? |

|  |
| --- |
| Distance (km) |
|   |
| Comments: |
|      |

|  |
| --- |
| 3.4.22 If the answer to the above question is less than 15km and/or within the same power grid, please specify how risk is mitigated. |

|  |
| --- |
|       |

|  |
| --- |
| 3.4.23 Do you operate a “hot” disaster recovery site?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.4.24 Are backup systems available at the primary data centre?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.4.25 If the primary lines of communication between your primary data centre and the back-up site fail, what contingency measures are in place? |

|  |
| --- |
| Comments: |
|      |

3.5 Cybersecurity

|  |
| --- |
| 3.5.1 Does your organisation have a documented Cybersecurity policy in place? If so, please provide. |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|       |

|  |
| --- |
| 3.5.2 Please provide an overview of your policy for Continuity of Business in the event of a large data breach or Cyber-attack against your organisation. |

|  |
| --- |
|      |

|  |
| --- |
| 3.5.3 In the last 12 months have there been any changes to the policy? If yes, please detail. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.5.4 Please advise how often you review the policy. |

|  |
| --- |
| ( ) Semi-annually( ) Annually( ) Other |
| Comments: |
|      |

|  |
| --- |
| 3.5.5 Please provide (as an attachment) a diagram showing where your Cybersecurity function resides and who it reports to. |

|  |
| --- |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|      |

|  |
| --- |
| 3.5.6 How does your organisation identify which business functions carry a Cyber-risk? |

|  |
| --- |
|       |

|  |
| --- |
| 3.5.7 What ongoing testing and monitoring processes are in place to ensure that all internal and external connectivity and system configurations are not at risk of Cybersecurity breaches? |

|  |
| --- |
|      |

|  |
| --- |
| 3.5.8 What technological controls and protections are in place for your systems and networks? |

|  |
| --- |
|       |

|  |
| --- |
| 3.5.9 What measures does your organisation have to ensure early detection of a Cyber-attack? |

|  |
| --- |
|      |

|  |
| --- |
| 3.5.10 What is the agreed resumption time for critical operations following a Cyber-attack? |

|  |
| --- |
|      |

|  |
| --- |
| 3.5.11 How would you advise clients of a successful Cyber-attack against your organisation? |

|  |
| --- |
|      |

|  |
| --- |
| 3.5.12 Has your organisation been subject to a successful Cyber-attack in the past 12 months? |

|  |
| --- |
| ( ) Yes( ) No |
| If Yes, please provide details.Comments: |
|     |

|  |
| --- |
| 3.5.13 Are all elements of your Cyber-Security framework tested prior to and after being employed using various methodologies (e.g. Vulnerability Assessment, Scenario-based, Penetration tests)? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

3.6 Business Continuity Programme (BCP) (Operations and Premises)

|  |
| --- |
| 3.6.1 Please confirm that you have business continuity plans (BCP), including alternate offices, power, communications and all necessary facilities. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments/Qualifications: |
|     |

|  |
| --- |
| 3.6.2 In the last 12 months have there been any material changes to these BCP plans? If yes, please provide details. |

|  |
| --- |
| ( ) Yes, without qualification( ) Yes, with qualification( ) No |
| Comments/Qualifications: |
|      |

|  |
| --- |
| 3.6.3 Is the organisation compliant with all current regulatory requirements for BCP in each of the countries where you provide custody services? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.4 Have there been any new BCP regulatory requirements issued in the last 12 months? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.5 Who within your organisation has oversight and control over BCP? |

|  |
| --- |
| Comments: |
|      |

|  |
| --- |
| 3.6.6 Who has authority to activate your BCP? |

|  |
| --- |
|      |

|  |
| --- |
| 3.6.7 How often is your BCP tested? What was the date of the last test? |

|  |
| --- |
| ( ) 6 months( ) 12 months( ) 18 months( ) 24 months( ) Other (Specify below) |
| Date of last test (DDMMYYYY): |
|      |

|  |
| --- |
| 3.6.8 Is testing completed during business hours?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.9 Was your last BCP test successful? If not, please describe items that required remediation and confirm that a remediation plan is in place. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.6.10 Is your BCP testing conducted in a live or simulated environment? |

|  |
| --- |
| ( ) Live( ) Simulated |
| Comments: |
|     |

|  |
| --- |
| 3.6.11 Does your BCP testing include Financial Market Infrastructures? |

