

WFC Single Disclosure Report 2020**AGC and PFMI answers**

Date submitted
10/06/2021 14:48:39

General information

1 G01Q001 Please indicate the full name of the responding institution: <i>PFMI: Annex A - CSD disclosure template [CSD name]</i> <i>AGC: 0a</i>
INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S. A

2 G01Q002 Registered address: <i>PFMI: n/a</i> <i>AGC: 0c</i>
Avenida da Boavista 3433 4100-138 Porto Portugal

3 G01Q003 Country of registered address: <i>PFMI: n/a</i> <i>AGC: 0d</i>
Portugal

4 G01Q004 Official website of the respondent institution: <i>PFMI: Annex A - CSD disclosure template [website]</i> <i>AGC: n/a</i>
https://www.interbolsa.pt/

5 G01Q005

The date of this disclosure is:

*PFMI: Annex A - CSD disclosure template [date]**AGC: n/a*

26/02/2021

6 G01Q006

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?

*PFMI: n/a**AGC: 99*

- ☒ 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.

7 G01Q007

How will you be making your answers publicly available?

*PFMI: n/a**AGC: 99a*

- ☒ Website
- ☐ Upon request
- ☐ OTHER:

8 G01Q008

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

*PFMI: Annex A - CSD disclosure template [website URL]**AGC: 99b*<https://www.interbolsa.pt>

9 G01Q009

First and Last Name of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]**AGC: 99c*

Arlinda Moreira

10 G01Q009A

Disclosure submission authorisation

☒ I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]**AGC: 99h*

arlinda.moreira@interbolsa.pt

12 G01Q011

Telephone number (please include the international country code):

*PFMI: n/a**AGC: 99e*

+351 226 158 400

13 G01Q012

How do you prefer to be contacted?

*PFMI: n/a**AGC: 99d*☒ Telephone☐ Fax☐ mail/air courier☒ e-mail

14 G01Q013

Fax number

*PFMI: n/a**AGC: 99f*

N/A

15 G01Q014

What is the preferred street address for mailing requests?

*PFMI: n/a**AGC: 99g*

Avenida da Boavista 3433

4100-138 Porto

Portugal

16 G01Q015

Please list the jurisdiction(s) in which the CSD operates:

*PFMI: Annex A - CSD disclosure template [list jurisdictions]**AGC: n/a*

Portugal

17 G01Q016

Please list the authority(ies) regulating, supervising or overseeing the CSD:

*PFMI: Annex A - CSD disclosure template [list authorities]**AGC: n/a*

National Competent Authority : CMVM - Comissão do Mercado de Valores Mobiliários (The Portuguese Securities Market Commission) - Relevant Authority – Banco de Portugal

18 G01Q017

Executive summary (This section should summarise the key points from the disclosure framework, including a brief overview of the CSD, its participants, its legal and regulatory framework, its primary risks, and its key risk management and other relevant practices.)

*PFMI: I.**AGC: n/a*

INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (hereinafter Interbolsa) is a Central Securities Depositories authorised under Regulation (EU) 909/2014, of 23 July (the CSD Regulation).

Interbolsa is a wholly owned subsidiary of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. and, therefore, part of the Euronext Group.

Interbolsa and its activity are specifically governed by the Regulation (EU) 909/2014 of 23 July (the CSD Regulation), the Portuguese legal framework for CSDs, approved by Law 35/2018, of 20 July, Interbolsa's by-laws, the

Portuguese Securities Code, the Portuguese Corporate Code, CMVM Regulations, namely CMVM Regulations 5/2018 (CSD's), 14/2000 ("Securities Registration Systems"), and 5/2007 ("Clearing, Central Counterparty and Settlement") and by its own Regulations.

Interbolsa's national competent authority is CMVM – Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission, which regulates and supervises Interbolsa.

Interbolsa is subject to both prudential (focused on financial health and solvency, including systemic risk) and market conduct (focused on the relationship with clients and market agents) supervision of the CMVM.

Interbolsa relevant authority is Banco de Portugal.

Within the limits of the law and regulations, Interbolsa, as a CSD, regulates the activities of those systems, issuing operational rules (which are all available in Interbolsa's website at www.interbolsa.pt). The operational rules issued by Interbolsa are subject to registration at CMVM, for legality control and conformity with the law.

The objectives of Interbolsa are:

- * To provide infrastructures and highest quality services to all participants of the securities market, namely to the financial intermediaries and issuer companies, that will fulfill all the needs of the market with efficiency, safety and confidence;
- * To render services for settlement, issue registration, deposit and safekeeping of securities according to the best international practices;
- * To follow a strategy focused in the continuous improvement of its products and services according the customers' needs;
- * To engage continuously with rigor and professionalism in the development and efficiency of the capital market, namely in what concerns the areas of settlement and custody;
- * To contribute to the development of the capital market by creating competitive conditions, reducing systemic risks and protecting the rights of the investors and other entities involved with the capital market.

In accordance with its corporate object and as required by Regulation (EU) 909/2014, of 23 July (CSD Regulation or CSDR), INTERBOLSA carries out a wide range of activities, concentrated in the following main area:

CORE SERVICES:

- * Initial recording of securities in a book-entry system (Notary services)
- * Structuring and managing of a Centralised Securities System (Central Maintenance Services)
- * Management of Securities Settlement Systems (Settlement Services)

NON BANKING TYPE ANCILLARY SERVICES, mainly:

- * Assignment and management of ISIN codes as National Number Agency
- * Management of a Securities Lending Management System (SGE)
- * Management of an Investment Funds System (SFI)

In general:

- * Interbolsa operates a reliable, effective, low risk and efficient centralised securities systems and securities settlement systems.
- * Interbolsa has clear and transparent rules and procedures in place to operate its systems, support the needs of the financial system and to monitor, manage and minimise the risks involved.
- * A clear business continuity plan exists and is tested annually internally and externally.
- * Interbolsa's management is strongly committed to maintain a very low risk profile for the activities of Interbolsa as Centralised Securities Depository (CSD) and as Securities Settlement System (SSS).
- * The activities of Interbolsa have a sound legal basis and adequate governance arrangements.

19 G01Q018

Summary of major changes since the last update of the disclosure (This section should summarise the major changes to the CSD's organisation, services, design, rules, markets served and regulatory environment since its last disclosure. The CSD should note the sections in its disclosure where such changes are reflected.)

PFMI: II.

AGC: n/a

Interbolsa follows all the European and international movements regarding harmonization of rules and procedures promoting, the implementation of the European and international standards that establish the framework of the post-trade industry, namely the CSD Regulation.

Interbolsa successfully completed the migration to TARGET2-Securities (T2S) in the end of March 2016 (T2S Wave 2). T2S is a technological platform, launched by the European Central Bank - Eurosystem, which brings substantial benefits to the European post-trading industry by providing a single pan-European platform for securities settlement in central bank money. T2S was created to support settlement services for joining CSDs in order to achieve a harmonised settlement in Europe. Therefore, T2S allows for core, neutral and borderless pan-European securities settlement. A single set of rules and standards apply to all transactions in Europe via T2S, reducing the complexity of the market structure, making the European markets more attractive and efficient.

In a T2S environment, Interbolsa maintains the level of services formerly provided, which have not be reduced due to the implementation of T2S.

Since July 2018, Interbolsa is a CSD authorised under CSD Regulation.

20 G01Q019

General description of the CSD and the markets it serves (This section should provide basic, concise descriptions of the services offered and functions performed by the CSD? It should also provide an overview of the markets the CSD serves and the role it fulfils within those markets. Further, the section should include basic data and performance statistics on its services and operations. A CSD should provide, for example, basic volume and value statistics by product type, average aggregate intraday exposures of the CSD to its participants, and statistics on the CSD's operational reliability.)

PFMI: III.1.

AGC: n/a

In accordance with its corporate object and as required by Regulation (EU) 909/2014, of July 23 (CSD Regulation or CSDR), INTERBOLSA carries out a wide range of activities, concentrated in the following main area:

CORE SERVICES:

- * [Initial recording of securities in a book-entry system](#)
- * Structuring and managing of a [Centralised Securities System](#)
- * Management of [Securities Settlement Systems](#)

Explanation:

A. Initial recording of securities in a book-entry system and Structuring and managing of a Centralised Securities System

With respect of the **initial registration of securities and the structuring and administration of centralised securities systems** (the Centralised System of Securities or Centralised System), INTERBOLSA carry out the following functions:

- * Registration of securities issues represented in book-entry form and the implementation of the related controls;
- * Registration of physical securities issues (securities in certificate form), their safekeeping and the implementation of the related controls;
- * Registration of positions held by Participants in the accounts opened in the centralised systems, which are reflected in the TARGET2-Securities (T2S) platform;

* Ensuring the adequate procedures to the exercise of patrimonial rights inherent to the securities registered in its systems, namely changes in the company's share capital, payment of income and redemption.

Issuers, Financial Intermediaries and other entities which, under the terms of the law and the regulations in force, may assume the status of affiliates (custodians), Banco de Portugal and even INTERBOLSA, as the controlling entity, participate on the Centralised System.

The Centralised System is composed by an interconnected set of accounts, through which the securities are created and transferred and the control of the quantity of the securities in circulation and of the rights that exist over them is performed.

The main accounts participating in the Centralised System are the following:

- * The issue management account opened by each of the Issuers in the Centralised System (which includes some of the data from the issuing account already opened at the Issuer);
- * The global accounts opened by the Financial Intermediaries in the Centralised System which are reflected in the TARGET2-Securities (T2S) platform. These global accounts correspond, on every moment, to the sum of the individual registry accounts, opened in the name of the investors, in the chosen Financial Intermediary (depository/registry) chosen by them.

The Financial Intermediaries are entirely responsible for the maintenance and movement of the securities in the individual registry accounts opened in their books, as well as in the global accounts opened in the Centralised System, under the terms of the law and regulations in force, namely the Securities Code, CMVM's Regulation 14/2000 and Interbolsa's Regulation 2/2016.

