WFC Single Disclosure Report 2023

AGC answers

Date submitted

31/10/2023 08:21:29

AGC: 0a
Please indicate the full name of the responding institution:

Central Securities Depository AD Skopje

AGC: 0c
Registered address:

bul. Kuzman Josifovski Pitu 1 1000 Skopje

AGC: 0d
Country of registered address:

Republic of North Macedonia

AGC: 1

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

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

🔘 Yes

⚪ No

AGC: 1a
Please explain

All securities issued in Republic of North Macedonia are dematerialized, and all of them are classified and registered in the CSD under an ISIN number. This allows for the securities to be treated as fungible. One security that is issued by one issuer and that bares the same rights is always issued by unique ISIN. Thus the securities that are issued with the same conditions by one issuer are regarded interchangeable and are not deferring from the others in the series.

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

☑ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?

☐ Act as or operate a transnational system for the central handling of securities or equivalent book-entries?

☐ Act in another capacity with respect to the handling of securities or equivalent book-entries?

☐ Not applicable

☐ OTHER:

AGC: 2a.
Please explain:

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

Under the Law on Securities of the Republic of North Macedonia, all type of Securities except the Treasury Bills issued by National Bank of Republic of North Macedonia are registered by the CSD.

AGC: 3
What type of legal entity is the institution?

- ☐ Public Company
- ☐ Stock Exchange (or part thereof)
- ☐ Central Bank (or part thereof)
- ☑ Private Company
- ☐ OTHER:

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

- ● For profit
- ○ Not for profit

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

Macedonian Stock Exchange 28.66%; Sparkase banka AD Skopje 19%; Komercijalna banka AD Skopje 15%; TTK banka AD Skopje 9.98%; NLB Banka AD Skopje 9.03%; Stopanska Banka AD Skopje 7.03%; Halk Banka 5.03%; other investor with less than 5%

AGC: 6a

What is the date of establishment of the CSD?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one the corresponding date.

10/10/2001

AGC: 6b

What is the date that the CSD's operations began?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one the corresponding date.

26/11/2001

AGC: 7
Under what regulation or statute is the CSD established and governed?

Law on securities ("Official Gazette of the Republic of Macedonia", No. 95/05, 25/07, 07/08, 57/10, 135/11, 13/13, 188/13, 43/14, 15/15, 154/15, 192/15, 23/16 and 83/18, "Official Gazette of the Republic of North Macedonia" no. 31/20 and 288/21; Statute of CSD

AGC: 7a
Is the regulation or statute electronically available?

● Yes
○ No

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

Law on securities: https://sec.gov.mk/Regulativa ,

Statute of CSD: https://www.cdhv.mk/charter.aspx;

Macedonian version:
https://www.cdhv.mk/ControlPanel/Upload/%D0%A1%D1%82%D0%B0%D1%82%D1%83%D1%82%20%D0%A6%D0%94%D0%A5%D0%92%20%D0%BF%D1%80%D0%B5%D1%87%D0%B8%D1%81%D1%82%D0%B5%D0%BD%20%D1%82%D0%B5%D0%BA%D1%81%D1%82%202018.pdf

AGC: 7c
filecount - Please supply document(s) here:

AGC: 7d
What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

The Board of Directors is comprised of 8 members. The members are representatives of the Depository's shareholders and part of the members are independent. They have equal responsibilities regarding the functioning of the company. According to the Law on Securities, at least one third of the members of the Managing Board are individuals that are not employees of the Depository, or in connection with some of the shareholders, members of the Depository or other legal entities that are participants of the Macedonian Securities Market (independent members of the Board). The members of the Board are elected by the shareholders. The independent members should be known experts in the area of economics, financial or business law. The list of Board Members including their industry experience is available on the following link: http://cdhv.mk/board_of_directors.aspx

AGC: 7e
What are the election procedures?

The Board members are elected by the shareholders of the company (a minimum of 51% votes of the represented shares at the general meeting are participating in the elec tion of the Board members. A minimum of 51% of the total number of issued shares must be represented at the shareholders meeting). The President of the Board of Directors and the executive member are elected by it's members

AGC: 7f
What is the maximum length of time a board member can serve?

According to the Statute of the CSD, not more than 4 years, with a possibility to be re-elect

AGC: 7g
How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

The Board of Directors decides with a majority of votes, regarding issues concerning the activities of the Depository. Each member has a right to one vote. The vote of the President of the Board will prevail in cases where the votes are equally divided. The Board has broad authorizations in the management of the Company, with exception of the authorizations that are given to the General Assembly by the Law on Trading Compani

AGC: 7h
What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

The Securities and Exchange Commission of the Republic of North Macedonia and the shareholders of the CSD.

AGC: 8
Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act, with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

☐ A membership organization which regulates the participation of its members in securities matters or other financial activities.

☑ A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

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

☐ OTHER:

AGC: 8a.
Please explain:

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

The Securities and Exchange Commission of the Republic of North Macedonia. The Securities and Exchange Commission has been an Ordinary Member of the International Organization of Securities Commissions (IOSCO) since 1994.

AGC: 10
Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

☑ Regulatory authorities?

☑ Independent accountants?

☐ OTHER:

AGC: 10a
Please explain:

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

The Securities and Exchange Commission of the Republic of North Macedonia

AGC: 11a.
What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

☑ Fines

☑ Restrictions on CSD activities.

☑ Suspension of CSD activities.

☐ Termination of CSD activities.

☐ OTHER:

AGC: 11b.
Please explain:

AGC: 11c.
What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

☐ Suspension of CSD activities.

☐ Restrictions on CSD activities.

☐ Termination of CSD activities.

☐ Fines

☐ OTHER:

AGC: 11d.
Please explain:

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

☑ No

☐ Yes

☐ OTHER:

AGC: 12a.
If yes, please explain:

AGC: 13
Capital. Are annual financial statements publicly disclosed?

🔵 Yes

⚪ No

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

🔵 Yes

⚪ No

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

Audit report 2022.pdf (2037KB)	AUDITORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2022	

1

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

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

AGC: 13e.
If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

AGC: 13f.
Reserves (then please answer 13g):

AGC: 13g.
Retained Earnings:

AGC: 14
Internal Audit. Is an internal audit undertaken in your CSD?

● Yes
○ No

AGC: 14a.
If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

Internal audit department is established on June 2012 and is responsible for financial and operational internal audit

AGC: 14b.
Please list the date of your last internal audit and the period that the audit covered:

End date: 01/10/2023
Start date: 01/07/2023
Audit date: 20/09/2023

AGC: 14c.
How frequently does the internal audit occur?

● Two or more times a year
○ Annually
○ Less than annually

AGC: 14d.
If less than annually, please explain:

AGC: 14e.
Are the results of the internal audit publicly available?

○ Yes
● No

AGC: 14f.
Please select the statement that most accurately characterizes the results of the last internal audit:

🔵 No material exceptions found.

⚪ Minor exceptions found.

⚪ Material exceptions found.

AGC: 14g.
If minor or material exceptions were found, what actions were taken? Please describe:

AGC: 15
Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

🔵 Yes

⚪ No

AGC: 15a.
If yes, please state the name(s) of the entity(ies) who perform the financial audit.

Moore LTD Skopje

AGC: 15b.
Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

31/12/2022

AGC: 15c.
Please list the period that the audit covered:

Start date: 01/01/2022
End date: 31/12/2022

AGC: 15d.
How frequently does the financial audit occur?

⚪ Two or more times a year

🔵 Annually

⚪ Less than annually

AGC: 15e.
If less than annually, please explain:

AGC: 15f
Are the results of the financial audit publicly available?

🔵 Yes

⚪ No

AGC: 15g.
Please select the statement that most accurately characterizes the results of the last financial audit:

🔵 No material exceptions found.

⚪ Minor exceptions found.

⚪ Material exceptions found.

AGC: 15h.
If minor or material exceptions were found, what actions were taken? Please describe:

AGC: 16
Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

🔵 Yes

⚪ No

AGC: 16a.
If yes, please state the name(s) of the entity(ies) who perform the operational audit.