|  |
| --- |
|       |

|  |
| --- |
| 3.6.12 Does your BCP testing include any other third parties?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.13 Are the results of your BCP test audited by internal or external auditors? If so, please provide a copy of the report.  |

|  |
| --- |
| ( ) Yes, internal( ) Yes, external( ) No |
| Comments/Qualifications: |
|      |
| Please upload documents here. |
|  [File Attachment] |
|  [File Attachment] |

|  |
| --- |
| 3.6.14 How do you monitor gaps from these findings and ensure action is taken to remediate these issues? |

|  |
| --- |
| Comments |
|      |

|  |
| --- |
| 3.6.15 How and when would clients be advised in the event of the BCP being activated in a live environment? |

|  |
| --- |
| Comments: |
|     |

|  |
| --- |
| 3.6.16 Following a BCP event, how soon are you able to revert to Business As Usual (BAU)? |

|  |
| --- |
| ( ) Within 1 hour( ) Within 4 hours( ) Within 12 hours( ) Within 24 hours( ) More than 24 hours |
| Comments: |
|     |

|  |
| --- |
| 3.6.17 Are there any limitations to your business capabilities whilst in BCP mode? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.6.18 In the last 12 months have you invoked business continuity plans? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.19 If invoked, did the results comply with your plan?  |

|  |
| --- |
| ( ) Yes( ) No( ) Not Applicable |
| Comments/Qualifications: |
|     |

|  |
| --- |
| 3.6.20 Are you willing to allow us to review the findings of your last full business continuity test? |

|  |
| --- |
| ( ) Yes( ) No |
| If yes, please attach a copy of your last business continuity test. |
|  [File Attachment] |
| Comments/Qualifications: |
|      |

|  |
| --- |
| 3.6.21 Specifically for Securities Services, including custody, state the distance of the contingency site(s) from your primary location.  |

|  |
| --- |
| Distance (km) |
|   |
| Comments: |
|      |

|  |
| --- |
| 3.6.22 If the answer to the above question is less than 15km and/or within the same power grid, please specify how risk is mitigated. |

|  |
| --- |
|       |

|  |
| --- |
| 3.6.23 Is the Business Contingency site a hot site? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.6.24 Is the Business Contingency site shared? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.6.25 Please specify the percentage of staff defined as critical to your Business Continuity arrangements.  |

|  |
| --- |
| ( ) 100%( ) 75-100%( ) 50-75%( ) 25-50%( ) <25% |
|  |
| Please confirm that they have access to all necessary systems. |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.6.26 Please confirm that your contingency site has all the necessary communications, linkages, infrastructure interfaces, work stations, hardware and systems applications to resume business operations. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.27 Please state how long you can continue to operate from the BCP site. |

|  |
| --- |
|     |

|  |
| --- |
| 3.6.28 Is it possible for employees to access systems remotely (e.g. from home or other branches/offices)? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.6.29 What is the contingency should your primary method of communications with your clients fail (e.g. SWIFT)? |

|  |
| --- |
|      |

|  |
| --- |
| 3.6.30 Please confirm if an alternative means of communication is in place with the following. If yes, please state the alternative method (e.g. email, fax) |

|  |
| --- |
| Stock Exchange |
| ( ) Yes( ) No |
| If Y, which method is used? |
|   |
| Central Securities Depository (CSD) |
| ( ) Yes( ) No |
| If Y, which method is used? |
|   |
| Central Bank |
| ( ) Yes( ) No |
| If Y, which method is used? |
|   |
| Central Counterparty (CCP) |
| ( ) Yes( ) No |
| If Y, which method is used? |
|   |
| Comments: |
|     |

3.7 Financial Crime Prevention, Compliance, KYC and Enhanced Governance

|  |
| --- |
| 3.7.1 Please confirm that your Group has a policy covering a) Anti-Money Laundering (AML), b) Counter Terrorist Financing (CTF), c) Anti-Bribery and Corruption (ABC), d) Know Your Client (KYC) e) Politically Exposed Persons (PEP) and f) Sanctions. Please specify how frequently you and your regulator review these policies and the name of the regulator undertaking the review. |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Policy | Frequency of internal review | Other (please specify the frequency) | Last date of internal review | Frequency of review by Regulatory Body | Other (please specify the frequency) | Last date of Regulatory review |
| AML | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| CTF | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| ABC | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| KYC | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| PEP | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| Sanctions | ( ) Yes( ) No | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   | ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |   |   |
| Comments: |
|      |

