



Fact Sheet

ECB eligible link Euroclear Bank – CSD Prague

March 2022

Keywords: ECB eligibility, eligible bonds, CSD Prague eligible link, Eurosystem

Summary: to inform about the possibility to get ECB eligibility for bonds issued in CSD Prague

INTRODUCTION

CSD Prague is a central securities depository within the meaning of Article 2(1)(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council. In 2020, CSD Prague started clearing in EUR as a direct participant through TARGET2. The next step in the development of the Czech capital market was the establishment of an ECB-eligible link to a central depository in the euro area. Such an interconnection of the CSD Prague to the foreign depository Euroclear Bank (Belgium) was approved by the European Central Bank (ECB) and the Central Bank of Belgium (NBB) as eligible for credit operations vis-à-vis the Eurosystem in March 2022.

ELIGIBLE ASSETS

Debt instruments issued in CSD Prague by relevant euro-denominated issuers that meet the ECB's conditions ([Collateral \(europa.eu\)](https://www.europa.eu)) can be used as collateral for Eurosystem credit operations in the euro area (e.g., Czech government bonds). In the case of securities registered with a CSD, these assets are registered in the ECB database through the Czech National Bank upon the issuer's request to the CSD Prague.

HOW COLLATERAL OPERATIONS AGAINST THE EUROSISTEM CAN BE CONDUCTED

These operations can be conducted vis-à-vis euro area central banks at central depositories in those countries. This means that to carry out this operation, it is necessary to hold these eligible securities in these foreign depositories. The withdrawal of these securities is then conducted through an approved link via Euroclear Bank, which is a participant in CSD Prague. As the Czech Republic is not in the euro area, these collateral operations against Eurosystem cannot be executed directly in CSD Prague.

MORE INFORMATION

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