The Centralised Securities System carries out all the necessary procedures to ensure the exercising of the patrimonial rights, concerning the securities registered in its system.

INTERBOLSA, in a perfectly integrated way, together with the Centralised Systems mentioned, also organizes and manages Securities Settlement Systems.

B. Management of Securities Settlement Systems

INTERBOLSA is responsible for the organization and management of **Securities Settlement Systems** in order to ensure, namely, the transfers of money associated with the transfers of securities or inherent rights and guarantees regarding operations over securities. Since March 2016, INTERBOLSA, as a Central Securities Depository (CSD), participates in the TARGET2-Securities (T2S) platform for the provision of securities settlement services to its Participants in central bank money.

Therefore, the Securities Settlement Systems managed by INTERBOLSA allow for the:

- * Settlement of transactions executed in regulated markets and multilateral trading facilities (MTFs);
- * Settlement of over-the-counter (OTC) transactions;
- * Settlement of transactions in the framework of securities lending transactions through SGE – *Sistema de Gestão de Empréstimos*, the securities lending management system made available by INTERBOLSA to its Participants;
- * Settlement of free-of-payment (FOP) transfers;
- * Financial settlement regarding the exercise of rights inherent to the securities registered or deposited in the Central Securities Depository;

Processing of the corresponding financial settlement in the cash accounts of the Participants opened in the T2S platform, for payments in euros and sending of the payment instructions to *Caixa Geral de Depósitos - Sistema de Pagamentos em Moeda Estrangeira (SPME)* for payment in other currencies different from euro.

The Participants in the Securities Settlement Systems are the Financial Intermediaries affiliated to INTERBOLSA and other entities that, under the terms of the law and the regulations in force, may assume the status of affiliated, which ensure the physical and financial settlement of transactions carried out on a regulated market and in multilateral trading system, as well as the operations carried out outside the market.

Since March 29, 2016, INTERBOLSA provides settlement services through the Eurosystem's T2S TARGET2-Securities platform, moving the securities and cash accounts of the Participants reflected on that platform to payments in euros. It should also be noted that payments in currencies other than the euro not accepted by the T2S platform continue to be processed by sending payment instructions to *SPME* operated by *Caixa Geral de Depósitos*.

NON BANKING TYPE ANCILLARY SERVICES, mainly:

- * Assignment and management of ISIN codes as National Number Agency
- * Management of a Securities Lending Management System (SGE)
- * Management of an Investment Funds System (SFI)

Basic data and performance statistics on Interbolsa's services and operations can be consulted in Interbolsa's

website.

21 G01Q020

General organisation of the CSD (This section should provide an overview of the organisational and governance structure of the CSD? including a description of the CSD's governance policies, governance structure and management structure.)

PFMI: III.2

AGC: n/a

Interbolsa is incorporated under Portuguese Law, and is a wholly-owned subsidiary of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A..

Interbolsa and Euronext Lisbon are part of the Euronext Group.

Interbolsa's corporate bodies are the General Meeting, the Managing Board and the Sole Auditor.

The composition of the corporate bodies has to be communicated to CMVM that can oppose to the designation based on good reputation and experience arguments.

The composition of the board is determined by the General Meeting, in the terms established in the by-laws and in the Portuguese Corporate Code. The members designed by the General Meeting are subject to registration within CMVM.

According to the Portuguese law, only those persons who, considering their fitness and professional experience, guarantee that management will be undertaken according with high standards of prudence and efficiency, can become members of the management and supervisory control bodies of Interbolsa. If in relation to any member of the management and supervisory bodies, the requirement of fitness is no longer met, by a supervening fact or a fact not yet known by CMVM, this entity will notify the managing entity to immediately terminate the functions of the said individuals and, within a pre-established timeframe, promote the respective substitution.

Interbolsa's internal organization is based on a structure of functional nature established upon a specialization criterion regarding the tasks allocated to the different Departments.

Interbolsa's operating activity is divided in two main Departments: the Central Securities Depository Department and the IT Department.

The Central Securities Depository Department manages the centralised securities systems and the securities settlement systems ensuring the company's core business, the IT Department being its main technical and operational support.

The functional activities that are not directly operational are divided into Legal, Financial, Human Resources, Internal Compliance, Internal Audit, Risk Management and also the Program Office.

22 G01Q021

Legal and regulatory framework (This section should provide an overview of the CSD's legal and regulatory framework, including the legal and ownership structure of the CSD, the legal basis for each material aspect of the CSD's activities, and the regulatory, supervisory and oversight framework for the CSD.)

PFMI: III.3

AGC: n/a

Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Interbolsa) is a Central Securities Depositories authorised under Regulation (EU) 909/2014, of 23 July (the CSD Regulation).

Interbolsa is a wholly owned subsidiary of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. and, therefore, part of the Euronext Group.

Interbolsa and its activities are specifically governed by the CSD Regulation, the Legal Framework for the CSDs, approved by Law 35/2018, of 20th July, the Portuguese Securities Code, the Portuguese Corporate Code, CMVM Regulations, namely CMVM Regulations 5/2018 ("CSD's"), 14/2000 ("*Securities Registration Systems*"), and 5/2007 ("*Clearing, Central Counterparty and Settlement*").

Interbolsa is regulated and supervised by CMVM – Comissão do Mercado de Valores Mobiliários (its competent authority).

Banco de Portugal is Interbolsa's relevant authority.

23 G01Q022

System design and operations (This section should explain the CSD's design and operations. It should include a clear description of the typical lifecycle of the transaction process. The information should highlight how the CSD processes a transaction, including the timeline of events, the validation and checks to which a transaction is subjected, and the responsibilities of the parties involved.)

PFMI: III.4

AGC: n/a

- Centralised Securities Systems -

Registry and control of securities in book-entry form (in materialised/immobilised and dematerialised form)

According to the Portuguese Securities Code and to article 3 of the CSDR, securities can be dematerialised or represented by paper form and it is mandatory the record of those securities in a CSD, in book-entry form, for the trading of the same in a regulated market or MTF. Book-entry form can take the form of immobilization or dematerialization. Interbolsa maintains vaults for the safekeeping of securities in physical form. Those securities are represented by book-entry records and transfers are made by book-entry.

The registry of securities in the Centralised Securities Systems managed by Interbolsa must be requested by the Issuer. The request for the registry of securities in the Central Securities Depository must be accompanied by the documents/information that will characterize/describe the issuer and the securities.

Interbolsa provides corporate actions processing services to the issuer entities that have their securities integrated in the centralised system managed by Interbolsa and to the participants that hold those same securities in their accounts.

- Securities Settlement Systems –

Interbolsa is responsible for the organization and management of Securities Settlement Systems in order to ensure, namely, the cash transfers associated with the transfers of securities or inherent rights and with guarantees regarding operations over securities.

Since March 2016, Interbolsa, as a CSD, participates in the T2S platform for the provision of securities settlement services to its participants in central bank money.

24 G01Q023

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

25 G01Q024

I am submitting up-to-date information in response to:

- ☐ The AGC questions and a report with only AGC answers will be generated
- ☐ The PFMI questions and a report with only PFMI answers will be generated
- ☒ Both the AGC and PFMI questions and a report with answers to both questionnaires will be generated

Legal Basis (PFMI Principle 1)

26 G02Q001

Summary narrative for PFMI Principle 1. 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.)

PFMI: Annex A - CSD disclosure template - IV.P1

AGC: n/a

Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Interbolsa) is a Central Securities Depositories authorised under Regulation (EU) 909/2014, of 23 July (the CSD Regulation).

Interbolsa is a wholly owned subsidiary of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. and, therefore, part of the Euronext Group.

Interbolsa and its activities are specifically governed by the CSD Regulation, the Portuguese Legal Framework for CSDs, approved by Law 35/2018, of 20th July, the Portuguese Securities Code, the Portuguese Corporate Code, CMVM Regulations, namely CMVM Regulations 5/2018 ("CSD's), 14/2000 ("Securities Registration Systems"), and 5/2007 ("Clearing, Central Counterparty and Settlement").

Within the limits of the law and regulations, Interbolsa, as a recognized and authorized CSD under CSD Regulation, regulates the activities of the centralized securities systems and securities settlement systems managed by Interbolsa, issuing operational rules (which are all available in Interbolsa's website at www.interbolsa.pt). The operational rules issued by Interbolsa are subject to registration at CMVM, for legality control and conformity with the rules.

Compliance with these operational rules is ascertained and enforced by Interbolsa, as the managing entity of the systems, but also by CMVM (in its capacity of supervisory entity of the securities market).

All Interbolsa's operational rules are available (in Portuguese and English) at Interbolsa's website www.interbolsa.pt.

27 G02Q002

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

PFMI: n/a

AGC: 7

The functioning of the CSD is defined in the Regulation (EU) 909/2014, of 23 July and the related Regulatory Technical Standards and in the Portuguese Legal Framework for CSDs approved by Law 35/2018, of 20 July. Interbolsa is also ruled by its By-Laws and the Corporate Code.

The systems operated by Interbolsa are ruled by the Portuguese Securities Code, by CMVM (the Portuguese Securities Market Commission) regulations and by Interbolsa's regulations registered within CMVM.

28 G02Q003

Is the regulation or statute electronically available?

PFMI: n/a

AGC: 7a

☒ Yes☐ No

29 G02Q004

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

PFMI: n/a

AGC: 7b

<https://www.interbolsa.pt/en/interbolsa-en/governance/management-reports-and-interbolsa-by-laws>

30 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a

AGC: 7c

0

31 G02Q006

What are the material aspects of the CSD's activities that require a high degree of legal certainty (for example, rights and interests in financial instruments, settlement finality, netting, interoperability, immobilisation and dematerialisation of securities, arrangements for DvP, PVP or DvD, collateral arrangements (including margin arrangements), and default procedures)?

PFMI: Q.1.1.1

AGC: n/a

The material aspects of Interbolsa's activity that require a high degree of legal certainty are mainly, the issues related to the settlement service, the settlement finality rules, immobilisation and dematerialisation of securities, corporate actions rules and procedures.