|  |
| --- |
| 3.7.2 Please confirm that the policies in the above question have been implemented in your jurisdiction and that you have a process in place to monitor and action changes in applicable laws and regulation?  |

|  |  |  |
| --- | --- | --- |
|  | Implemented | Process in place |
| AML | ( ) Yes( ) No | ( ) Yes( ) No |
| CTF | ( ) Yes( ) No | ( ) Yes( ) No |
| ABC | ( ) Yes( ) No | ( ) Yes( ) No |
| KYC | ( ) Yes( ) No | ( ) Yes( ) No |
| PEP | ( ) Yes( ) No | ( ) Yes( ) No |
| Sanctions | ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: |
|      |
| Please provide a copy of the policies as an attachment below. |
| AML |  [File Attachment] |
| CTF |  [File Attachment] |
| ABC |  [File Attachment] |
| KYC |  [File Attachment] |
| PEP |  [File Attachment] |
| Sanctions |  [File Attachment] |

|  |
| --- |
| 3.7.3 Do you have a whistle-blower policy in place? If yes, please provide details of this policy. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.4 Do you have a conflicts of interest policy in place? If yes, please provide a copy of this policy. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.5 Do you have a dedicated AML compliance team at both group and local level who is responsible for the implementation, monitoring, escalation, reporting and management of all policies related to combating financial crime? |

|  |
| --- |
| (a) Group Level |
| ( ) Yes( ) No |
| (b) Local Level |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.6 Describe your process for monitoring changes to any regulation or legislation that may affect your financial crime policies. |

|  |
| --- |
|       |

|  |
| --- |
| 3.7.7 In the last 12 months have there been any material changes to your policies to combat financial crime? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.8 How does your organisation identify, report (including to whom) and monitor suspicious securities and cash transactions? |

|  |
| --- |
|      |

|  |
| --- |
| 3.7.9 Do you have a systematic and technological capability to ensure that any suspicious securities and cash transactions are identified, monitored and reported? If No, please describe how you ensure that suspicious transactions are adequately monitored and managed and how your system and/or process is kept up-to-date? |

|  |
| --- |
| Systematic and technological capability |
| ( ) Yes( ) No |
| If No, how do you meet these criteria? |
|      |
| How is this kept up-to-date? |
|      |

|  |
| --- |
| 3.7.10 Have there been any breaches of your ABC, AML, CTF, KYC, PEP or sanctions policies reported to your regulator during the last 12 months? If yes, please elaborate and state what remedial actions were taken. |

|  |
| --- |
|  |
| AML | ( ) Yes( ) No |
| CTF | ( ) Yes( ) No |
| ABAC | ( ) Yes( ) No |
| KYC | ( ) Yes( ) No |
| PEP | ( ) Yes( ) No |
| Sanctions | ( ) Yes( ) No |
| Actions taken: |
|      |

|  |
| --- |
| 3.7.11 In the last 5 years, has a regulator or other independent body applied any publicly disclosed warnings, sanctions, fines or penalties on your bank/group related to your ABC, AML, CTF, KYC, PEP or sanctions procedures? If yes, briefly describe the circumstances and include details of the amount of any fines or sanctions and regulatory body concerned. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.7.12 In the last 12 months have there been any regulatory investigations into bribery against your organisation, its parent, its employees or affiliates? |

|  |
| --- |
| ( ) Yes( ) No |
| If Yes, which authority have these been reported to and please advise details of the report. |
|     |

|  |
| --- |
| 3.7.13 Please confirm that your staff servicing our activities receives regular training on ABC, AML, CTF, KYC, PEP and sanctions issues. Please describe the frequency and scope of the training provided. Please advise if it is mandatory and if attendance is monitored.  |

|  |  |  |
| --- | --- | --- |
| Frequency | Mandatory Training | Employee Attendance Monitored |
| AML |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| KYC |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| CTF |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| ABC |
| ( ) Semi annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| PEP |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| Sanctions |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) | ( ) Yes( ) No | ( ) Yes( ) No |
| Scope: |
|   |
| Comments: |
|      |

|  |
| --- |
| 3.7.14 Is your organisation a member of the Wolfsberg Group and has your organisation completed the Wolfsberg Group Questionnaire on AML? If yes, please provide a copy as an attachment. |

|  |
| --- |
| Member |
| ( ) Yes( ) No |
| Completed questionnaire |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 3.7.15 How frequently do you perform your AML/KYC screening checks on your clients? |