The Securities and Exchange Commission of the Republic of North Macedonia, as a Regulatory Authority

AGC: 16b.
Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

20/09/2023

AGC: 16c.
Please list the period that the audit covered:

Start date: 24/11/2022
End date: 20/09/2023

AGC: 16d.
How frequently does the operational audit occur?

⚪ Two or more times a year

⚪ Annually

🔵 Less than annually

AGC: 16e.
If less than annually, please explain:

Securities Exchange Commision performs regular audits as well as an extraordinary audits, depending on investigations of participants work. Beside that, CSD sends reports to MSEC each month (settlement activities, corporate actions, financial statements) and Operational report each six months

AGC: 16f
Are the results of the operational audit publicly available?

○ Yes

○ No

AGC: 16g.
Please select the statement that most accurately characterizes the results of the last operational audit:

● No material exceptions found.

○ Minor exceptions found.

○ Material exceptions found.

AGC: 16h.
If minor or material exceptions were found, what actions were taken? Please describe:

AGC: 17, 17q
PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

☑ Foreign Institutions

☑ Brokers

☐ Individuals

☐ Not applicable

☑ Banks

☐ OTHER:

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

5 as a stock exchange intermediaries, 4 as a custodian banks and 12 as a OTC members

AGC: 17b, 17d
Please select the features included in the eligibility requirements for Banks.

☐ Regulatory Oversight

☐ Market Experience

☐ Financial Thresholds

☑ OTHER: The Participants must fulfil the conditions prescribed in t he CSD Rules of Operations and the Membership Rules of the CSD to become a member of the CSD. Both of these re gulations are approved by the Securities and Exchange Commission of the Republic of Macedonia. The Rule s are published at the CSD web site www.cdhv.mk

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

AGC: 17d.
Please explain:

The Participants must fulfil the conditions prescribed in t he CSD Rules of Operations and the Membership Rules of the CSD to become a member of the CSD. Both of these regulations are approved by the Securities and Exchange Commission of the Republic of North Macedonia. The Rules are published at the CSD web site www.cdhv.mk

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

5

AGC: 17f, 17h
Please select the features included in the eligibility requirements for Brokers.

☐ Financial Thresholds

☐ Market Experience

☐ Regulatory Oversight

☑ OTHER: The Participants must fulfil the conditions prescribed in t he CSD Rules of Operations and the Membership Rules of the CSD to become a member of the CSD. Both of these re gulations are approved by The Securities and Exchange Commission of the Republic of Macedonia. The Rule s are published at the CSD web site www.cdhv.mk

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

AGC: 17i.
How many Individual participants are there currently? (then please answer 17j)

AGC: 17j.
Please select the features included in the eligibility requirements for Individual participants.

☐ Market Experience

☐ Regulatory Oversight

☐ Financial Thresholds

☑ OTHER: Only legal entities - brokerage houses, banks, Fund management companies can be Participants

AGC: 17k.
Where can a description of the specific eligibility requirements for Individual participants be found?

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

None. However, there is no prohibition against Foreign Institutions participating in the CSD as long as they meet the same participation requirements as Domestic Institutions

AGC: 17n, 17p.
Please select the features included in the eligibility requirements for Foreign Institution participants.

☐ Financial Thresholds

☐ Regulatory Oversight

☐ Market Experience

☑ OTHER: The Participants (domestic or foreign) must fulfil the conditions prescribed in the CSD Rules of Operations and the Membership Rules of the CSD to beco me a member of the CSD. Both of these regulations are approved by The Securities and Exchange Commission of the Republic of Macedonia. The Rules are published at the CSD web site www.cdhv.mk

AGC: 17o.
Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

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

The Participants (domestic or foreign) must fulfill the conditions prescribed in the CSD Rules of Operations and the Membership Rules of the CSD to become a member of the CSD. Both of these regulations are approved by The Securities and Exchange Commission of the Republic of North Macedonia. The Rules are published at the CSD web site www.cdhv.mk

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

None

AGC: 17s, 17u
Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

- ☑ Financial Thresholds
- ☑ Regulatory Oversight
- ☐ Market Experience
- ☐ OTHER:

AGC: 17t.
Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

Law on securities, CSD Membership rules

AGC: 18
Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

- ○ Yes
- ● No
- ○ Not applicable

AGC: 18a.
If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

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

- ● Yes
- ○ No
- ○ Not applicable

AGC: 20
What governs the relationship between the CSD and the participants?

☑ Rules of the CSD

☑ Relevant law and regulation

☐ Not applicable

☑ By-laws of the CSD

☐ Standard participation contract

☑ Established terms and conditions of participation

☐ OTHER:

AGC: 20a
Please explain:

CSD Membership Rules are prescribed and approved by competent authority - Securities and Exchange Commission. According the rules, each member should fulfill following conditions: to be registered at Trade Registar as brokerage house/bank; to be licenced by Securities and Exchange Commission; member's acts to be in complience with regulation; to fulfil technical and organisational requirements; in case of stock exchange intermediary to be member of Stock Exchange and to have at least two licenced brokers; to fulfil capital requirements prescribed in Securities Law and other conditions.

AGC: 21
Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable that the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

🔵 Yes

⚪ No

⚪ Not applicable

AGC: 21a.
If no, other or not applicable, please explain:

AGC: 21b, 21c.
Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

☐ Standard participation contract

☑ Rules of the CSD

☑ Relevant Law and Regulation

☑ By-laws of the CSD

☐ Established terms and conditions of participation

☐ OTHER:

AGC: 21d
For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

Law on securities and CSD's Operating Rules

AGC: 22
How does the CSD notify participants of material changes to the conditions of participation?

- ☐ Not applicable
- ☐ By e-mail
- ☐ By telephone
- ☑ By public announcement
- ☐ By press release
- ☑ OTHER: By Letter of Notification delivered to Participants and as a news announcement on the CSD's web site

AGC: 22a.
Please explain:

By Letter of Notification delivered to Participants and as a news announcement on the CSD's web site

AGC: 23
Who enforces compliance with the CSD's conditions of participation?

- ☐ The exchange
- ☐ Not applicable
- ☑ The CSD's regulator
- ☑ The CSD
- ☐ OTHER:

AGC: 23a
Please explain:

Failure to meet any of the continous conditions for participation may cause temporary or permanent revoke of memberhip status of the Participan.

AGC: 24
What enforcement actions are available to the enforcement authority?

- ☑ Termination of participation
- ☑ Fines
- ☐ Not applicable
- ☑ Restrictions on participation
- ☑ Suspension of participation
- ☐ OTHER:

AGC: 24a
Please explain:

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

- ○ Yes
- ● No

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

The CSD AD Skopje is an SRO according to the Macedonian Securities Law. The institution has Operation Rules, Members Rules, Arbitration Rules and Discipline and Conduct Rules. All of these acts are approved by the Securities and Exchange Commission of the Republic of North Macedonia. The Depository has authority to temporarily or permanently suspend a member if the member breaches any of the bylaws of the Depository. In the past three years there have been cases of temporary suspensions and one case of permanent suspension due to bankruptcy procedure over the Member.