32 G02Q007

What are the relevant jurisdictions for each material aspect of the CSD's activities?

PFMI: Q.1.1.2

AGC: n/a

The relevant jurisdiction where Interbolsa provides its activity is Portugal.

Nevertheless, Interbolsa, in the course of its activity, conducts business in different jurisdictions regarding:

- (i) Issuers/Securities;
- (ii) Participants.

33 G02Q008

How does the CSD ensure that its legal basis (that is, the legal framework and the CSD's rules, procedures and contracts) provides a high degree of legal certainty for each material aspect of the CSD's activities in all relevant jurisdictions? In particular, how does the CSD ensure that its legal basis supports the immobilisation or dematerialisation of securities and the transfer of securities by book entry? In addition, if the CSD has a netting arrangement, how does the CSD ensure that its legal basis supports the enforceability of that arrangement? Where settlement finality occurs in the CSD, how does the CSD ensure that its legal basis supports the finality of transactions, including those of an insolvent participant? Does the legal basis for the external settlement mechanisms the CSD uses, such as funds transfer or securities transfer systems, also support this finality?

PFMI: Q.1.1.3

AGC: n/a

The Portuguese securities market is ruled by the Portuguese Securities Code approved by Decree-Law 486/99, of 13th November 1999, as amended, and by CMVM Regulations.

Laws, regulations, rules and procedures, and contractual provisions governing the systems managed by Interbolsa, are clearly stated, understandable, public and accessible to all system participants. The legal framework is comprehensive, covering all the aspects related to the activity of the settlement systems and gives legal certainty, confidence and security to the participants on those systems.

Interbolsa's regulations are registered within CMVM, for legality control and conformity with the rules, which gives confidence and security to the applicability of those rules. Interbolsa rules are publicly disclosed in Interbolsa's website.

Interbolsa maintains in its website, duly updated, a set of documentation that is composed of the company's by-laws, the rules of the Centralised Securities Systems and of the Securities Settlement Systems managed by Interbolsa, the price list of Interbolsa and those rules related to the affiliation in (participation access to) Interbolsa's systems.

Interbolsa also maintains updated, operational manuals of the Centralised Securities Systems and of the Securities Settlement Systems.

Every amendment to the rules or to the operational manuals is communicated to participants by email, or other technical means of communication and disclosed in Interbolsa's website.

These documents, together with the Portuguese Securities Code define the rights and obligations of Interbolsa's participants. Every applicant signs an affiliation contract with Interbolsa accepting the responsibilities due to affiliation and by which the applicant seeking affiliation assures to accept the above mentioned documents and rules. The rules and procedures will be maintained in force even in the event of insolvency of Interbolsa's system participants.

Rules and contracts related to the operation of the Securities Settlement System (SSS) are enforceable in the event of the insolvency of a system participant, of a participant in a linked or interoperable system, of the operator of the system, or of the operator of linked or interoperable systems.

Interbolsa follows all the European and international movements regarding harmonization of rules and procedures promoting the implementation of the European and international standards that establish the framework of the post-trade industry, and the rules set forth in the CSD Regulation.

34 G02Q009

How has the CSD demonstrated that its rules, procedures and contracts are clear and understandable?

PFMI: Q.1.2.1

AGC: n/a

According to article 43 (1) (2) of Regulation (EU) 909/2014 (CSDR), Interbolsa has rules, procedures, and contracts that are clear and understandable for all the securities settlement systems that it operates and all other services that it provides.

Interbolsa designs its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in case of default of a participant.

The Portuguese securities market is ruled by the Portuguese Securities Code approved by Decree-Law 486/99, of 13th November 1999, as amended, and by the Portuguese Corporate Code.

Laws, regulations, rules and procedures, and contractual provisions governing the systems managed by Interbolsa are clearly stated, understandable, public and accessible to all system participants.

The legal framework is comprehensive, covering all the aspects related to the activity of the securities settlement systems and centralised securities systems and gives legal certainty, confidence and security to the participants on those systems.

Interbolsa's regulations are registered at CMVM, for legality control and conformity with the rules, which gives confidence and security to the applicability of those rules, and are publicly disclosed in Interbolsa's website.

Interbolsa maintains in its website, duly updated, a set of documentation that includes the company's by-laws, the rules of the Centralised Securities Systems and of the Securities Settlement Systems managed by Interbolsa, the fee books of Interbolsa (both for issuers and financial intermediaries) and those related to the affiliation in its systems, notices and explanatory texts regarding the functioning of the systems and services managed by Interbolsa.

Every amendment to the rules or to the operational manuals is communicated to participants by email, or other technical means of communication and disclosed in Interbolsa's website.

These documents, together with the Portuguese Securities Code, define the rights and obligations of Interbolsa's participants. Every participant at the moment of affiliation signs an agreement with Interbolsa accepting the responsibilities due to affiliation and by which the entity seeking affiliation assures to accept the above mentioned documents and rules. The rules and procedures will be maintained in force even in the event of insolvency of Interbolsa's systems participants.

Interbolsa also maintains updated, operational manuals of the services provided.

The rules and contracts related to the operation of the Securities Settlement System (SSS) are enforceable in the event of the insolvency of a system participant, of a participant in a linked or interoperable system, of the operator of the system, or of the operator of linked or interoperable systems. Article 41 (a) of the Portuguese Securities Code expressly establishes that the law of the State where the management entity of the centralised securities is located governs the transfer of rights and the creation of security on securities integrated into that system

35 G02Q010

How does the CSD ensure that its rules, procedures and contracts are consistent with relevant laws and regulations (for example, through legal opinions or analyses)? Have any inconsistencies been identified and remedied?

PFMI: Q.1.2.2

AGC: n/a

Interbolsa's regulations are registered at CMVM, for legality control and conformity with the rules, which gives confidence and security to the applicability of those rules, and are publicly disclosed in Interbolsa's website.

36 G02Q011

Are the CSD's rules, procedures and contracts reviewed or assessed by external authorities or entities?

PFMI: Q.1.2.2

AGC: n/a

Yes. By the Interbolsa's National Competent Authority: CMVM – Comissão do Mercado de Valores Mobiliários

37 G02Q012

Do the CSD's rules, procedures and contracts have to be approved before coming into effect? If so, by whom and how?

PFMI: Q.1.2.3

AGC: n/a

Yes. By the Interbolsa's National Competent Authority: CMVM – Comissão do Mercado de Valores Mobiliários

38 G02Q013

How does the CSD articulate the legal basis for its activities to relevant authorities, participants and, where relevant, participants' customers?

PFMI: Q.1.3.1

AGC: n/a

Interbolsa maintains in its website, duly updated, a set of documentation that includes the company's by-laws, the rules of the Centralised Securities Systems and of the Securities Settlement Systems managed by Interbolsa, the fee books of Interbolsa (both for issuers and financial intermediaries) and those related to the affiliation in its systems, notices and explanatory texts regarding the functioning of the systems and services managed by Interbolsa.

Interbolsa also maintains updated, operational manuals of the services provided.

Every amendment to the rules or to the operational manuals is communicated to participants by email, or other technical means of communication and disclosed in Interbolsa's website.

39 G02Q014

How does the CSD achieve a high level of confidence that the rules, procedures and contracts related to its operations are enforceable in all relevant jurisdictions identified in PFMI Principle 1 key consideration 1 (for example, through legal opinions and analyses)?

PFMI: Q.1.4.1

AGC: n/a

Interbolsa has rules, procedures, and contracts that are clear and understandable for all the securities settlement systems that it operates and all other services that it provides.

Interbolsa designs its rules, procedures and contracts so that they are enforceable in all relevant jurisdictions, including in case of default of a participant.

The Portuguese securities market is ruled by the Portuguese Securities Code approved by Decree -Law 486/99, of 13th November 1999, as amended, and by the Portuguese Corporate Code.

Laws, regulations, rules and procedures, and contractual provisions governing the systems managed by Interbolsa are clearly stated, understandable, public and accessible to all system participants.

The legal framework is comprehensive, covering all the aspects related to the activity of the securities settlement systems and centralised securities systems and gives legal certainty, confidence and security to the participants on those systems.

Interbolsa's regulations are registered at CMVM, which gives confidence and security to the applicability of those rules, and are publicly disclosed in Interbolsa's website.

Interbolsa also maintains updated, operational manuals of the services provided.

If necessary, Interbolsa may request a legal opinion to clarify any aspects that were considered necessary.

40 G02Q015

How does the CSD achieve a high degree of certainty that its rules, procedures and contracts will not be voided, reversed or subject to stays? Are there any circumstances in which a CSD's actions under its rules, procedures or contracts could be voided, reversed or subject to stays? If so, what are those circumstances?

PFMI: Q.1.4.2

AGC: n/a

Interbolsa's regulations are subject to registration at CMVM, for legality control and conformity with the law, which gives confidence and security to the applicability of those rules.

41 G02Q016

Has a court in any relevant jurisdiction ever held any of the CSD's relevant activities or arrangements under its rules and procedures to be unenforceable?

PFMI: Q.1.4.3

AGC: n/a

No

42 G02Q017

If the CSD is conducting business in multiple jurisdictions, how does the CSD identify and analyse any potential conflict-of-laws issues? When uncertainty exists regarding the enforceability of a CSD's choice of law in relevant jurisdictions, has the CSD obtained an independent legal analysis of potential conflict-of-laws issues? What potential conflict-of-laws issues has the CSD identified and analysed? How has the CSD addressed any potential conflict-of-laws issues?

PFMI: Q.1.5.1

AGC: n/a

Interbolsa conducts business in different jurisdictions regarding:

- (i) Issuers/Securities;
- (ii) Participants.

In this context, Interbolsa takes all reasonable steps to identify and mitigate the risks arising from potential conflicts of law across jurisdictions.

Actually, the Portuguese legal framework establishes a set of conflicts of law rules, in order to safeguard the certainty in what relates to the issuance of securities and the securities transactions.