|  |
| --- |
| Frequency |
| ( ) Semi-annually( ) Annually( ) Other (please state the frequency) |
| Comments: |
|      |

|  |
| --- |
| 3.7.16 Please describe the process that your organisation employs for completing AML/KYC checks. |

|  |
| --- |
|      |

|  |
| --- |
| 3.7.17 Does your organisation adhere to a legal or regulatory imposed record retention period? If yes, please provide us with the record retention period by law. If no, please provide us with the record retention period applied by your company. |

|  |
| --- |
| Regulatory Requirement |
| ( ) Yes( ) No |
| Please provide the retention period by Law: |
|     |
| Internal Requirement |
| ( ) Yes( ) No |
| Please provide the internal retention period by Company: |
|     |

|  |
| --- |
| 3.7.18 Have you adopted a risk based approach for the assessment of KYC and AML checks or do you treat all client relationships in the same way? Please outline your approach to each. |

|  |
| --- |
| Risk Based |
| ( ) Yes( ) No |
| Same treatment |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.19 Please outline your methodology when reviewing and assessing PEPs. |

|  |
| --- |
|      |

|  |
| --- |
| 3.7.20 Please confirm that your organisation has procedures to ensure that no accounts are set-up, nor any type of transaction (cash, securities or otherwise), is made to the following: |

|  |  |
| --- | --- |
| Embargoed jurisdictions | ( ) Yes( ) No |
| Individuals or entities that are the target of US, UK, UN or EU sanctions programs | ( ) Yes( ) No |
| Anonymous account holders | ( ) Yes( ) No |
| Shell Banks | ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 3.7.21 Do you have an automated systematic technological capability to ensure the above policies are implemented? If No, please describe how this is achieved and how the system is kept up-to-date. |

|  |  |
| --- | --- |
|  | Automated, technological capability |
| Embargoed jurisdictions | ( ) Yes( ) No |
| Individuals or entities that are the target of US, UK, UN or EU sanctions programs | ( ) Yes( ) No |
| Anonymous account holders | ( ) Yes( ) No |
| Shell Banks | ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 3.7.22 Does your institution perform sanction screening against the OFAC, UN and EU sanctions lists at the time of on-boarding and for each transaction?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 3.7.23 Please provide a copy of your US Patriot Act Compliance certificate. |

|  |
| --- |
| Please attach file here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 3.7.24 Please give a detailed overview of your compliance monitoring procedures including your sanctions monitoring process |

|  |
| --- |
|        |

|  |
| --- |
| 3.7.25 Which department in your organisation is responsible for implementing, monitoring, escalating, reporting, and managing sanctions? |

|  |
| --- |
|      |

|  |
| --- |
| 3.7.26 Does your institution have policies and procedures to ensure that reasonable measures are taken to ensure your institution does not knowingly transact business with sanctioned individuals, entities and countries? Please provide a list of countries for which your institution has sanctions-related controls and procedures. |

|  |
| --- |
|      |

|  |
| --- |
| 3.7.27 Does your organisation operate a formal Code of Conduct for procurement? |

|  |
| --- |
| Comments |
|     |

3.8 Data Protection

|  |
| --- |
| 3.8.1 Does your jurisdiction have formal data protection or privacy laws/regulations? Please state the appropriate laws at both group level and locally. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.8.2 Are you required to report data breaches to your regulators? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.8.3 In the last 12 months have you reported any data breaches to your regulators? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.8.4 Is our corporate data processed and stored in accordance with internal document retention, destruction and any other relevant data protection policies? |

|  |
| --- |
| ( ) Yes( ) No |

|  |
| --- |
| 3.8.5 Do you have a data breach policy in place? If YES, please briefly describe such policies and explain how and when you would notify us of a data breach |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 3.8.6 Have there been any changes in your formal data protection policy in the past 12 months? If yes, please attach a copy of the revised policy. |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 3.8.7 Have there been any changes in the formal data protection policy in the past 12 months in relation to sharing of data with other business units and /or third parties/affiliates?  |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 3.8.8 Are there any exemptions from your data protection policy? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