AGC: 26
CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

- ☐ Corporate money market
- ☐ Not applicable
- ☑ Corporate bonds
- ☑ Equities
- ☑ Government securities
- ☐ OTHER:

AGC: 26a.
Please name the other security types:

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

Treasury Bills issued by National Bank of the Republic of North Macedonia

AGC: 27a. (ii)
(ii) safekeep in your CSD:

Treasury Bills issued by National Bank of the Republic of North Macedonia

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

Treasury Bills issued by National Bank of the Republic of North Macedonia

AGC: 27b. (ii)
(ii) safekeep in your CSD:

Treasury Bills issued by National Bank of the Republic of North Macedonia

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

- ☐ Yes by market practice for safekeeping, but not for all instrument types
- ☐ Neither
- ☑ Yes by law for safekeeping, but not for all instrument type
- ☐ Yes by market practice for settlement, but not for all instrument types
- ☑ Yes by law for settlement, but not for all instrument types
- ☐ Yes by market practice for safekeeping of all instrument types
- ☐ Yes by market practice for settlement of all instrument types
- ☐ Yes by law for settlement of all instrument types
- ☐ Yes by law for safekeeping of all instrument types
- ☐ OTHER:

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

equities - 87.97 %, government securities - 10.86 %, corporate bonds - 1.16%

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

equities - 54.85 % government securities - 44.89 %, corporate bonds - 0.26%

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

- ☐ Yes
- ☑ No
- ☐ Not applicable
- ☐ OTHER:

AGC: 29a.
If third parties are employed, please indicate which services they supply:

AGC: 29b.
If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

- ○ Yes
- ○ No

AGC: 29c, 29e.
If you acknowledge responsibility, please indicate whether your responsibility is assumed

- ☐ if the loss was caused by the willful default or other willful conduct on the part of the agent
- ☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
- ☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
- ☐ regardless of whether such loss was caused by any action or inaction of the agent
- ☐ OTHER:

AGC: 29f.
Please specify limit:

AGC: 29g.
Please specify limit:

AGC: 29d, 29h.
If you acknowledge responsibility for agents, your responsibility is assumed for losses

- ☐ without limit
- ☐ which are not consequential losses
- ☐ subject to a monetary limit not based on insurance limits
- ☐ subject to a monetary limit based on insurance limits
- ☐ OTHER:

AGC: 30, 30m

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

- ☐ Yes
- ● No
- ☐ Not applicable

AGC: 30a, 30j
If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

- ☐ System Outage
- ☐ Corporate Action
- ☐ Settlement Process - Securities
- ☐ Settlement Process - Cash
- ☐ OTHER:

AGC: 30b.
Corporate Action. Please specify number of instances:

AGC: 30c.
Corporate Action. Please specify total loss in USD:

AGC: 30d.
Settlement Process - Securities. Please specify number of instances:

AGC: 30e.
Settlement Process - Securities. Please specify total loss in USD:

AGC: 30f.
Settlement Process - Cash. Please specify number of instances:

AGC: 30g.
Settlement Process - Cash. Please specify total loss in USD:

AGC: 30h.
System Outage. Please specify number of instances:

AGC: 30i.
System Outage. Please specify total loss in USD:

AGC: 30k.
For Other, please specify number of instances:

AGC: 30l.
For Other, please specify total loss in USD:

AGC: 31
Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

- ☐ Not applicable
- ☐ Banks appointed by CSD
- ☑ Central Bank
- ☐ Neither or others (e.g. credit lines used)
- ☐ CSD
- ☐ OTHER:

AGC: 31a
Please indicate the name of the banks appointed by the CSD

AGC: 32
Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

- ☐ Central Bank
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☑ CSD
- ☐ Banks appointed by the CSD
- ☐ OTHER:

AGC: 32a
Please name banks appointed by the CSD

AGC: 33a
Please name banks appointed by the CSD

All participants in settlement have opened cash accounts at Central Bank. Movement of cash is controled by CSD

AGC: 33, 33b
Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

- ☐ Not applicable
- ☐ Neither or others (e.g. credit lines used)
- ☐ Banks appointed by CSD
- ☐ Central Bank
- ☑ CSD
- ☐ OTHER:

AGC: 34
Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

- ☑ CSD
- ☐ Central Bank
- ☐ Banks appointed by CSD
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☐ OTHER:

AGC: 34a
Please name banks appointed by CSD

All participants in settlement have opened cash accounts at Central Bank. Movement of cash is controled by CSD

AGC: 35
Please indicate services you provide.

- ☐ Information on distribution of new issues (IPO, Privatization).
- ☐ Same day turnaround settlements.
- ☐ Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- ☐ Not applicable
- ☐ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- ☐ In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- ☑ Collateral handling in support of activities including securities lending, overdraft coverage, cash management,repurchase agreements, etc.
- ☑ OTHER: Interest Payments, Issue Redemptions, Corporate Actions (Interest Payments, Bonus Sh ares, etc.) and variety of reports for the issuers, splits and mergers of ISIN's, asim ilation of ISIN's, Shareholders CompaniesTakeover services

AGC: 35a
Automatic securities lending facility is provided for:

- ☐ Other financial institutions
- ☐ Banks
- ☐ Brokers
- ☐ OTHER:

AGC: 35c
Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

The CSD manages collateral according to the steps listed, below: Pledge and Pledgor execute a legal agreement. The Pledge Agreement is registered at the Pledge Register. The Pledge Register validates legal agreement's details with the CSD. CSD verifies legal agreement's details. Pledge Agreement is recorded and effectuated by the Pledge Register. The CSD blocks the shares in the CSD system CSD notifies the Pledge Register of shares blocked on the basis of the Pledge agreement. In placing the pledge the CSD systems will insure that shares pledged as collateral are frozen for the term specified in the legal agreement and as such these shares can not be traded. Additionally, the CSD system will ensure that the Beneficial Owner's voting rights and Corporate Action Rights remain with the Beneficial Owner. Since 2006, CSD provides settlement for repurchase purposes with Government bonds and Government bills

AGC: 35c
If collateral handling, please provide details

The CSD manages collateral according to the steps listed, below: Pledge and Pledgor execute a legal agreement. The Pledge Agreement is registered at the Pledge Register. The Pledge Register validates legal agreement's details with the CSD CSD verifies legal agreement's details Pledge Agreement is recorded and effectuated by the Pledge Register The CSD blocks the shares in the CSD system CSD notifies the Pledge Register of shares blocked on the basis of the Pledge agreement. In placing the pledge the CSD systems will in sure that shares pledged as collateral are frozen for the term specified in the legal agreement and as such these shares can not be trad ed. Additionally, the CSD system will ensure that the Beneficial Owner's voting rights and Corporate Action Rights remain with the Beneficial Owner. Since 2006, CSD provides settlement for repurchase purposes with Government bonds and Government bills

AGC: 35d
Other, please explain:

Interest Payments, Issue Redemptions, Corporate Actions (Interest Payments, Bonus Sh ares, etc.) and variety of reports for the issuers, splits and mergers of ISIN's, asimilation of ISIN's, Shareholders CompaniesTakeover services

AGC: 36
What procedures are in place for the processing of corporate action entitlements?

☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.

☐ Not applicable

☐ Corporate action entitlements are handled by an entity separate from the CSD.

☑ Credited to the securities account upon actual receipt by the CSD.

☑ OTHER: The Payment system (MIPS) of Na tional Bank will be used in cases where the CSD is responsible for distributing money on behalf of Issuers. In the event of the CSD distributing money, the Issuer must place money in a separate CSD account at the NBRM . From the CSD account at the NBRM, the CSD will then send individual payment orders for each holder entitled to payment, to the banks of th e holders. After banks have received the money, the banks are responsible for transferrin g the money to the individual holders accounts. The CSD system automatically sends Tran sfer Orders to the NBRM wh en the payments are due (P ayment Date). If there are insufficient funds in the CSD account, the entire payment transfer fails. If the paym ent transfer fails, the transfer has to be re-sent.

AGC: 36a
Credited to the securities account:

☐ On pay date +1.

☐ On pay date.

☐ On pay date +2.

☐ OTHER:

AGC: 36c
Name of entity:

AGC: 37a
Credited to the cash account:

☐ On pay date +1.

☐ On pay date.

☐ On pay date +2.

☐ OTHER:

AGC: 37c
Name of entity:

AGC: 37, 37d.
What procedures are in place for the processing of interest and dividends?

☐ Income and dividend collection is handled by an entity separate from the CSD.

☐ Not applicable

☐ Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.

☑ Credited to the cash account upon actual receipt by the CSD.

