



OTP Bank Group

Markets: EEA/T2S markets

Date: 01.02.2022.

Implementation of Settlement Discipline Regime (SDR)

Summary: Implementation of Settlement Discipline Regime

Based on the previously released Newsflashes on implementation of the SDR, hereby we would like to point out that the Settlement Discipline Regime entered into force on 1 February 2022, with the following exceptions:

- **Croatia:** Croatian Depository and Clearing Company (SKDD) is still not licenced under the CSDR Regulation. The process of licencing was to be finalized on 1 February 2022 the latest. As there is no official information from the depository, it is possible that the implementation of the SDR will be somewhat postponed.
- **UK:** The UK announced that the market will not implement the EU's settlement discipline regime. However, the EEA CSDR regime will continue to apply to UK companies post-Brexit where they settle on an EEA CSD, as this would be imposed on them by virtue of the CSD rulebook and by any EEA counterparties in the settlement chain.
- **Norway:** Euronext Securities Oslo, the Norwegian Central Securities Depository, has decided to implement CSDR Cash penalties from 1 March 2022 in Norway only.
- **Hungary:** KELER, the Hungarian CSD will start the penalty detection as of 2 May 2022, so that penalties after failed settlement can be collected and distributed in June 2022.

As several subcustodians and markets shortened the appeal process deadlines for cash penalties, we would kindly ask you to deliver all potential appeals by the **4th working day** the latest in the month for cash penalties reported for the previous month, to ensure timely submission within the appeal chain.

For additional information, please contact us at settlement@otpbanka.hr.

Impact: Implementation of Settlement Discipline Regime

Required actions: -

Application date: 01 February 2022

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