4 Your Systems

4.1 Reporting

|  |
| --- |
| 4.1.1 Please outline any enhancements to your operational reporting capability planned for the next 12 months. |

|  |
| --- |
|       |

|  |
| --- |
| 4.1.2 Please outline any enhancements to your market infrastructures' (e.g. CCP, CSD) operational reporting capabilities planned for the next 12 months. |

|  |
| --- |
|       |

4.2 Protecting your systems

|  |
| --- |
| 4.2.1 Do you have a data security policy? If yes, please attach or provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Please upload files here: |
|  [File Attachment] |
| Comments: |
|     |

|  |
| --- |
| 4.2.2 Does your organisation have spyware protection installed on all servers and workstations? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 4.2.3 Please outline your anti-spyware checking procedures and confirm that your anti-spyware software is updated whenever a new version is released. |

|  |
| --- |
|      |

|  |
| --- |
| 4.2.4 Please outline your policy on the deployment of anti-virus products and the applications that this covers |

|  |
| --- |
| Comments: |
|     |

|  |
| --- |
| 4.2.5 Please outline your anti-virus checking procedures and confirm that your anti-virus software is updated whenever a new version is released. |

|  |
| --- |
| Comments: |
|     |

|  |
| --- |
| 4.2.6 In the last 12 months have there been any external security breaches of your system? If yes, please outline and advise what you have done to minimise the likely recurrence of such a breach. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 4.2.7 In the last 12 months has your company been mentioned in the media regarding an information security event? |

|  |
| --- |
|       |

|  |
| --- |
| 4.2.8 How is internet access policed to prevent misuse by your staff? |

|  |
| --- |
|       |

|  |
| --- |
| 4.2.9 Outline how your systems are protected from unauthorised use?  |

|  |
| --- |
|       |

|  |
| --- |
| 4.2.10 Do you have procedures in place which allow access to programs and data to individual employees with different levels of authorised access? If yes, please outline. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 4.2.11 Please outline your process for incorporating system changes and releases into the live environment? |

|  |
| --- |
|       |

|  |
| --- |
| 4.2.12 In what circumstances do you pre-notify clients of changes to your systems? |

|  |
| --- |
|       |

|  |
| --- |
| 4.2.13 Is each employee given a unique ID so that access to any part of the system is limited to authorised personnel and can be traced back to an individual? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

4.3 Plans for your systems

|  |
| --- |
| 4.3.1 Have there been any major developments or enhancements to your systems that support your Securities Services business during the last 12 months? If yes, please detail. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 4.3.2 Briefly outline any major systems developments/enhancements of significance to your Securities Services businesses (including custody) that are planned for the next three years. Indicate the planned timescales. |

|  |  |
| --- | --- |
| Planned Developments | Planned Timescale |
|   |   |
|   |   |
|   |   |
| Comments: |
|      |

|  |
| --- |
| 4.3.3 Please describe your change control policy/process relating to major IT implementations. |

|  |
| --- |
|       |

|  |
| --- |
| 4.3.4 Are there any plans to outsource your systems to an external party during the next 12 months? If so, please describe such plans. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

4.4 System Performance

|  |
| --- |
| 4.4.1 In the last 12 months have you had system outages or slowdowns that have impacted your ability to service your clients? If yes, please detail how many such events there have been. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 4.4.2 What has been your average core custody and transaction processing system uptime over the last 12 months? |

|  |
| --- |
| On average: |
|      |
| At peak: |
|      |

|  |
| --- |
| 4.4.3 What percentage of your system capacity do you use on a daily basis? |

|  |
| --- |
| On average: |
|      |
| At peak: |
|      |

|  |
| --- |
| 4.4.4 Have there been any changes to your end-to-end system infrastructure in the last 12 months? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

4.5 System Development

|  |
| --- |
| 4.5.1 What time period do you allow between the availability of vendor high priority Security patches (to operating systems/network devices/applications) and their implementation to Production environments? |

|  |
| --- |
|       |

|  |
| --- |
| 4.5.2 Are security requirements included in the Software Development Lifecycle documentation? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 4.5.3 Is client data ever used in the test, development, or QA environments? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

5 Core Services

5.1 Settlements

|  |
| --- |
| 5.1.1 In the last 12 months have there been any material changes to your settlement processes? If yes, please describe. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 5.1.2 Please confirm which of the following controls are in place to ensure that individual clients’ securities are used only to settle that client’s trades (i.e. not used to settle trades belonging to either yourself or your other clients).  |

|  |  |  |
| --- | --- | --- |
|  | Automated | Manual |
| Transactions are only settled upon receipt of instruction from the client | ( ) Yes( ) No | ( ) Yes( ) No |
| Internal position checks occur | ( ) Yes( ) No | ( ) Yes( ) No |
| All transactions are matched prior to settlement | ( ) Yes( ) No | ( ) Yes( ) No |
| No third party has power of attorney over the depository accounts containing client securities | ( ) Yes( ) No | ( ) Yes( ) No |
| Other (please provide details in comments below) | ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 5.1.3 In the last 12 months have there been any changes that have led to a reduction or increase in manual processing for the items below? If yes, please outline. |