☑ OTHER: CSD had practice to distribute cash dividends for three issuers, however, usual procedure is calculation of interests and redemption and sending reports to the issuers

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

n/a , electronic link with National Bank for the settlement of the cash leg of trade transactions, as well as corporate actions payments and payments in the process of Company takeovers

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

☐ No

☑ Yes

☐ Not applicable

AGC: 39a
Please explain

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

🔘 Yes

◯ No

◯ Not applicable

◯ Other

AGC: 40a.
If no or other, please explain

AGC: 41
Are participants permitted to maintain more than one account at the CSD?

◯ Yes

◯ No

◯ Not applicable

🔘 Other: Under Securities Law , only CSD participants (brokerage houses and banks) and asset managment companies can have more than one account (one ownership account, but more custody or portfolio accounts) . Investors can have only one owner's account, except for the cases where there are restrictions on part of securities owned by holder (pledge, sell, buy ..)

AGC: 41a, 41c
If yes, please indicate number:

☐ An unlimited number of accounts

☐ More than one account

☐ OTHER:

AGC: 41b
If more than one account what is the maximum?

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

☑ Yes

☐ No

☐ Not applicable

☐ OTHER:

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

🔵 Required

⚪ Permitted

AGC: 42b, 42c
How does segregation occur?

☐ By sub-accounts within a single participant account.

☑ By separately designated participant accounts.

☑ By separately designated beneficial owner accounts.

☐ OTHER:

AGC: 43, 43b
Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

🔵 Yes

⚪ No

⚪ Not applicable

AGC: 43a
If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

🔵 Yes

⚪ No

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

⚪ Yes

⚪ No

🔵 Not applicable

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

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

● Yes

○ No

○ Not applicable

AGC: 44e.
If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

The intervening authority will be authorized to have insight in the assets of the participants and make decisions on the behalf of the participant in order to protect the assets and insure all stakeholders rights are protected.

AGC: 44h
If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

AGC: 44g, 44i
By the participant's creditors?

○ Yes

● No

○ Not applicable

AGC: 44j.
By the CSD's creditors?

○ Yes

● No

○ Not applicable

AGC: 44k.
If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

AGC: 45
In what form does the CSD maintain records identifying the assets of each participant?

☑ Computer tape

☑ Computer file

☐ Hard copy

☐ Microfiche

☐ OTHER:

AGC: 45b
In which format is the source data maintained?

Source data is maintained in database file format.

AGC: 46

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

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🔵 Yes

⚪ No

AGC: 46a.

If no or other, please explain

AGC: 46b, 46c.

If yes, please indicate the scheduled frenquency:

☐ Annually

☐ Quarterly

☐ Monthly

☐ Weekly

☐ Daily

☐ Upon request

☑ OTHER: Subsequent to each trade related and non -trade related transfer of securities, a Statement of Account is sent to each owner of account involved via post. Under the By-Laws of the CSD any shareholder may request and receive a Statement of Account from the CSD upo n request,or a tailor made report.

AGC: 47, 47a

What is your document and record retention policy for documents and records described above in this section?

⚪ 6 months or less

⚪ 1 year

⚪ 3 years

⚪ 5 years

⚪ 7 years

🔵 Other: CSD shall preserve in a safe place in the original form the original documentation used for making entries in the data storage media for at least five (5) years. Data recorded on

electronic media shall be permanently stored.

AGC: 48

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

☐ Not applicable

☐ Model3

☑ Model2

☑ Model1

☐ OTHER:

AGC: 48a

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

There are no CSD variations on Model 2 as stated in the IOSCO & CPSS Recommendations for Securities Settlement Systems. Also, there are no CSD variations on Model 1 as stated in the IOSCO & CPSS Recommendations for Securities Settlement Systems. BIS Model 2 is used for settlement of trades concluded on Stock Exchange while BIS Model 1 is used for settlement of trades of Goverment securities from OTC Market

AGC: 49
Are the cash and security movements simultaneous?

🔘 Yes

⚪ No

⚪ Not applicable

AGC: 49a
If cash and security movements are not simultaneous, please indicate the duration of the timing gap

⚪ 1 hour

⚪ 2 hours

⚪ 3 hours

⚪ 4 hours

⚪ 5 hours

⚪ Overnight

⚪ 2 days

🔘 Other: cash and security movements are simultaneous

AGC: 50, 50a
How are CSD eligible securities held by the CSD?

☑ In dematerialized form

☐ In certificated form

☐ OTHER:

AGC: 51
If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

⚪ All eligible securities must be held in the CSD

⚪ Securities may move freely into and out of the CSD

⚪ Once entered into the CSD, eligible securities must remain in the CSD

⚪ Certain designated securities may be held outside the CSD

🔘 Not applicable

AGC: 51a
If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

AGC: 51b
If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

AGC: 51c
Are these certificates:

☐ Bearer

☐ Registered

☐ OTHER:

AGC: 51d
If registered, how are the CSD eligible securities registered?

☐ In the name of the CSD

☐ In the name of the depositing participant or its nominee

☐ In the name of a separate nominee of the CSD

☐ OTHER:

AGC: 51f
If in the name of a separate nominee, please identify by name the nominee used:

AGC: 51h
If CSD eligible securities may be held either in or out of the CSD, are these certificates:

○ Bearer

○ Registered

AGC: 51i
What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

AGC: 52
If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

○ Yes

● No

○ Not applicable

AGC: 52a, 52k
Are the securities held:

☑ Through book-entry at the CSD

☐ Through book-entry at a registrar or issuer

☐ OTHER:

AGC: 52b
Please identify which types of entities may act as registrars:

☐ Issuers

☐ Separate companies that perform registrar functions

☐ CSD

☐ OTHER:

AGC: 52d
If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

🔵 Yes

⚪ No

AGC: 52e
If yes, how are securities held at the registrar for the account of the CSD?

⚪ In the name of the CSD

⚪ In the name of a separate nominee of the CSD

🔵 Other: securities are held on beneficial owner level, except for omnibus account, where securities are held in a name of participant

AGC: 52f
Please describe:

AGC: 52g
If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

⚪ The beneficial owner

⚪ A nominee

AGC: 52h
Please describe:

Under the Law on Securities from October 2005 there is possibility to have more than one Securities Depository. However, the CSD is for now the only registrar for all joint stock companies in North Macedonia. The CSD applies, under the specifics of the Law on Securities, all appropriate authentication, reconciliation and confirmation procedures to insure the accuracy of shareholder information contained in the Shareholder Register and Bondholder Registers

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

All securities issued in Republic of North Macedonia (except Bills issued by National Bank) are in dematerialized form and are registered at authorized depository. CSD AD Skopje is the single authorised depository, and as such, all securities are in book entry form at the CSD. In that line, there are no transfers of the positions from and to the CSD. Only point of entry of the positions at the CSD are new issues, and in that case Issuer is responsible for the corectness of the data of the issue and in the case of Public offer, participants enter new holders and positions are registered after settlement is finished.

AGC: 53
Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

☐ No

☑ Yes

☐ Not applicable

☐ OTHER:

AGC: 53a
If answer to question 'G23Q031' is other or not applicable, please explain

AGC: 54
Does the law protect participant assets from claims and liabilities of the CSD?

- 🔵 Yes
- ⚪ No
- ⚪ Not applicable

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

- ⚪ Yes
- 🔵 No
- ⚪ Not applicable

AGC: 55a
If yes, for what reasons are liens or similar claims imposed?