Interbolsa evaluates what differences exist between the two jurisdictions in terms of capacity for the issue and the representation form of the securities and if the registration in Interbolsa's systems is feasible. In case of a positive answer Interbolsa applies the procedures that enable the integration of the issue in its systems.

Another aspect that is evaluated refers to corporate actions to be processed through Interbolsa's systems.

43 G02Q018

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Governance and ownership (PFMI Principle 2)

44 G03Q001

Summary narrative for PFMI Principle 2. 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.)

PFMI: Annex A - CSD disclosure template - IV.P2

AGC: n/a

Interbolsa is incorporated under Portuguese Law, and is wholly-owned by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A..

Interbolsa and Euronext Lisbon are part of the Euronext Group.

Interbolsa's corporate bodies are the General Meeting, the Managing Board and the Sole Auditor.

The composition of the corporate bodies has to be communicated to CMVM that will assess the identified members on a fit and proper process. CMVM can oppose to the designation based on good reputation and experience arguments.

The composition of the board is approved by the General Meeting, in the terms established in Interbolsa's by-laws and in the Portuguese Corporate Code. The members designed by the General Meeting are subject to registration within CMVM.

Interbolsa's internal organization is based on a structure of functional nature established upon a specialization criterion regarding the tasks allocated to the different Departments.

Interbolsa's operating activity is divided in two main Departments: the Central Securities Depository Department and the IT Department.

The Central Securities Depository Department manages the centralised securities systems and the securities settlement systems ensuring the company's core business, the IT Department being its main technical and operational support.

The functional activities that are not directly operational are divided into Legal, Financial, Human Resources, Internal Compliance, Internal Audit, Risk Management and also the Program Office.

45 G03Q002

What type of legal entity is the institution?

PFMI: n/a

AGC: 3

☐ Public Company

☒ Private Company

☐ Central Bank (or part thereof)

☐ Stock Exchange (or part thereof)

☐ OTHER:

46 G03Q003

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

PFMI: n/a

AGC: 4

- ☒ For profit
- ☐ Not for profit

47 G03Q004

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

PFMI: n/a

AGC: 5

Euronext Lisbon, Sociedade Gestora de Mercados Regulamentados, S.A. - 100%

48 G03Q005

What is the date of establishment of the CSD?

PFMI: n/a

AGC: 6a

02/04/1993

49 G03Q006

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

PFMI: n/a

AGC: 6b

16/09/1991

50 G03Q007

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

PFMI: n/a

AGC: 18

- ☐ Yes
- ☒ No
- ☐ Not applicable

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

PFMI: n/a

AGC: 18a.

52 G03Q009

What are the CSD's objectives, and are they clearly identified?

PFMI: Q.2.1.1

AGC: n/a

Interbolsa has in place clearly defined goals and objectives, such as:

- * To provide infrastructures and highest quality services to all participants of the securities market, namely to the financial intermediaries and issuer companies, that will fulfil all the needs of the market with efficiency, safety and confidence;
- * To render services for settlement, issue registration, deposit and safekeeping of securities according to the best international practices;
- * To follow a strategy focused in the continuous improvement of its products and services according the customers' needs;
- * To engage continuously with rigour and professionalism in the development and efficiency of the capital market, namely in what concerns the areas of settlement and custody;
- * To contribute to the development of the capital market by creating competitive conditions, reducing systemic risks and protecting the rights of the investors and other entities involved with the capital market.

To fulfil its mission, Interbolsa carries out a wide range of activities, guaranteed by a constant care for rigour and professionalism, related with the delivering of superior quality products and services concentrated in the following three main areas, listed in Section A of the Annex of the CSDR:

- * Initial recording of securities in a book-entry system ('notary service');
- * Providing and maintaining securities accounts at the top tier level ('central maintenance service'); and
- * Operating a securities settlement system ('settlement service').

Interbolsa also performs Non-Banking Type Ancillary Services listed in Section B of the Annex of the CSDR that do not entail credit or liquidity risks.

53 G03Q010

How does the CSD assess its performance in meeting its objectives?

PFMI: Q.2.1.1

AGC: n/a

The performance in meeting the identified objectives is assessed by Interbolsa's internal controls in place.

54 G03Q011

How do the CSD's objectives place a high priority on safety and efficiency? How do the CSD's objectives explicitly support financial stability and other relevant public interest considerations?

PFMI: Q.2.1.2

AGC: n/a

The performance in meeting the identified objectives is assessed by Interbolsa's internal controls in place.

55 G03Q012

What are the governance arrangements under which the CSD's board of directors (or equivalent) and management operate? What are the lines of responsibility and accountability within the CSD? How and where are these arrangements documented?

PFMI: Q.2.2.1

AGC: n/a

The structure and functioning of Interbolsa's Managing Board comply with clear and transparent rules, established in Interbolsa's by-laws, in Euronext Governance policies and in the Portuguese Corporate Code.

56 G03Q013

For central bank-operated systems, how do governance arrangements address any possible or perceived conflicts of interest? To what extent do governance arrangements allow for a separation of the operator and oversight functions?

PFMI: Q.2.2.2

AGC: n/a

N/A

57 G03Q014

How does the CSD provide accountability to owners, participants and other relevant stakeholders?

PFMI: Q.2.2.3

AGC: n/a

Interbolsa provides accountability to owners, participants and other relevant stakeholders, through the structures that are in place, namely the General Meeting and the User Committee.

58 G03Q015

How are the governance arrangements disclosed to owners, relevant authorities, participants and, at a more general level, the public?

PFMI: Q.2.2.4

AGC: n/a

For the participants and public in general through Interbolsa's website. To relevant authorities and to owners, through specific information and reports.

59 G03Q016

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?

PFMI: Q.2.3.1

AGC: 7d

The Managing Board is composed of a plurality of members (5), elected for a period of four years, being 2 of them independent Director (according to article 27 of CSDR)

In compliance with the rules in place the Managing Board of Interbolsa is composed of suitable members of sufficiently good repute with an appropriate mix of skills.

The performance of the Managing Board members is guided by principles of clarity, transparency and independence, in order to maximize the pursuit of the interests of the company in particular and of the capital market in general.

The composition of the managing board has to be communicated to CMVM that will assess the identified members on a fit and proper process. CMVM can oppose to the designation based on good reputation and experience arguments.

60 G03Q017

What are the board's procedures for its functioning, including procedures to identify, address and manage member conflicts of interest? How are these procedures documented, and to whom are they disclosed? How frequently are they reviewed?

PFMI: Q.2.3.2

AGC: n/a

The Governance structure of Interbolsa is established in Interbolsa's by-laws and in its Code of Ethics and includes the identification of conflicts of interest. Management and staff are aware of the procedures to be adopted and the functionalities and policies in place in order to avoid, identify and report conflicts of interest.

61 G03Q018

What are the election procedures?

PFMI: Q.2.3.2

AGC: 7e

The composition of the board is determined by the General Meeting, in the terms established in the by-laws and the Portuguese Corporate Companies Act. The board members designated by the General meeting are subject to no opposition registration of CMVM, the Portuguese Securities Market Commission.

62 G03Q019

What is the maximum length of time a board member can serve?

PFMI: Q.2.3.2

AGC: 7f

The duration of the mandate is 4 years, renewable.

63 G03Q020

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)?

PFMI: Q.2.3.2

AGC: 7g

The board members have equal voting powers except the President that has casting vote (voto de qualidade)

64 G03Q021

Describe the board committees that have been established to facilitate the functioning of the board. What are the roles, responsibilities and composition of such committees?

PFMI: Q.2.3.3

AGC: n/a

Audit Committee, Risk Committee, Remuneration Committee, User Committees.

65 G03Q022

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?

PFMI: Q.2.3.4

AGC: 7h

Euronext Group has a Governance Policy that establishes a set of rules related to the review of the performance of the board of directors as a whole and the performance of the individual board members.

66 G03Q023

To what extent does the CSD's board have the appropriate skills and incentives to fulfil its multiple roles? How does the CSD ensure that this is the case?

PFMI: Q.2.4.1

AGC: n/a

Only those persons who, considering their suitability and professional experience, can be elected as members of the Managing Board of Interbolsa. They also have to guarantee to rule their management in accordance with high standards of prudence and efficiency.

Should also be noted that, according to the Portuguese law:

* The appointment of the members of the Managing Board must be notified to the CMVM no later than 15 days after its occurrence; also the intention to designate may be communicated to the CMVM, prior to the appointment;

* The CMVM may, within 30 days of receipt of the communication, oppose the designation (or intention to designate) on the basis of the person's lack of suitability or experience, which cannot start his functions until the period for the abovementioned opposition elapsed.

67 G03Q024

What incentives does the CSD provide to board members so that it can attract and retain members of the board with appropriate skills? How do these incentives reflect the long-term achievement of the CSD's objectives?

PFMI: Q.2.4.2

AGC: n/a

Euronext Group as in force a program that creates the ability for the Company to attract and retain high quality staff at all levels.

68 G03Q025

Does the board include non-executive or independent board members?

PFMI: Q.2.4.3

AGC: n/a

☒ Yes

☐ No

69 G03Q026

If yes, how many?

PFMI: Q.2.4.3

AGC: n/a

According to article 27(2) of the CSDR, Interbolsa has 2 independent members in its managing board.

70 G03Q027

If the board includes independent board members, how does the CSD define an independent board member? Does the CSD disclose which board member(s) it regards as independent?

PFMI: Q.2.4.4

AGC: n/a

CSDR does not provide a definition of the term "independent member". Nevertheless, and according to the answer of ESMA in the CSDR FAQs regarding this issue, the definition of the term "independent member" provided for in other Union legislation has to be taken into account. In this respect, article 2(28) of EMIR refers that an "independent member" of the CCP board (which is equivalent to the CSD management body) is a member of the board who has no business, family or other relationship that raises a conflict of interests regarding the CCP or its controlling shareholders, its management or its clearing members, and who has had no such relationship during the five years preceding his membership of the board.