|  |  |
| --- | --- |
| Our instruction to the Sub Custodian | Sub Custodian instruction to the CSD |
| ( ) Yes( ) No | ( ) Yes( ) No |
|   |   |
| Comments: |
|      |

|  |
| --- |
| 5.1.4 In the last 12 months have there been any material changes to market processes, fails processing or penalties? If yes, please describe. |

|  |  |  |
| --- | --- | --- |
| Market Processes | Fails Processing | Penalties |
| ( ) Yes( ) No | ( ) Yes( ) No | ( ) Yes( ) No |
|   |   |   |
| Comments: |
|       |

|  |
| --- |
| 5.1.5 Please describe how any of the changes above affect the levels of manual intervention in these processes. |

|  |
| --- |
|       |

|  |
| --- |
| 5.1.6 Is settlement in your market true DVP (i.e. simultaneous, final and irrevocable)? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 5.1.7 If the answer to the above question is no, please advise how you reduce settlement risk. |

|  |
| --- |
|      |

5.2 Asset Servicing

|  |
| --- |
| 5.2.1 Have there been any changes or enhancements that have been made to your income information sources or market information sources during the last 12 months? If yes, please advise. |

|  |  |
| --- | --- |
| Income Information Sources | Market Information Sources |
| ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: | Comments: |
|      |      |

|  |
| --- |
| 5.2.2 Have there been any changes or enhancements that have been made to your organisation’s corporate actions sources or market information sources during the last 12 months? If yes, please advise. |

|  |  |
| --- | --- |
| Corporate Actions Sources | Market Information Sources |
| ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: | Comments: |
|    |     |

|  |
| --- |
| 5.2.3 Have there been any changes or enhancements that have been made to your organisation’s proxy voting service during the last 12 months? If yes, please advise. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 5.2.4 Please describe how any of the changes above have affected the levels of manual intervention in these processes. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

5.3 Taxation

|  |
| --- |
| 5.3.1 Have any changes or enhancements been made to your organisation’s taxation reclaim, relief at source or tax voucher process during the last 12 months. If yes, please advise. |

|  |  |  |
| --- | --- | --- |
| Tax Reclaim | Relief at Source | Tax Voucher process |
| ( ) Yes( ) No | ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 5.3.2 Please describe how any of the changes above have affected the levels of manual intervention in these processes. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.3.3 Does your jurisdiction have an IGA (Intergovernmental Agreement) in place to implement FATCA? |

|  |
| --- |
| If yes, which model has the government agreed to? |
| ( ) Yes Model 1 IGA Signed( ) Yes Model 1 IGA Agreement (in principle)( ) Yes Model 2 IGA Signed( ) Yes Model 2 IGA Agreement (in principle)( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.3.4 If your jurisdiction does not have an IGA, have you agreed to the terms of a FATCA FFI (Foreign Financial Institution) agreement and registered with the IRS? |

|  |
| --- |
| ( ) Yes( ) No( ) Not Applicable |
| Comments: |
|    |

|  |
| --- |
| 5.3.5 Is your organisation compliant with the terms of the IGA? If no, please state your plans to become compliant. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.3.6 Is your organisation FATCA compliant? If no, please state your plans to become compliant. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.3.7 Has your organisation registered with the IRS and received a Global Intermediary Identification Number (GIIN)?  |

|  |
| --- |
| ( ) Yes( ) Yes and awaiting a GIIN( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.3.8 Is your organisation treated as a Foreign Financial Institution (FFI) or a Limited FFI under the IRS definition? |

|  |
| --- |
| ( ) FFI( ) Limited FFI( ) Neither |
| Comments: |
|     |

|  |
| --- |
| 5.3.9 Does your organisation inform the IRS of any US client's account details? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 5.3.10 Is the reporting to the IRS performed automatically or manually? |

|  |
| --- |
| ( ) Automatically( ) Manually |
| Comments: |
|       |

5.4 Cash

|  |
| --- |
| 5.4.1 In the last 12 months have there been any changes to your organisation’s treasury, FX and cash management products and services? If yes, please provide details. |