- ☐ To secure payment for purchased securities
- ☐ Collateralization of overdrafts
- ☐ Fees and expenses
- ☐ OTHER:

AGC: 55b
Please describe:

The only case when the Depository can place a lien according to The Rules for operation of the Guarantee Fund is when the participant/his client is short on cash to settle a transaction. If the transaction fails and is not settled in 30 days period, Participant will be permanently excluded from membership, and the Depository is entitled to sell the securities that were not settled in the failed transaction

AGC: 55c
Please indicate the limits of this lien as indicated below:

- 🔵 The lien is limited to securities in the participant's proprietary account
- ⚪ The lien is limited to securities in the course of purchase and sale transactio
- ⚪ The lien may extend to settled client positions

AGC: 55d
Please explain:

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

- ⚪ Yes
- ⚪ No
- 🔵 Other: The only case when the Depository can place a lien according to The Rules for operation of the Guarantee Fund is when the participant/his client is short on cash to settle a transaction. If the transaction fails and is not settled in 30 days period, Participant will be permanently excluded from membership, and the Depository is entitled to sell the securities that were not settled in the failed transaction

AGC: 55f
If yes, please indicate whether:

○ The lien is placed on the most liquid securities in the account

○ The lien is placed on the securities with the greatest value in the account

AGC: 55g
Please explain:

The only case when the Depository can place a lien according to The Rules for operation of the Guarantee Fund is when the participant/his client is short on cash to settle a transaction. If the transaction fails and is not settled in 30 days period, Participant will be permanently excluded from membership, and the Depository is entitled to sell the securities that were not settled in the failed transaction

AGC: 55h
If no, please indicate whether the entire account will be subject to the lien.

○ Yes

○ No

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

○ Yes

● No

AGC: 55k
If yes, are the restrictions accomplished by:

○ Contract between the CSD and the participant

AGC: 55l
Please explain:

AGC: 56, 56e
Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

● Yes

○ No

○ Not applicable

AGC: 56a
When does title or entitlement to CSD securities pass between participants?

○ At the end of the business day on which the transfer occurs

● When corresponding money or other consideration is transferred

○ When the transaction is processed on an intra-day basis

AGC: 56b
Please describe:

AGC: 56c
Where does title or entitlement to CSD securities pass between participants?

○ On the CSD books

● On the registrars books

AGC: 56d
Please describe:

AGC: 57, 57a
How are eligible securities lodged in the CSD system?

☐ A registered certificate in the name of the CSD is delivered to the CSD.

☐ A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.

☐ A registrar re-registers the security in the name of the CSD.

☐ Not applicable

☑ OTHER: The data is transferred by the issuer to the depository once the security becomes depository eligible. According to the Securities Law the issuer is liable for the correctness of the submitted data until the moment of entry in the depository system.

AGC: 58, 58a
When are securities lodged into the CSD reflected in a participant's CSD account?

☐ Securities are re-registered prior to being reflected in the participant CSD account.

☑ Not applicable

☐ Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.

☐ OTHER:

AGC: 59a
Please specify

AGC: 59, 59b
How long does it usually take to lodge securities with the CSD?

● 1 to 2 days

○ 3 days to 1 week

○ 2 to 4 weeks

○ More than 4 weeks

○ Not applicable

AGC: 60
During the process of lodging securities into the CSD, can the securities be traded?

○ Yes

● No

○ Not applicable

AGC: 60a
During the process of lodging securities into the CSD, can the securities be settled?

○ Yes

● No

○ Not applicable

AGC: 60b
During the process of lodging securities into the CSD, can the securities have ownership transferred?

○ Yes

● No

○ Not applicable

AGC: 60c
If they cannot be traded, or if you answered other, please explain

AGC: 60d
If they cannot be settled, or if you answered other, please explain

Securities are registered on accounts held with the Depository. For the purposes of registration of securities the Depository shall open accounts to the issuers and holders of securities .

In any new securities issue the issuer submits to the Depository an approval by the Securities and exchange Commission. If the issue amount is lower than EUR 25 000, the issuer submits to the Depository only a decision by the competent body of the issuer on securities issue.

Once the issue is registered with the Central Registry, the issuer shall submit to the Depository an extract from the registration of the issue in the Trade registry.

The Depository, after it has received the documentation, shall assign to the issuer an ISIN number for that issue. If the issuer does not hold a securities account, the Depository shall open a new securities account to him. If those are securities of the second or subsequent series conferring the same rights as the security already issued by the same issuer, the Depository shall not assign a new ISIN number by it shall attach the newly issued number of securities to the existing ISIN number.

After it has been established that the order is duly and fully filled in, entry is made in the Depository on the basis of the data stated in the order. Entries of orders in the Depository are made by an account operator. Entries of data on the accounts in the Depository are made in accordance with the Rules, instructions and other acts issued by the Depository.

AGC: 60e
If ownership cannot be transferred, or if you answered other, please explain

Securities are registered on accounts held with the Depository. For the purposes of registration of securities the Depository shall open accounts to the issuers and holders of securities .

In any new securities issue the issuer submits to the Depository an approval by the Securities and exchange Commission. If the issue amount is lower than EUR 25 000, the issuer submits to the Depository only a decision by the competent body of the issuer on securities issue.

Once the issue is registered with the Central Registry, the issuer shall submit to the Depository an extract from the registration of the issue in the Trade registry.

The Depository, after it has received the documentation, shall assign to the issuer an ISIN number for that issue. If the issuer does not hold a securities account, the Depository shall open a new securities account to him. If those are securities of the second or subsequent series conferring the same rights as the security already issued by the same issuer, the Depository shall not assign a new ISIN number by it shall attach the newly issued number of securities to the existing ISIN number.

After it has been established that the order is duly and fully filled in, entry is made in the Depository on the basis of the data stated in the order. Entries of orders in the Depository are made by an account operator. Entries of data on the accounts in the Depository are made in accordance with these Rules, instructions and other acts issued by the Depository.

AGC: 61a
If no: Securities are unavailable for

○ 1 to 2 days

○ 3 days to 1 week

○ 2 to 4 weeks

○ More than 4 weeks

○ Not applicable

AGC: 61b
If more than 4 weeks, please specify

AGC: 61c
If not applicable, please explain

AGC: 61, 61d
Are securities immediately available for delivery upon transfer to the CSD?

🔵 Yes

○ No

○ Not applicable

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

All securities held at the Depository are dematerialised. The only securities held outside of the Depository are the Treasury Bills issued by the National Bank of Republic of Macedonia. These are also dematerialised. The procedures/facilities of the Macedonian Depository are exceeding the efficiency in handling the securities held by the National Bank, since the Depository is a specialised institution established by Law for maintaining a register of securities and all activities connected to the securities among which corporate actions related activities.

AGC: 63, 63a
What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

○ Securities are re-registered into the name of the beneficial owner or a nominee.

○ Securities are re-certificated and re-registered into the name of the beneficia

○ Securities are re-certificated and delivered as bearer instruments.

○ Securities are transferred as is any physical delivery in the market.

🔵 Not applicable

AGC: 64a
If more than 4 weeks, please specify

AGC: 64, 64b
How long does it usually take to remove securities from the CSD?

○ 1 to 2 days

○ 3 days to 1 week

○ 2 to 4 weeks

○ More than 4 weeks

○ Not applicable

● Other: All securities issued in Republic of North Macedonia have to be registered at CSD. Securities are removed due to bankruptcy/liquidation, corporate actions or by redemption of debt securities.

AGC: 65a
While the securities are being removed from the CSD, can they be traded? (Choose one)

○ No

● Not applicable

○ Yes

AGC: 65b
If they cannot be traded please explain

AGC: 65c
While the securities are being removed from the CSD, can they be settled? (Choose one)

○ No

● Not applicable

○ Yes

AGC: 65d
If they cannot be settled, please explain

AGC: 65e
While the securities are being removed from the CSD, can they have ownership transferred? (Choose one)

○ No

● Not applicable

○ Yes

AGC: 65f
If ownership cannot be transferred, please explain

AGC: 66, 66a, 66d
Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

○ No

● Not applicable

○ Yes

AGC: 66b 66c
If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD

☐ The CSD assumes liability for indirect or consequential losses

☐ The CSD assumes liability for direct losses

☐ OTHER:

AGC: 66e, 66g, 66h
Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

○ No

● Yes

○ Not applicable

AGC: 66f
If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD

☐ The CSD assumes liability for direct losses

☐ The CSD assumes liability for indirect or consequential losses

☑ OTHER: In the event of electronic theft of securities by a CSD empl oyee(s), the CSD is liable under the appropriate provisions of the Civil Law. The amount of liability resulting from a de cision under the Civil Law would be determined as a result of court proceedings.