ESMA considers that the same requirements should apply to independent members of management bodies of CSDs.

71 G03Q028

What are the roles and responsibilities of management, and are they clearly specified?

PFMI: Q.2.5.1

AGC: n/a

72 G03Q029

How are the roles and objectives of management set and evaluated?

PFMI: Q.2.5.2

AGC: n/a

The performance of the Management is guided by principles of clarity, transparency and independence, in order to maximize the pursuit of the interests of the company in particular and of the capital market in general.

73 G03Q030

To what extent does the CSD's management have the appropriate experience, mix of skills and the integrity necessary for the operation and risk management of the CSD? How does the CSD ensure that this is the case?

PFMI: Q.2.5.3

AGC: n/a

Interbolsa's management has sufficiently good reputation and experience and, as such, ensures the sound and prudent management of Interbolsa.

74 G03Q031

What is the process to remove management if necessary?

PFMI: Q.2.5.4

AGC: n/a

Regarding the removal of members of the management body the Portuguese Corporate Law will apply.

75 G03Q032

What is the risk management framework that has been established by the board?

PFMI: Q.2.6.1

AGC: n/a

The Board of Directors of Interbolsa has identified and approved the Interbolsa's risk management framework which comprises risk management policies, procedures, and systems that enable it to identify, measure, monitor and manage risks to which Interbolsa is/may be exposed.

76 G03Q033

How is it documented?

PFMI: Q.2.6.1

AGC: n/a

Interbolsa has approved a risk management framework.

77 G03Q034

How does this framework address the CSD's risk tolerance policy, assign responsibilities and accountability for risk decisions (such as limits on risk exposures), and address decision-making in crises and emergencies?

PFMI: Q.2.6.2

AGC: n/a

Interbolsa's risk management framework establishes Interbolsa's risk tolerance, and assigns responsibilities and accountability for risk decisions.

78 G03Q035

What is the process for determining, endorsing and reviewing the risk management framework?

PFMI: Q.2.6.3

AGC: n/a

The risk department creates the risk management framework that is approved by the Board of Directors. The risk management framework is reviewed at a minimum on an annual basis.

79 G03Q036

What are the roles, responsibilities, authority, reporting lines and resources of the risk management and audit functions?

PFMI: Q.2.6.4

AGC: n/a

The roles, responsibilities, authority and reporting lines and resources of the risk management are clearly identified in Interbolsa's documentation.

80 G03Q037

How does the board ensure that there is adequate governance surrounding the adoption and use of risk management models? How are these models and the related methodologies validated?

PFMI: Q.2.6.5

AGC: n/a

All the governance issues and procedures are well documented.

81 G03Q038

How does the CSD identify and take account of the interests of the CSD's participants and other relevant stakeholders in its decision-making in relation to its design, rules, overall strategy and major decisions?

PFMI: Q.2.7.1

AGC: n/a

Interbolsa has a User Committee which includes its participants and relevant stakeholders.

82 G03Q039

How does the board consider the views of direct and indirect participants and other relevant stakeholders on these decisions, for example, are participants included on the risk management committee, on user committees such as a default management group or through a public consultation?

PFMI: Q.2.7.2

AGC: n/a

Interbolsa's participants are included in the User Committee.

83 G03Q040

How are conflicts of interest between stakeholders and the CSD identified, and how are they addressed?

PFMI: Q.2.7.2

AGC: n/a

Interbolsa has a Conflicts of Interest policy in place to endorse this kind of situation.

84 G03Q041

To what extent does the CSD disclose major decisions made by the board to relevant stakeholders and, where appropriate, the public?

PFMI: Q.2.7.3

AGC: n/a

When necessary the board can disclose its decisions.

85 G03042

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Comprehensive risk management (PFMI Principle 3)

86 G04Q001

Summary narrative for PFMI Principle 3. 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.)

PFMI: Annex A - CSD disclosure template - IV.P3

AGC: n/a

Interbolsa dedicates a rigorous and permanent attention to the maintenance of a prudent risk profile, balanced and adequate to the experience and the capacity of the organization, preserving the basic objectives of solvency, profitability and adequate liquidity.
Interbolsa has a Risk Management Framework which describes the procedures and controls to create and preserve value for the Company's stakeholders.

Risk controls, policies and procedures are approved by the Interbolsa's Board of Directors.

87 G04Q002

What types of risk arise in or are borne by the CSD?

PFMI: Q.3.1.1

AGC: n/a

Interbolsa dedicates a rigorous and permanent attention to the maintenance of a prudent risk profile, balanced and adequate to the experience and the capacity of the organization, preserving the basic objectives of solvency, profitability and adequate liquidity.
Interbolsa as CSD is exposed to various risks in relation to the type of its activity and the nature of its institution on the capital market.

The main risks identified by Interbolsa are categorized as follows:

Strategic

Financial

Compliance

Operational

88 G04Q003

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.?

PFMI: Q.3.1.1

AGC: 66x.

☐ Yes

☒ No

☐ Not applicable

89 G04Q004

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

PFMI: Q.3.1.1

AGC: 66y.

- ☐ 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:

90 G04Q005

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?

PFMI: Q.3.1.1

AGC: 66+

- ☐ Yes
- ☒ No
- ☐ Not applicable

91 G04Q006

Please define the standard of care applied:

PFMI: Q.3.1.1

AGC: 66*

92 G04Q007

What are the CSD's policies, procedures and controls to help identify, measure, monitor and manage the risks that arise in or are borne by the CSD?

PFMI: Q.3.1.2

AGC: n/a

Interbolsa has a Risk Management Framework which describes the procedures and controls to create and preserve value for the Company's stakeholders. It is designed and operated to identify potential events that may affect the Company, assess risk to be within the defined guidelines, manage the risk through control mechanisms, and monitor the risk to understand the evolution.

Risk controls, policies and procedures are approved by the Interbolsa's Board of Directors.

93 G04Q008

What risk management systems are used by the CSD to help identify, measure, monitor and manage its range of risks?

PFMI: Q.3.1.3

AGC: n/a

Interbolsa has a risk register tool.

94 G04Q009

How do these systems provide the capacity to aggregate exposures across the CSD and, where appropriate, other relevant parties, such as the CSD's participants and their customers?

PFMI: Q.3.1.4

AGC: n/a

The assessment done aggregates exposures across the CSD and other relevant parties.

95 G04Q010

What is the process for developing, approving and maintaining risk management policies, procedures and systems?

PFMI: Q.3.1.5

AGC: n/a

Development and amendments to risk management policies and procedures are prepared internally by the Risk Chief Officer and presented to the Risk Committee and, to the Managing Board for approval.

96 G04Q011

How does the CSD assess the effectiveness of risk management policies, procedures and systems?

PFMI: Q.3.1.6

AGC: n/a

Interbolsa has a set of controls that allow to evaluate the effectiveness of the risk-management system and any amendments made are checked daily, weekly and monthly

97 G04Q012

How frequently are the risk management policies, procedures and systems reviewed and updated by the CSD? How do these reviews take into account fluctuation in risk intensity, changing environments and market practices?

PFMI: Q.3.1.7

AGC: n/a

The review of risk management policies, procedures and systems is made annually or always that an event (legal, operational, technical, etc) requires adjustments to the policies or procedures.

98 G04Q013

What information does the CSD provide to its participants and, where relevant, their customers to enable them to manage and contain the risks they pose to the CSD?

PFMI: Q.3.2.1

AGC: n/a

Interbolsa discloses in its website relevant information (namely rules and procedures) that enable participants to manage and contain the risks.

Interbolsa also answers to the questionnaires sent by customers and participates in the due diligences requested by the customers

99 G04Q014

What incentives does the CSD provide for participants and, where relevant, their customers to monitor and manage the risks they pose to the CSD?

PFMI: Q.3.2.2

AGC: n/a

100 G04Q015

How does the CSD design its policies and systems so that they are effective in allowing their participants and, where relevant, their customers to manage and contain their risks?

PFMI: Q.3.2.3

AGC: n/a

Interbolsa's systems are well-documented and are designed to cover Interbolsa's operational needs and the operational risks that Interbolsa faces.

Interbolsa's IT systems are resilient, including under stressed market conditions; have sufficient capacity to process additional information as a result of increasing settlement volumes; and achieve the service level objectives of Interbolsa.

101 G04Q016

How does the CSD identify the material risks that it bears from and poses to other entities as a result of interdependencies? What material risks has the CSD identified?

PFMI: Q.3.3.1

AGC: n/a

Interbolsa created a Risk Assessment Questionnaire in order to assess the risk posed to Interbolsa by its main participants.

102 G04Q017

How are these risks measured and monitored? How frequently does the CSD review these risks?

PFMI: Q.3.3.2

AGC: n/a

Interbolsa analyses the results of the Risk Assessment Questionnaire in order to identify and control the risks Interbolsa is subject to and to measure the risk exposure. Interbolsa can request from its key participants a detailed description of the contingency procedures implemented, as well as, if necessary, evidences of the measures taken. After the detailed analysis of the answers to the Risk Assessment Questionnaire and the correspondent risk assessment Interbolsa will implement/request any mitigation measures, in case of need.

103 G04Q018

What risk management tools are used by the CSD to address the risks arising from interdependencies with other entities?

PFMI: Q.3.3.3

AGC: n/a

Annual Risk Assessment Questionnaire

104 G04Q019

How does the CSD assess the effectiveness of these risk management tools? How does the CSD review the risk management tools it uses to address these risks? How frequently is this review conducted?

PFMI: Q.3.3.4

AGC: n/a

105 G04Q020

How does the CSD identify scenarios that may potentially prevent the CSD from providing its critical operations and services? What scenarios have been identified as a result of these processes?

PFMI: Q.3.4.1

AGC: n/a

According to CSD Regulation and its supplementing regulations, Interbolsa has procedures in place to identify all sources of risks that may impact its on-going functions and takes into consideration the likelihood of potential adverse effects on its revenues or expenses and its level of capital.

106 G04Q021

How do these scenarios take into account both independent and related risks to which the CSD is exposed?