|  |  |  |
| --- | --- | --- |
| Treasury | FX | Cash management |
| ( ) Yes( ) No | ( ) Yes( ) No | ( ) Yes( ) No |
| Comments: | Comments: | Comments: |
|     |     |     |

|  |
| --- |
| 5.4.2 In the last 12 months have there been any changes to any national guarantee and/or compensation scheme in place? If yes, please provide details. |

|  |
| --- |
| Cash |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 5.4.3 In the last 12 months have there been any changes regarding FX policies or currency restrictions? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.4.4 Do penalties apply in your market for “excess” liquidity balances? If yes, please provide details. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.4.5 Have there been any changes during the last 12 months to the types of cash accounts available in your market? If yes, please detail. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|    |

|  |
| --- |
| 5.4.6 Please confirm if there have been any changes during the last 12 months to the structure, options or naming conventions used for cash accounts in your books. If yes, please detail. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 5.4.7 Who is deemed the legal owner of our cash balances held with your organisation? |

|  |
| --- |
|      |

|  |
| --- |
| 5.4.8 Please advise the amount of client money placed as a proportion of your credit institutions or bank’s capital and deposits.  |

|  |
| --- |
|     |

5.5 Securities Lending and Borrowing

|  |
| --- |
| 5.5.1 Please describe any changes or enhancements that have been made to your securities lending and borrowing product during the last 12 months. |

|  |
| --- |
| Comments: |
|      |

|  |
| --- |
| 5.5.2 Please describe any changes or enhancements that are anticipated to be made to your securities lending and borrowing product in the next 12 months. |

|  |
| --- |
|       |

|  |
| --- |
| 5.5.3 In the last 12 months have there been any changes to legislation and/or regulation in relation to securities lending and borrowing? |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

5.6 Client service management

|  |
| --- |
| 5.6.1 Have there been any changes to the Client Service Model and/or management structure during the last 12 months. If yes, please outline. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 5.6.2 Do you plan to make changes to the Client Service Model and/or management structure within the next 12 months? If yes, please outline. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|       |

|  |
| --- |
| 5.6.3 Please indicate the level of staff turnover experienced in the last 12 months both numerically and as a percentage of those employed within the custody business. |

|  |  |
| --- | --- |
| Number |   |
| Percentage |   |
| Comments: |
|       |

6 Global Custodian Questions

Please note that “Section 6 – Global Custodian Questions” is only applicable if your service provision is on a multi-market basis and involves your own appointment of a local sub-custodian and/or your direct participation in the local Central Securities Depository in one or more markets.

If this arrangement is applicable to our relationship, please provide a full response to each question in Section 6. If not, please mark each question as “Not Applicable”.

6.1 Network Management

|  |
| --- |
| 6.1.1 Do you have a team dedicated to managing your network of sub-custodians? |

|  |
| --- |
| ( ) Yes( ) No |

|  |
| --- |
| 6.1.2 Please provide an organisation chart showing (or explain) where Network Management sit within your organisation, including reporting lines within your overall organisation structure and the regulatory obligations of the team. |

|  |
| --- |
|  [File Attachment] |
| Comments: |
|       |

|  |
| --- |
| 6.1.3 Please attach a Network Management organisational chart indicating the number and location of staff within your Network Management function. |

|  |
| --- |
|  [File Attachment] |
| Comments: |
|        |

|  |
| --- |
| 6.1.4 Please outline the responsibilities of the Network Management team members, including how the team is organised and structured. |

|  |
| --- |
|         |

|  |
| --- |
| 6.1.5 Are network managers located in the same region as the relationships for which they are responsible? If no, please explain the rationale |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 6.1.6 Are any of the functions of your Network management team outsourced? If yes, please describe what these functions are and how you monitor the quality of the outsourced services: |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 6.1.7 Please describe the governance of your Network Management function including details of the parties that review the process. |

|  |
| --- |
|      |

|  |
| --- |
| 6.1.8 In the last 12 months have there been any changes in the function or responsibilities of the Network Management team? If yes, please outline |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 6.1.9 What other parties (e.g. internal and external audit, regulators) have oversight of your Network Management function. |

|  |
| --- |
|       |

6.2 Sourcing and Selection of Sub Custodians

|  |
| --- |
| 6.2.1 Please describe in detail your selection process including the decision process and the parties involved or attach relevant documentation regarding the appointment of sub-custodians. |

|  |
| --- |
|       |

|  |
| --- |
| 6.2.2 How do you assess the expertise and market reputation of a sub-custodian? |