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

○ No

○ Yes

● Not applicable

AGC: 66j, 66k
If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD

☐ The CSD assumes liability for indirect or consequential losses

☐ The CSD assumes liability for direct losses

☐ OTHER:

AGC: 66m, 66p.
Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

☐ Yes

☐ No

☐ Not applicable

☑ OTHER: In the event of direct damages caused by the CSD due to its errors, omissions or fraud, the CSD is liable under the appropriate provisions of the Civil Law and Law on Obligations. The amount of liability resulting from a decision under the Civil Law would be determined as a result of court proceedings or bilateral agreement to compensate the loses.

AGC: 66n.
If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD

☐ The CSD assumes liability for direct losses

☐ The CSD assumes liability for indirect or consequential losses

☐ OTHER:

AGC: 66q.
Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

○ Yes

○ No

● Not applicable

AGC: 66r.
If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD

☐ The CSD assumes liability for direct losses

☐ The CSD assumes liability for indirect or consequential losses

☐ OTHER:

AGC: 66u.
Does the CSD guaranty settlement?

○ No

○ Yes

○ Not applicable

● Other: The Depository operates a Guarantee fund that consists of contributions of all members and its purpose is to guaranty the settlement on the cash side up to the amount of the fund.

AGC: 66v.
Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

AGC: 66x.
Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

○ Yes
● No
○ Not applicable

AGC: 66y.
If yes, please check all of the following that apply:

☐ The CSD assumes liability for indirect or consequential losses
☐ The CSD assumes liability for direct losses
☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ OTHER:

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

● Yes
○ No
○ Not applicable

AGC: 66*
Please define the standard of care applied:

Depository shall be liable for compensation of damages, including lost income, occurring due to inaccuracy or loss of data related to Securities, improper execution of a Trade Transaction or Non-Trade Transfer and/or by violation of its rules, if the conduct arises from negligent activity by the depository's employees, head persons or directors.

AGC: 67a, 67b.
Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

☐ Not applicable
☑ Yes
☐ No
☐ OTHER:

AGC: 67b.
Please explain (then please answer 67c):

The indemnificaton is an established legal institute in the macedonian legal system that is used to compensate the loses of a damaged party

AGC: 67c.
Please provide details of the relevant sections of the contracts, rules or practices where this information is found

The Laws on Obligations and Civil procedure are the systemic laws in which the basis of the indemnification rights are prescribed.

AGC: 67d.
Insurance

☐ Yes

☑ No

☐ Not applicable

☐ OTHER:

AGC: 67e.
Please explain (then please answer 67f):

AGC: 67f.
Please provide details of the relevant sections of the contracts, rules or practices where this information is found

AGC: 67g.
Acknowledgement of liability for losses caused by CSD's own actions.

🔵 Yes

⚪ No

⚪ Not applicable

AGC: 67h.
Please explain (then please answer 67i):

In the event of direct damages caused by the CSD due to its errors, omissions or fraud, the CSD is liable under the appropriate provisions of the Civil Law and Law on Obligations. The amount of liability resulting from a decision under the Civil Law would be determined as a result of court proceedings or bilateral agreement to compensate the loses.

AGC: 67i.
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

The Laws on Obligations and Civil procedure are the systemic laws in which the basis of the indemnification rights are prescribed.

AGC: 67j.
Other

⚪ Yes

🔵 No

AGC: 67k.
Please explain (then please answer 67l:

AGC: 67l.
Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

AGC: 68
Is the CSD immune from legal action in its own jurisdiction?

○ Yes

● No

AGC: 69
Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

☐ Not applicable

☑ By receipt of physical account holding statements

☑ By direct electronic link

☐ OTHER:

AGC: 69a.
Please explain:

Participants are using proprietary software application which provide on-line access to the depository system. Using the application, they can open accounts in a name of the clients, to reserve securtiies for on-going sale, to allocate securities before and after the settlement, to view trade transactions, to generate statement of accounts for their clients.

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

○ Yes

○ No

○ Not applicable

● Other: Participants can allocate securities before and after the settlement in a case of group -buy and group - sell trades

AGC: 70a.
How is access given to participants?

☐ By direct electronic link

☐ OTHER:

AGC: 70b.
Please select type of electronic link:

☐ Secured, leased, dedicated telephone line

☐ Dial-up modem

☐ Internet

☐ Fax

AGC: 70c.
Please explain:

Stock exchange is sending already matched and confirmed transactions, and trade report is available through the depository proprietary software. According to the Rules of operation, a member shall check in the settlement process the accuracy and the completeness of the trade report, and notify the Depository if it has not received the report and/or if it challenges the accuracy and completeness of the report. If within three hours from the moment when the report was made available to the members it does not challenge the accuracy and completeness of the report, it shall be considered accurate and complete.

AGC: 71 71a.
Regarding data security: Are passwords used by participants to access their accounts?

● Yes

○ No

○ Not applicable

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

● Yes

○ No

○ Not applicable

AGC: 71e.
Are passwords regularly changed?

● Yes

○ No

○ Not applicable

AGC: 71f.
How often?

Passwords are changed every 30 days

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

● Yes

○ No

○ Not applicable

AGC: 71i.
How many?

3

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

● Yes

○ No

○ Not applicable

AGC: 72a
Please explain:

The CSD maintains secure linkages with the Macedonian Stock Exchange (MSE), the National Bank of the Republic of North Macedonia and with Securities Exchange Commision. Messaging through the secure link with National Bank is compliant with global standards via the use of ISO data standards and messages in S.W.I.F.T. format for cash leg of transaction.

AGC: 73 73a
How does the CSD communicate with Stock Exchanges?

- ☐ Dial-up modem
- ☐ other
- ☑ Paper
- ☑ Fax
- ☐ Not applicable
- ☑ Secured, leased, dedicated telephone line
- ☑ Internet
- ☐ OTHER:

AGC: 73b
How does the CSD communicate with Payment Systems?

- ☐ Dial-up modem
- ☑ Secured, leased, dedicated telephone line
- ☑ Internet
- ☐ Fax
- ☐ Paper
- ☐ other
- ☐ Not applicable
- ☐ OTHER:

AGC: 73c
How does the CSD communicate with Clearing Houses?

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ other
- ☑ Not applicable
- ☐ OTHER:

AGC: 73d
How does the CSD communicate with Registrars?

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☑ Fax
- ☑ Paper
- ☑ other
- ☐ Not applicable
- ☑ OTHER: CSD comunicates with Pledge Registrar.

AGC: 74
How is access to the physical building controlled?

- ☑ By guards
- ☐ By alarm system
- ☑ personal ID card
- ☑ By electronic keys
- ☑ OTHER: The CSD is housed in the same building complex as the National Bank of the Republic of North Macedonia (NBRM) where high security standards are fulfilled.

AGC: 74a.
Please explain:

The CSD is housed in the same building complex as the National Bank of the Republic of North Macedonia where high security standards are fulfilled.

AGC: 75
What are the vault security procedures for the safekeeping of physical paper?

- ☐ Fire alarms
- ☐ Intrusion alarms
- ☐ Vault counts
- ☐ Visitor logs
- ☐ Dual access control
- ☐ Electronic keys or combinations
- ☑ Not applicable, no vault is maintained
- ☐ Guards
- ☐ OTHER:

AGC: 75a.
Please indicate frequency of vault counts:

AGC: 75b
Please explain:

All securities issued in Republic of North Macedonia have to be registered at CSD in dematerialized form.

AGC: 76, 76d
Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

☐ CSD insurance covers the loss

☑ The CSD guaranty fund covers the loss

☐ Loss is shared among participants

☐ Not applicable

☐ OTHER:

AGC: 76a
Please explain the process:

AGC: 76b
Please explain the process of how the loss is shared:

○ Equally, among participants

○ Pro-rata based on participant's volume

○ Limited to participants with transactions with failing counterparty

AGC: 76d
Please explain:

Function of a guarantee fund is to mitigate counterparty and settlement risk amongst Participants. CSD is managing the guarantee fund but assets are owned by participants. Each participant, according to the Article 3. Rules of guarantee fund, is required to contribute 3.500€ to the fund as a flat rate contribution.