PFMI: Q.3.4.2

AGC: n/a

107 G04Q022

What plans does the CSD have for its recovery or orderly wind-down?

*PFMI: Q.3.4.3**AGC: n/a*

Building from the wider risk and controls framework, Interbolsa has developed a Recovery, Restructuring and Orderly Wind-down plan. The plan sets out alternative response strategies to address potential threats to financial viability. The plans are integrated with established processes for risk identification, assessment and analysis, and leverage existing governance and crisis management frameworks.

108 G04Q023

How do the CSD's key recovery or orderly wind-down strategies enable the CSD to continue to provide critical operations and services?

*PFMI: Q.3.4.4**AGC: n/a*

The key recovery or orderly wind-down strategies contained in Interbolsa's recovery plan were designed to enable Interbolsa to continue to provide critical operations and services.

109 G04Q024

How are the plans for the CSD's recovery and orderly wind-down reviewed and updated? How frequently are the plans reviewed and updated?

*PFMI: Q.3.4.5**AGC: n/a*

The plans for Interbolsa's recovery and orderly wind-down are reviewed and updated at least on an annual basis

110 G04Q025

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Credit risk (PFMI Principle 4)

111 G05Q001

Summary narrative for PFMI Principle 4. 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.)

*PFMI: Annex A - CSD disclosure template - IV.P4**AGC: n/a*

Not applicable

Interbolsa does not have banking licence. As Interbolsa does not provide credit facilities to its participants, it has no financial exposure with participants

112 G05Q002

Does the CSD have a banking license?

*PFMI: n/a**AGC: n/a*☐ Yes☒ No

113 G05Q003

Irrespective of whether or not the CSD has a banking license, can it offer cash accounts and/or credit to its participants?

*PFMI: n/a**AGC: n/a*☐ Yes☒ No

114 G05Q004

Please explain:

*PFMI: n/a**AGC: n/a*

115 G05Q005

What is the CSD's framework for managing credit exposures, including current and potential future exposures, to its participants and arising from its payment, clearing and settlement processes?

PFMI: Q.4.1.1

AGC: n/a

116 G05Q006

How frequently is the framework reviewed to reflect the changing environment, market practices and new products?

PFMI: Q.4.1.2

AGC: n/a

117 G05Q007

How does the CSD identify sources of credit risk? What are the sources of credit risk that the CSD has identified?

PFMI: Q.4.2.1

AGC: n/a

118 G05Q008

How does the CSD measure and monitor credit exposures? How frequently does and how frequently can the CSd recalculate these exposures? How timely is the information?

PFMI: Q.4.2.2

AGC: n/a

119 G05Q009

What tools does the CSD use to control identified sources of credit risk (for example, offering an RTGS or DvP settlement mechanism, limiting net debits or intraday credit, establishing concentration limits, or marking positions to market on a daily or intraday basis)? How does the CSd measure the effectiveness of these tools?

PFMI: Q.4.2.3

AGC: n/a

120 G05Q010

How does the SSS cover its current and, where they exist, potential future exposures to each participant? What is the composition of the CSD's financial resources used to cover these exposures? How accessible are these financial resources?

PFMI: Q.4.3.1

AGC: n/a

121 G05Q011

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

PFMI: Q.4.3.1

AGC: 78

- ☐ Yes
- ☒ No
- ☐ Not applicable

122 G05Q012

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

PFMI: Q.4.3.1

AGC: 78a.

123 G05Q013

How is the size of the fund determined?

PFMI: Q.4.3.1

AGC: 78b.

- ☐ By participant volume
- ☐ By asset value
- ☐ A fixed amount

124 G05Q014
How is the fund financed?

PFMI: Q.4.3.1
AGC: 78d.

- ☐ Contributions from owner
- ☐ Contributions from participants
- ☐ Funding from retained earnings

125 G05Q015
If so, what is the amount or percentage per owner?

PFMI: Q.4.3.1
AGC: 78e.

126 G05Q016
If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1
AGC: 78f.

127 G05Q017
Who is covered by the fund?

PFMI: Q.4.3.1
AGC: 78h.

- ☐ Direct CSD participants only
- ☐ The beneficial owner also
- ☐ OTHER:

128 G05Q018

When is the guaranty fund used?

PFMI: Q.4.3.1

AGC: 78j.

- ☐ When a broker defaults
- ☐ When a direct participant defaults
- ☐ OTHER:

129 G05Q019

To what extent do these financial resources cover the payment system's or SSS's current and potential future exposures fully with a high degree of confidence? How frequently does the payment system or SSS evaluate the sufficiency of these financial resources?

PFMI: Q.4.3.2

AGC: n/a

130 G05Q020

If the payment system or SSS is a DNS system in which there is no settlement guarantee, do its participants face credit exposures arising from the payment, clearing and settlement processes? If there are credit exposures in the system, how does the system monitor and measure these exposures?

PFMI: Q.4.3.3

AGC: n/a

131 G05Q021

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

PFMI: Q.4.3.3

AGC: 91

- ☐ Yes
- ☒ No
- ☐ Not applicable

132 G05Q022

What is the amount of the coverage?

PFMI: Q.4.3.3

AGC: 91a

133 G05Q023

What is the amount of the deductible?

PFMI: Q.4.3.3

AGC: 91b

134 G05Q024

Please explain other loss or default protections:

PFMI: Q.4.3.3

AGC: 79a

135 G05Q025

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?

PFMI: Q.4.3.3

AGC: 66q.

☐ Yes

☐ No

☒ Not applicable

136 G05Q026

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

*PFMI: Q.4.3.3**AGC: 66r.*

- ☐ 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:

137 G05Q027

If the payment system or SSS is a DNS system in which there is no settlement guarantee and has credit exposures among its participants, to what extent does the payment system's or SSS's financial resources cover, at a minimum, the default of the two participants and their affiliates that would create the largest aggregate credit exposure in the system?

*PFMI: Q.4.3.4**AGC: n/a*

138 G05Q028

How do the CSD's rules and procedures explicitly address any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the CSD? How do the CSD's rules and procedures address the allocation of uncovered credit losses and in what order, including the repayment of any funds a CSD may borrow from liquidity providers?

*PFMI: Q.4.7.1**AGC: n/a*

139 G05Q029

What are the CSD's rules and procedures on the replenishment of the financial resources that are exhausted during a stress event?

*PFMI: Q.4.7.2**AGC: n/a*

Interbolsa established rules and procedures on the replenishment of the financial resources that are exhausted during a stress event as: use of surplus cash, obtain a loan from Euronext NV, open the share capital

140 G05Q030

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Collateral (PFMI Principle 5)

141 G06Q001

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.)

*PFMI: Annex A - CSD disclosure template - IV.P5**AGC: 35c*

Not applicable.

Interbolsa does not require any collateral to manage any kind of risks arising from its activity.

If and when Interbolsa will decide to require collateral to manage any kind of risk, it will have in consideration collateral with low credit, liquidity and market risks.

142 G06Q002

How does the CSD determine whether a specific asset can be accepted as collateral, including collateral that will be accepted on an exceptional basis? How does the CSD determine what qualifies as an exceptional basis? How frequently does the CSD adjust these determinations? How frequently does the CSD accept collateral on an exceptional basis, and does it place limits on its acceptance of such collateral?

*PFMI: Q.5.1.1**AGC: n/a*

143 G06Q003

How does the CSD monitor the collateral that is posted so that the collateral meets the applicable acceptance criteria?

*PFMI: Q.5.1.2**AGC: n/a*

144 G06Q004

How does the CSD identify and mitigate possible specific wrong-way risk, for example, by limiting the collateral it accepts (including collateral concentration limits)?

PFMI: Q.5.1.3

AGC: n/a

145 G06Q005

How frequently does the CSD mark its collateral to market, and does it do so at least daily?

PFMI: Q.5.2.1

AGC: n/a

146 G06Q006

To what extent is the CSD authorised to exercise discretion in valuing assets when market prices do not represent their true value?

PFMI: Q.5.2.2

AGC: n/a

147 G06Q007

How does the CSD determine haircuts?

PFMI: Q.5.2.3

AGC: n/a

148 G06Q008

How does the CSD test the sufficiency of haircuts and validate its haircut procedures, including with respect to the potential decline in the assets' value in stressed market conditions involving the liquidation of collateral? How frequently does the CSD complete this test?

PFMI: Q.5.2.4

AGC: n/a

149 G06Q009

How does the CSD identify and evaluate the potential procyclicality of its haircut calibrations? How does the CSD consider reducing the need for procyclical adjustments – for example, by incorporating periods of stressed market conditions during the calibration of haircuts?

PFMI: Q.5.3.1

AGC: n/a

150 G06Q010

What are the CSD's policies for identifying and avoiding concentrated holdings of certain assets in order to limit potential adverse price effects at liquidation? What factors (for example, adverse price effects or market conditions) are considered when determining these policies?

PFMI: Q.5.4.1

AGC: n/a

151 G06Q011

How does the CSD review and evaluate concentration policies and practices to determine their adequacy? How frequently does the CSD review and evaluate these policies and practices?

PFMI: Q.5.4.2

AGC: n/a

152 G06Q012

What are the legal, operational, market and other risks that the CSD faces by accepting cross-border collateral? How does the CSD mitigate these risks?

PFMI: Q.5.5.1

AGC: n/a

153 G06Q013

How does the CSD ensure that cross-border collateral can be used in a timely manner?

PFMI: Q.5.5.2

AGC: n/a

154 G06Q014

What are the primary features of the CSD's collateral management system?

PFMI: Q.5.6.1

AGC: n/a

155 G06Q015

How and to what extent does the CSD track the reuse of collateral and its rights to the collateral provided?

PFMI: Q.5.6.2

AGC: n/a

156 G06Q016

How and to what extent does the CSD's collateral management system accommodate changes in the ongoing monitoring and management of collateral?

PFMI: Q.5.6.3

AGC: n/a

157 G06Q017

To what extent is the collateral management system staffed to ensure smooth operations even during times of market stress?