|  |
| --- |
|       |

|  |
| --- |
| 6.2.3 How do you assess the credit worthiness of a sub-custodian? |

|  |
| --- |
|      |

|  |
| --- |
| 6.2.4 Where you use affiliates do you follow exactly the same processes and procedures? Yes/No. If no please explain any differences. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|      |

|  |
| --- |
| 6.2.5 Do you undertake on-site visits as part of the selection process? If yes, please describe the nature and scope of this visit. If no, please explain. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
|     |

|  |
| --- |
| 6.2.6 Please describe how you assess sub custodian risk. |

|  |
| --- |
|         |

|  |
| --- |
| 6.2.7 Please describe how you assess associated market risk as part of your selection process? |

|  |
| --- |
|         |

6.3 Central Securities Depository Strategy

|  |
| --- |
| 6.3.1 Please describe in detail your selection and decision processes, including the parties involved, or attach relevant documentation regarding the decision to become a direct participant of a local Central Securities Depository (CSD)  |

|  |
| --- |
|         |

|  |
| --- |
| 6.3.2 Please advise if you apply different market risk assessment criteria when deciding to become a direct participant as opposed to appointing a sub custodian. If yes, please provide details below. |

|  |
| --- |
| ( ) Yes( ) No |
| Comments: |
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| 6.3.3 How do you assess the risk of the CSD and the associated market risk? |

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| 6.3.4 Where you are considering becoming a direct participant of a CSD, will you appoint/retain a sub-custodian for asset servicing, or will you fully in-source the asset servicing function? |

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| 6.3.5 How do you assess the credit worthiness of the CSD?  |

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| 6.3.6 Please confirm that you perform an on-site due diligence review. If no, please explain. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.3.7 Please state the scope of the due diligence, detailing the core risks that your Network Management team focus upon. |

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| 6.3.8 How much notice of a membership termination do you give to your clients?  |

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| 6.3.9 Do you maintain contingency arrangements with sub custodian should your direct participation be terminated? If no, please explain. |

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| ( ) Yes( ) No |
| Comments: |
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6.4 Due Diligence – Periodic Review

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| 6.4.1 Please describe your periodic due diligence process or attach a relevant document regarding your due diligence process. |

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| 6.4.2 Are your affiliates that provide services subject to same due diligence process? If no, how does it differ?  |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.3 How frequently do you conduct due diligence reviews? |

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| 6.4.4 What circumstances would trigger a due diligence review out of cycle? |

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| 6.4.5 Which business units are involved in your due diligence process? |

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| 6.4.6 Do you use the AFME sub-custodian DDQ as part of your due diligence process? If no, please detail the criteria covered in your questionnaire |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.7 Please provide a list of your sub custodians showing their entity name, legal and operational addresses. |

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| 6.4.8 Please highlight any changes to your custody network in the last 12 months. |

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| 6.4.9 Please confirm the date of your last due diligence visit for each sub custodian and advise if this was performed on-site or remotely |

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| Comments: |
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| 6.4.10 Please describe how you monitor the risk of your sub-custodian and the related market risk. |

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| 6.4.11 How do you keep clients informed of market developments? |

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| 6.4.12 How do you assess the markets’ regulatory and legal framework? |

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| 6.4.13 Do you have a service level agreement (SLA) or comparable agreement with your sub-custodians? If no, how do you ensure that your service expectations are met. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.14 Have there been any changes in the last 12 months to the liens or security interests that any of your sub-custodians or CSDs has over your assets? If yes, please provide details. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.15 In the last 12 months have there been any changes that have increased risk within the custody chain? If yes, please describe. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.16 In the last 12 months have there been any changes to the naming convention for accounts at your sub-custodians or at the CSDs? If yes, please provide details. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.17 Do you maintain contingency sub custodian relationships? |

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| ( ) Yes( ) No |
| Comments: |
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| 6.4.18 What is required to move from a contingency state to an operational state and what is the timescale?  |

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6.5 Attestations

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| 6.5.1 Please confirm that you have a custodial contract in place with every sub-custodian. If no, please explain. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.5.2 Please confirm that all your sub-custodians are subject to regulation and supervision with respect to the safe-keeping of financial instruments. If no, please explain. |

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| ( ) Yes( ) No |
| Comments: |
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| 6.5.3 Please confirm that all your sub-custodians have all the required approvals or licenses to provide their services in place. |

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| ( ) Yes( ) No |
| Comments: |
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