With usage of guarantee fund as a risk measure CSD is implicitly guaranteeing settlement in case of cash defaults up to the amount available in the guarantee fund. Participants are fined (around 250€) for cash default and CSD is blocking securities by transfer to the special securities account.

If the cash default is not covered until 14.00 CSD will suspend participant for at least 3 days (maximum 30 days). If the cash default is not covered in the 30 days CSD will sell blocked securities and transfer cash to the guarantee fund.

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

○ Yes

● No

○ Not applicable

AGC: 77a
How was the situation resolved? Or if you answered "Other," then please explain:

AGC: 78
Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

● Yes

○ No

○ Not applicable

AGC: 78a.
If yes, please respond to the following questions: What is the size of the fund?

57.580 EUR

AGC: 78b.
How is the size of the fund determined?

○ By participant volume

○ By asset value

● A fixed amount

AGC: 78d.
How is the fund financed?

○ Contributions from owner

● Contributions from participants

○ Funding from retained earnings

AGC: 78e.
If so, what is the amount or percentage per owner?

AGC: 78f.
If so, what is the amount or percentage per participant?

3.500,00 EUR

AGC: 78h.
Who is covered by the fund?

☐ Direct CSD participants only

☐ The beneficial owner also

☑ OTHER: In case of default, CSD transfers funds from guaranty fund to the default participant's account in Central Bank. It is obligation of participant to further transfer funds to the beneficial owner(s).

AGC: 78j.
When is the guaranty fund used?

☑ When a broker defaults

☑ When a direct participant defaults

☑ OTHER: CSD Rules require each market participant to reserve shares prior to entering a Sell Order for those shares on the MSE. In this manner all Sell Orders executed on the MSE have the shares involved reserved at the CSD pending settlement. Implementation of the Share Reservation Rule has dramatically reduced the possibility of Sell-Side Security Fails. The Share Reservation Rule has resulted in the CSD having only one failed Settlement in over 9 years. On the other hand, for the cases of default on a cash leg of transactions, Guarantee Fund is established.

AGC: 79
Does the CSD have forms of oversight management for assessing and monitoring of the following?

- ☐ Collateral requirements for participants
- ☑ Blocking of securities movement before receipt of payment
- ☐ Other loss or default protections the CSD maintains
- ☑ Settlement controls that minimize or eliminate the risk of default by a participant
- ☑ Participant financial strength
- ☑ Blocking payment until securities are moved
- ☐ Not applicable
- ☐ Debit caps for participants
- ☐ Participant volumes
- ☑ Participant eligibility requirements
- ☐ OTHER:

AGC: 79a
Please explain other loss or default protections:

AGC: 79a
Please explain other loss or default protections:

Settlement of transactions executed on the Exchange shall be made in the Depository on a gross basis, or for all participants in the transaction in securities transfer of securities is made on the basis of each individual transaction executed on a given trading date, and the transfer of money shall be made on a net basis by calculating the obligations of the participants in the settlement from all sale and buy transactions at a level of participant (B1S model II). All participants in the settlement who have executed transactions in securities on a given trading day must provide on the settlement date the required quantity of securities (if they acted as sellers) and the required amount of funds(if they acted as buyers) for each individual transaction. A member which is the buyer of securities in a given transaction must secure the required amount od funds on its settlement account held with the National Bank by the settlement date. When executing a transaction in securities in which the same member of the Depository acts as both the buyer and the seller, that member shall by not later than the settlement date deposit the required amount of funds for settlement of the transaction on a separate account on the Depository held with the National Bank of the Republic of Macedonia. Amounts previously deposited shall be deposited back on the account of the member by the Depository after the closure of the cycle of settlement on that day. If the required monetary amount is not deposited on a separate account of the Depository, the settlement procedure provided in the Rules and the method of use of the Guarantee fund will be applied.

AGC: 79b
Please explain the requirements:

AGC: 79c
Please explain how these debit caps work:

AGC: 79d.
What type or types of settlement controls

- ☐ Blocking or freezing of securities positions
- ☑ Controlling DVP settlement
- ☑ Simultaneous DVP
- ☐ OTHER:

AGC: 79e.
Please explain:

AGC: 79f.
Please explain:

In case of stock exchange transactions, securities are blocked from Trade Date until Settlement Date

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AGC: 79g.
Please explain:

In case of stock exchange transactions,cash positions at the Central Bank are checked from 10:00AM to 11:00AM on Settlement Date Simultaneous DVP is processed at10:00AM. Cash positions are blocked for one hour afterwards.

In case of OTC transactions, cash positions at the Central Bank are checked and DVP is processed in real time.

AGC: 79h
Please identify and explain:

AGC: 79i
Please explain briefly how these work:

AGC: 80
Does the stock exchange have default protections that extend to the CSD, such as the following?

- ☐ Margin requirements for stock exchange members
- ☐ Guaranty fund for stock exchange members
- ☑ Financial requirements for stock exchange membership
- ☐ No
- ☐ Not applicable
- ☐ OTHER:

AGC: 80a
Please explain:

AGC: 81
BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

- ● Yes
- ○ No

AGC: 81b.
Please identify both the frequency and the last date of testing for the following third party: CSD participants/members

Each system change and/or system enhancement is tested with participants prior to being placed in production. Last test was performed on 07.07.2023

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

Each system change and/or system enhancement is tested with Stock Exc hange prior to be placed in production. Last test was performed on 07.07.2023

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

Test is performed 4 times in year. Last test was performed on 26.10.2023

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

Local Brokers are participants in the system,Each system change and/or system enhancement is tested with participants prior to being placed in production. Last test was performed on 07.07.2023

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

Disaster recovery facility was successfully tested on 07.07.2023

AGC: 81a, 81h.
Does your Business Recovery Plan include:

- ☑ Back-up of all computer files
- ☑ Back-up files stored and locked
- ☐ Off-site operations facility
- ☑ Off-site data storage
- ☐ OTHER:

AGC: 82
How quickly can the main system be reactivated in the event of an outage?

- 🔵 1 - 4 hours
- ⚪ 4 - 8 hours
- ⚪ 8 - 24 hours
- ⚪ Longer than 24 hours
- ⚪ Not applicable

AGC: 83
If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

- 🔵 1 - 4 hours
- ⚪ 4 - 8 hours
- ⚪ 8 - 24 hours
- ⚪ Longer than 24 hours
- ⚪ Not applicable

AGC: 84
Will the CSD publicly announce any system interruption?

- 🔵 Yes
- ⚪ No
- ⚪ Not applicable

AGC: 84a.
To whom will the CSD disclose any system interruptions?

- [x] To all direct participants
- [x] To the CSD regulators
- [ ] To direct and indirect participants
- [ ] To the public via the internet
- [ ] In the press
- [ ] OTHER:

AGC: 84b.
If so, please list webpage address:

AGC: 84c.
If so, please list all publications:

AGC: 84d.
Please explain:

AGC: 84e.
How will the CSD disclose any system interruptions?

- [ ] Public announcement
- [x] By e-mail
- [x] By telephone
- [ ] Press release
- [ ] OTHER:

AGC: 84f.
Please explain:

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

- ( ) Yes
- (●) No
- ( ) Not applicable

AGC: 85a.
If yes, how much time was needed to implement the recovery plan?

- ( ) Less than 1 hour
- ( ) 1 - 2 hours
- ( ) 2 - 4 hours
- ( ) Longer than 4 hours

AGC: 85b.
How much time was needed to recover and restore business to normal operations?

○ 1 - 4 hours

○ 4 - 8 hours

○ 8 - 24 hours

○ Longer than 24 hours

AGC: 85c, 85d.
What was the impact to the market?