PFMI: Q.5.6.4

AGC: n/a

158 G06Q018

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Liquidity risk (PFMI Principle 7)

159 G07Q001

Summary narrative for PFMI Principle 7. 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.)

PFMI: Annex A - CSD disclosure template - IV.P7

AGC: n/a

Interbolsa is authorised under CSDR as CSDs that do not offer banking type services. Interbolsa managed a securities settlement system (SSS) that settles in central bank money in T2S.

Interbolsa does not provide credit facilities to its participants.

Interbolsa's participants have access to a national central bank participating to T2S for the purpose of DvP settlement in T2S. This is also applicable for links between Interbolsa and other T2S CSDs due to the interoperability of the T2S platform: cross-border DvP settlement also takes place in central bank money.

Interbolsa is not exposed to the default of their participants, except for the payment of Interbolsa's invoices. Even in this case the exposure is limited as 90% of Interbolsa invoices are charged through T2 accounts.

160 G07Q002

What is the CSD's framework for managing its liquidity risks, in all relevant currencies, from its participants, settlement banks, nostro agents, custodian banks, liquidity providers and other entities?

PFMI: Q.7.1.1

AGC: n/a

161 G07Q003

What are the nature and size of the CSD's liquidity needs, and the associated sources of liquidity risks, that arise in the CSD in all relevant currencies?

PFMI: Q.7.1.2

AGC: n/a

162 G07Q004

How does the CSD take into account the potential aggregate liquidity risk presented by an individual entity and its affiliates that may play multiples roles with respect to the CSD?

PFMI: Q.7.1.3

AGC: n/a

163 G07Q005

What operational and analytical tools does the CSD have to identify, measure and monitor settlement and funding flows?

PFMI: Q.7.2.1

AGC: n/a

164 G07Q006

How does the CSD use those tools to identify, measure and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity?

PFMI: Q.7.2.2

AGC: n/a

165 G07Q007

How does the payment system or SSS determine the amount of liquid resources in all relevant currencies to effect same day settlement and, where appropriate, intraday or multiday settlement of payment obligations? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the payment system or SSS use to make this determination?

*PFMI: Q.7.3.1**AGC: n/a*

166 G07Q008

What is the estimated size of the liquidity shortfall in each currency that the payment system or SSS would need to cover?

*PFMI: Q.7.3.2**AGC: n/a*

167 G07Q009

How does the CCP determine the amount of liquid resources in all relevant currencies to settle securities-related payments, make required variation margin payments and meet other payment obligations on time? What potential stress scenarios (including, but not limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions) does the CCP use to make this determination?

*PFMI: Q.7.4.1**AGC: n/a*

168 G07Q010

What is the estimated size of the liquidity shortfall in each currency that would need to be covered, following the default of the participant and its affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions? How frequently does the CCP estimate this?

*PFMI: Q.7.4.2**AGC: n/a*

169 G07Q011

Do any of the CCP's activities have a more complex risk profile (such as clearing financial instruments that are characterised by discrete jump-to-default price changes or that are highly correlated with potential participant defaults)? Is the CCP systemically important in multiple jurisdictions?

*PFMI: Q.7.4.3**AGC: n/a*

170 G07Q012

If the CCP is involved in activities with a more complex risk profile or is systemically important in multiple jurisdictions, has the CCP considered maintaining additional resources sufficient to cover a wider range of stress scenarios that would include the default of the two participants and their affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions?

PFMI: Q.7.4.4

AGC: n/a

171 G07Q013

What is the size and composition of the CSD's qualifying liquid resources in each currency that is held by the CSD? In what manner and within what time frame can these liquid resources be made available to the CSD?

PFMI: Q.7.5.1

AGC: n/a

172 G07Q014

What prearranged funding arrangements has the CSD established to convert its readily available collateral and investments into cash? How has the CSD established that these arrangements would be highly reliable in extreme but plausible market conditions? Has the CSD identified any potential barriers to accessing its liquid resources?

PFMI: Q.7.5.2

AGC: n/a

173 G07Q015

If the CSD has access to routine credit at the central bank of issue, what is the CSD's relevant borrowing capacity for meeting its minimum liquid resource requirement in that currency?

PFMI: Q.7.5.3

AGC: n/a

174 G07Q016

To what extent does the size and the availability of the CSD's qualifying liquid resources cover its identified minimum liquidity resource requirement in each currency to effect settlement of payment obligations on time?

PFMI: Q.7.5.4

AGC: n/a

175 G07Q017

What is the size and composition of any supplemental liquid resources available to the CSD?

PFMI: Q.7.6.1

AGC: n/a

176 G07Q018

How and on what basis has the CSD determined that these assets are likely to be saleable or acceptable as collateral to obtain the relevant currency, even if this cannot be reliably prearranged or guaranteed in extreme market conditions?

PFMI: Q.7.6.2

AGC: n/a

177 G07Q019

What proportion of these supplemental assets qualifies as potential collateral at the relevant central bank?

PFMI: Q.7.6.3

AGC: n/a

178 G07Q020

In what circumstances would the CSD use its supplemental liquid resources in advance of, or in addition to, using its qualifying liquid resources?

PFMI: Q.7.6.4

AGC: n/a

179 G07Q021

To what extent does the size and availability of the CSD's supplemental liquid resources, in conjunction with its qualifying liquid resources, cover the relevant liquidity needs identified through the CSD's stress test programme for determining the adequacy of its liquidity resources (see key consideration 9)?

PFMI: Q.7.6.5

AGC: n/a

180 G07Q022

Does the CSD use a liquidity provider to meet its minimum required qualifying liquidity resources? Who are the CSD's liquidity providers? How and on what basis has the CSD determined that each of these liquidity providers has sufficient information to understand and to manage their associated liquidity risk in each relevant currency on an ongoing basis, including in stressed conditions?

PFMI: Q.7.7.1

AGC: n/a

181 G07Q023

How has the CSD determined that each of its liquidity providers has the capacity to perform on its commitment in each relevant currency on an ongoing basis?

PFMI: Q.7.7.2

AGC: n/a

182 G07Q024

How does the CSD take into account a liquidity providers potential access to credit at the central bank of issue?

PFMI: Q.7.7.3

AGC: n/a

183 G07Q025

How does the CSD regularly test the timeliness and reliability of its procedures for accessing its liquid resources at a liquidity provider?

PFMI: Q.7.7.4

AGC: n/a

184 G07Q026

To what extent does the CSD currently have, or is the CSD eligible to obtain, access to accounts, payment services and securities services at each relevant central bank that could be used to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

PFMI: Q.7.8.1

AGC: n/a

185 G07Q027

To what extent does the CSD use each of these services at each relevant central bank to conduct its payments and settlements and to manage liquidity risks in each relevant currency?

PFMI: Q.7.8.2

AGC: n/a

186 G07Q028

If the CSD employs services other than those provided by the relevant central banks, to what extent has the CSD analysed the potential to enhance the management of liquidity risk by expanding its use of central bank services?

PFMI: Q.7.8.3

AGC: n/a

187 G07Q029

What, if any, practical or other considerations to expanding its use of relevant central bank services have been identified by the CSD?

PFMI: Q.7.8.4

AGC: n/a

188 G07Q030

How does the CSD use stress testing to determine the amount and test the sufficiency of its liquid resources in each currency? How frequently does the CSD stress-test its liquid resources?

PFMI: Q.7.9.1

AGC: n/a

189 G07Q031

What is the process for reporting on an ongoing basis the results of the CSD's liquidity stress tests to appropriate decision-makers at the CSD? for the purpose of supporting their timely evaluation and adjustment of the size and composition of the CSD's liquidity resources and liquidity risk management framework?

PFMI: Q.7.9.2

AGC: n/a

190 G07Q032

What scenarios are used in the stress tests, and to what extent do they take into account a combination of peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions?

PFMI: Q.7.9.3

AGC: n/a

191 G07Q033

To what extent do the scenarios and stress tests take into account the CSD's particular payment and settlement structure (for example, real-time gross or deferred net, with or without a settlement guarantee, DVP model 1, 2 or 3 for SSSs), and the liquidity risk that is borne directly by the CSD? by its participants, or both?

PFMI: Q.7.9.4

AGC: n/a

192 G07Q034

To what extent do the scenarios and stress tests take into account the nature and size of the liquidity needs, and the associated sources of liquidity risks, that arise in the CSD to settle its payment obligations on time, including the potential that individual entities and their affiliates may play multiples roles with respect to the CSD?

PFMI: Q.7.9.5

AGC: n/a

193 G07Q035

How frequently does the CSD assess the effectiveness and appropriateness of stress test assumptions and parameters? How does the CSD's stress test programme take into account various conditions, such as a sudden and significant increase in position and price volatility, position concentration, change in market liquidity, and model risk including shift of parameters?

PFMI: Q.7.9.6

AGC: n/a

194 G07Q036

How does the CSD validate its risk management model? How frequently does it perform this validation?

PFMI: Q.7.9.7

AGC: n/a

195 G07Q037

Where and to what extent does the CSD document its supporting rationale for, and its governance arrangements relating to, the amount and form of its total liquid resources?

PFMI: Q.7.9.8

AGC: n/a

196 G07Q038

How do the CSD's rules and procedures enable it to settle payment obligations on time following any individual or combined default among its participants?

PFMI: Q.7.10.1

AGC: n/a

197 G07Q039

How do the CSD's rules and procedures address unforeseen and potentially uncovered liquidity shortfalls and avoid unwinding, revoking or delaying the same day settlement of payment obligations?

PFMI: Q.7.10.2

AGC: n/a

198 G07Q040

How do the CSD's rules and procedures allow for the replenishment of any liquidity resources employed during a stress event?

PFMI: Q.7.10.3

AGC: n/a

199 G06Q041

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Settlement finality (PFMI Principle 8)

200 G08Q015

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

201 G08Q001

Summary narrative for PFMI Principle 8. 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.)