☐ As a result of the system failure, all fines and penalties for late settlements were waived

☐ All cash settlements took place more than one business day late

☐ All securities settlements took place more than one business day late

☐ All cash settlements took place one business day late with value one day late

☐ All securities settlements took place one business day late with value one day late

☐ All cash settlements took place one business day late with good value

☐ All securities settlements took place one business day late with good value

☐ Even though there was a system failure, all fines and penalties for late settlements were still assessed

☐ All cash settlements took place as scheduled on the same day with good value

☐ All securities settlements took place as scheduled on the same day with good value

☑ OTHER: there was no impact on CSD's settlement and registry functionalities

AGC: 86
Has there been any material loss by the CSD during the past three years?

○ Yes

● No

○ Not applicable

AGC: 86a.
If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

AGC: 87
Has the CSD been subject to any litigation involving a participant during the past three years?

○ Yes

● No

○ Not applicable

AGC: 87a.
Please explain the circumstances and resolution:

AGC: 88, 88a
Has the CSD realized revenues sufficient to cover expenses during the past three years?

🔘 Yes for all three years

⚪ Yes for two of the last three years

⚪ Yes for one of the last three years

⚪ None of the last three years

⚪ Not applicable

AGC: 89, 89b
Does the CSD maintain a reserve for operating losses?

🔘 Yes

⚪ No

⚪ Not applicable

AGC: 89a.
Please describe and indicate reserve (for operating losses) amount:

885.538 EUR

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

⚪ Yes

🔘 No

⚪ Not applicable

AGC: 90a.
Please describe:

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

⚪ Yes

⚪ No

AGC: 90c.
If yes, please describe:

AGC: 90d.
If no, why not?

AGC: 91
Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

○ Yes

● No

○ Not applicable

AGC: 91a
What is the amount of the coverage?

AGC: 91b
What is the amount of the deductible?

AGC: 92
Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

○ Yes

○ No

○ Not applicable

● Other: CSD has an insurance for professional responsibility which covers Operational Errors, Fidelity, Errors and Omissions. The amount of coverage is 150.000 EUR

AGC: 92a.
What is the amount of the coverage?

AGC: 92b.
What is the amount of the deductible?

10%, up to 5000 EUR

AGC: 93
Does the CSD have insurance for Operational Errors?

○ Yes

○ No

○ Not applicable

● Other: CSD has an insurance for professional responsibility which covers Operational Errors, Fidelity, Errors and Omissions. The amount of coverage is 150.000 EUR

AGC: 93a.
What is the amount of the coverage?

AGC: 93b.
What is the amount of the deductible?

10%, up to 5000 EUR

AGC: 94
Does the CSD have Errors and Omissions insurance?

○ Yes

○ No

○ Not applicable

● Other: CSD has a insurance policy for professional responsibility which covers Operational Errors, Fidelity, Errors and Omissions. The amount of coverage is 150.000 EUR

AGC: 94a.
What is the amount of the coverage?

AGC: 94b.
What is the amount of the deductible?

10%, up to 5000 EUR

AGC: 95
Does the CSD have insurance for the Premises?

● Yes

○ No

○ Not applicable

AGC: 95a.
What is the amount of the coverage?

521.759 EUR

AGC: 95b.
What is the amount of the deductible?

Not applicable.

AGC: 96a.
If so, what is it for?

Technical equipment

AGC: 96b.
What is the amount of the coverage?

271.326 EUR

AGC: 96c.
What is the amount of the deductible?

N/A

AGC: 96, 96d
Does the CSD have any other insurance?

● Yes

○ No

○ Not applicable

AGC: 97
Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

Eurolink Osiguruvanje AD Skopje

AGC: 97a.
Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

n/a

AGC: 97b.
What is the term of the policy?

The term of the policy is one year. Each year the Depository renews the policy.

AGC: 97c, 97d
Who does the insurance cover?

☑ CSD

☐ Direct CSD participants

☐ Final investors

☐ Not applicable

☐ OTHER:

AGC: 98
If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

AGC: 98a.
filecount - Upload document here:

AGC: 99
The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

○ Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.

● Yes, my response will be public, but only for my answers to AGC questions.

○ Yes, my response will be public, but only for my answers to PFMI questions.

○ No, I do not wish my response to be publicly available.

AGC: 99a
How will you be making your answers publicly available?

☐ Upon request

☑ Website

☐ OTHER:

AGC: 99b
This disclosure can also be found at the following web address(es):

www.cdhv.mk

AGC: 99c
First and Last Name of the contact person:

Sofija Vidovic

AGC: 99d
How do you prefer to be contacted?

☐ mail/air courier

☐ Fax

☐ Telephone

☑ e-mail

AGC: 99e
Telephone number (please include the international country code):

++ 389 2 3299 813

AGC: 99f
Fax number

AGC: 99g
What is the preferred street address for mailing requests?

bul .Kuzman Josifovski Pitu 1 1000 Skopje, North Macedonia

AGC: 99h
Email address of the contact person:

vidoviks@cdhv.mk

AGC: 100
AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

🔵 Yes

⭕ No

AGC: 101
Does your organization have a documented cyber security policy in place?

● Yes

○ No

Yes. Policies and procedures on using IT equipment, Rulebook on technical and organisational   measures for data protection, Plan for technical measures, Rules on managing incidents etc.

AGC: 102
Please confirm that your staff receive relevant training about this policy.

● Yes

○ No

All employees have certificate on Cyber security training issued by National Center for Computer Incident Response of the Republic of North Macedonia.

AGC: 103
Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

AGC: 104
In the last 12 months have there been any changes to the policy?

● Yes

○ No

AGC: 105
Please advise how often you review the policy.

○ Annually

○ Semi-annually

● Other

Every time when CSD implement new funcionalities in the IT system.

AGC: 106
filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

AGC: 107
How does your organization identify which business functions carry a cyber risk

IT depatrment personel is responsible for identification, report and managing of posible cyber risk

AGC: 108
Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

🔵 Yes

⚪ No

processes are monitored continously, and penetration testing is performed from time to time. Disaster recovery testing is performend annualy

AGC: 109
What technological controls and protections are in place for your systems and networks?

a distributed architecture is implemented to avoid the single point of failure. CSD system consists of several logical and physical divided parts - domains. There are domains for database servers, application servers, workstations. Each domain has its own domain controller, which takes care of users, rights and privileges on that system. Between them there is no domain relation and the firewall is put on each end. The connection between different domains (also different networks) is established through third entity workgroup. This is also different network and it represent the DMZ zone of the system.

AGC: 110
Does your organization use multi-factor authentication

🔵 Yes

⚪ No

Yes, only registrated users can enter into the system with user account and password. Key fuctions needs two factor authentication.

AGC: 111
Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

🔵 Yes

⚪ No

Cyber risk exposure is documented in Maintenance contract and SLA agreement

AGC: 112
What measures does your organization have to ensure early detection of a cyber attack?

Review of network audit reports and login in regular time intervals

AGC: 113
What is the agreed resumption time for critical operations following a cyber attack?

AGC: 114
How would you advise clients of a successful cyber attack against your organization?

AGC: 115
In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

⚪ Yes

🔵 No

AGC: 116
Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

☑ Vulnerability assessment

☑ Scenario based penetration tests

☐ Testing of incident response process and technical/business/operations (e.g. table-top exercise)

☐ OTHER:

AGC: 117
For cloud technology and associated cyber security risks, do you you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

○ Yes

○ No

AGC: 118
Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

○ Yes

○ No

AGC: 119
Is your organization aware of SWIFT's Customer Security Program (CSP)?

○ Yes

○ No

Not applicable, CSD is not a member of SWIFT network

AGC: 120
Does your organization ensure compliance with SWIFT's CSP controls?

○ Yes

○ No

Not applicable, CSD is not a member of SWIFT network

AGC: 121
Does your organization respond to requests for your institution's attestations?

○ Yes

○ No

AGC: 122

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

○ Yes

○ No