PFMI: Annex A - CSD disclosure template - IV.P8

AGC: n/a

Portugal has transposed Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on Settlement Finality in Payment and Securities Settlement Systems, as amended, into Portuguese Law (see article 274, 283 and 284 of the Portuguese Securities Code).

The Securities Settlement Systems of Interbolsa are recognized as a "System" in the meaning of the Settlement Finality Directive.

More recently, article 39 of the CSD Regulation establishes some harmonized principles regarding Settlement Finality.

In a T2S context, Interbolsa signed the Collective Agreement with the other T2S participating CSDs and Central Banks, which sets out the rights and obligations of the Parties arising in connection with the harmonized definition of the moment of entry and irrevocability of transfer orders which are subject to matching.

In what concerns, in particular, the functioning of the Securities Settlement Systems managed by Interbolsa, the moment of entry into the system, the moment of irrevocability and the moment of finality of transfer orders are clearly defined in Interbolsa's regulations.

Article 39 (Settlement Finality) of Interbolsa Regulation 2/2016 expressly refers that:

- SF1 – Settlement Finality 1 – Moment of entry of transfer orders into the system

The moment of the entry into the system of settlement instructions, referred to in the Settlement Finality Directive (the designated *Settlement Finality 1*) occurs, for all due and legal purposes, with the validation performed on the T2S platform, according to the T2S rules.

- SF2 – Settlement Finality 2 – Irrevocability of transfer orders

The moment of the irrevocability of settlement instructions introduced in the system and properly validated, referred to in the Settlement Finality Directive (the designated *Settlement Finality 2*) occurs, for all due and legal effects, with the matching performed in T2S, and, in accordance with the respective rules, the settlement instructions are insusceptible of unilateral amendment or cancellation by the participants in the operation.

- SF3 – Settlement Finality 3 – Finality

The time of settlement finality (the designated *Settlement Finality 3*) occurs, for all due and legal effects, with the settlement processed in T2S.

202 G08Q002

At what point is the settlement of a payment, transfer instruction or other obligation final, meaning irrevocable and unconditional? Is the point of settlement finality defined and documented? How and to whom is this information disclosed?

PFMI: Q.8.1.1

AGC: n/a

Settlement finality moments are, expressly, defined in Interbolsa's rules (cfr. Article 39 of Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

203 G08Q003

How does the CSD's legal framework and rules, including the applicable insolvency law(s), acknowledge the discharge of a payment, transfer instruction or other obligation between the CSD and its participants, or between participants?

PFMI: Q.8.1.2

AGC: n/a

Settlement finality moments are, expressly, defined in Interbolsa's rules (cfr. Article 39 of Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

204 G08Q004

How does the CSD demonstrate that there is a high degree of legal certainty that finality will be achieved in all relevant jurisdictions (for example, by obtaining a well reasoned legal opinion)?

PFMI: Q.8.1.3

AGC: n/a

Settlement finality moments are, expressly, defined in Interbolsa's rules (cfr. Article 39 of Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

205 G08Q005

How does the CSD ensure settlement finality in the case of linkages with other CSD?? a) For an SSS, how is consistency of finality achieved between the SSS and, if relevant, the LVPS where the cash leg is settled? b) For a CCP for cash products, what is the relation between the finality of obligations in the CCP and the finality of the settlement of the CCP claims and obligations in other systems, depending on the rules of the relevant CSD/SSS and payment system?

PFMI: Q.8.1.4

AGC: n/a

Settlement finality aspects are, expressly, defined in the Portuguese Securities Code and in Interbolsa's rules (cfr. Interbolsa Regulation 2/2016).

A Collective agreement and common insolvency procedures were adopted by all T2S CSDs and Central Banks.

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

206 G08Q006

Is the CSD designed to complete final settlement on the value date (or same day settlement)? How does the CSD ensure that final settlement occurs no later than the end of the intended value date?

PFMI: Q.8.2.1

AGC: n/a

Interbolsa settles through T2S platform, and accordingly to the harmonized rules and procedures in place.

207 G08Q007

Has the CSD ever experienced deferral of final settlement to the next business day that was not contemplated by its rules, procedures or contracts? If so, under what circumstances? If deferral was a result of the CSD's actions, what steps have been taken to prevent a similar situation in the future?

PFMI: Q.8.2.2

AGC: n/a

No

208 G08Q008

Does the CSD provide intraday or real-time final settlement? If so, how? How are participants informed of the final settlement?

PFMI: Q.8.2.3

AGC: n/a

Yes

209 G08Q009

If settlement occurs through multiple-batch processing, what is the frequency of the batches and within what time frame do they operate? What happens if a participant does not have enough funds or securities at the settlement time? Are transactions entered in the next batch? If so, what is the status of those transactions and when would they become final?

PFMI: Q.8.2.4

AGC: n/a

Interbolsa settles through T2S platform, and accordingly to the harmonized rules and procedures in place.

210 G08Q010

If settlement does not occur intraday or in real time, how has the LVPS or SSS considered the introduction of either of these modalities?

PFMI: Q.8.2.5

AGC: n/a

N/A

211 G08Q011

How does the CSD define the point at which unsettled payments, transfer instructions or other obligations may not be revoked by a participant? How does the CSD prohibit the unilateral revocation of accepted and unsettled payments, transfer instructions or obligations after this time?

PFMI: Q.8.3.1

AGC: n/a

Settlement finality aspects are, expressly, defined in the Portuguese Securities Code and in Interbolsa's rules (cfr. Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

212 G08Q012

Under what circumstances can an instruction or obligation accepted by the system for settlement still be revoked (for example, queued obligations)? How can an unsettled payment or transfer instruction be revoked? Who can revoke unsettled payment or transfer instructions?

PFMI: Q.8.3.2

AGC: n/a

Settlement finality aspects are, expressly, defined in the Portuguese Securities Code and in Interbolsa's rules (cfr. Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

213 G08Q013

Under what conditions does the CSD allow exceptions and extensions to the revocation deadline?

PFMI: Q.8.3.3

AGC: n/a

Settlement finality aspects are, expressly, defined in the Portuguese Securities Code and in Interbolsa's rules (cfr. Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

214 G08Q014

Where does the CSD define this information? How and to whom is this information disclosed?

PFMI: Q.8.3.4

AGC: n/a

Settlement finality aspects are, expressly, defined in the Portuguese Securities Code and in Interbolsa's rules (cfr. Interbolsa Regulation 2/2016).

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks.

Money settlements (PFMI Principle 9)

215 G09Q001

Summary narrative for PFMI Principle 9. 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.)

PFMI: Annex A - CSD disclosure template - IV.P9

AGC: n/a

Interbolsa ensures that all instructions to be settled in Euros are processed only in central bank money, through Target2-Securities (T2S) platform.

Interbolsa has a non-euro currency Settlement System that ensures payment of Corporate Actions (dividends, interests and redemptions) and the settlement of non-guaranteed operations executed in the Euronext Lisbon markets and of OTC operations. The non-euro currency Settlement System managed by Interbolsa provides settlement in non-euro currency in commercial bank money through a designated credit institution. System participants cannot choose between the two payment systems. Settlement is done according to the currency in cause.

216 G09Q002

How does the CSD conduct money settlements? If the CSD conducts settlement in multiple currencies, how does the CSD conduct money settlement in each currency?

*PFMI: Q.9.1.1**AGC: n/a*

Settlement in Euros is provided in Central Bank Money, through T2S.
Non-Euro settlement is provided in Commercial Bank Money, through a commercial bank.

217 G09Q003

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

*PFMI: Q.9.1.1**AGC: 31*

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

218 G09Q004

Please indicate the name of the banks appointed by the CSD

*PFMI: Q.9.1.1**AGC: 31a*

Caixa Geral de Depósitos S.A., only for non-euro currencies.

219 G09Q005

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

*PFMI: Q.9.1.1**AGC: 32*

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

220 G09Q006

Please name banks appointed by the CSD

*PFMI: Q.9.1.1**AGC: 32a*

Caixa Geral de Depósitos S.A., only for non-euro currencies.

221 G09Q007

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

*PFMI: Q.9.1.1**AGC: 33, 33b*

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

222 G09Q008

Please name banks appointed by the CSD

PFMI: Q.9.1.1

AGC: 33a

Caixa Geral de Depósitos S.A., only for non-euro currencies.

223 G09Q009

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

PFMI: Q.9.1.1

AGC: 34

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

224 G09Q010

Please name banks appointed by CSD

PFMI: Q.9.1.1

AGC: 34a

Caixa Geral de Depósitos S.A., only for non-euro currencies.

225 G09Q011

If the CSD does not settle in central bank money, why is that?

PFMI: Q.9.1.2

AGC: n/a

Interbolsa only does not settle in central bank money non-Euro currencies, because does not have a direct connection to those central banks.

226 G09Q012

If central bank money is not used, how does the CSD assess the credit and liquidity risks of the settlement asset used for money settlement?

PFMI: Q.9.2.1

AGC: n/a

227 G09Q013

If the CSD settles in commercial bank money, how does the CSD select its settlement banks? What are the specific selection criteria the CSD uses?

PFMI: Q.9.2.2

AGC: n/a

The bank designated by Interbolsa was chosen regarding its financial robustness and the fulfilment of the requirements established when the consultation opened at the time.

228 G09Q014

How does the CSD monitor the settlement banks adherence to criteria it uses for selection? For example, how does the CSD evaluate the banks regulation, supervision, creditworthiness, capitalisation, access to liquidity and operational reliability?

PFMI: Q.9.3.1

AGC: n/a

229 G09Q015

How does the CSD monitor, manage and limit its credit and liquidity risks arising from the commercial settlement banks? How does the CSD monitor and manage the concentration of credit and liquidity exposures to these banks?

PFMI: Q.9.3.2

AGC: n/a

230 G09Q016

How does the CSD assess its potential losses and liquidity pressures as well as those of its participants if there is a failure of its largest settlement bank?

PFMI: Q.9.3.3

AGC: n/a

231 G09Q017

If an CSD conducts money settlements on its own books, how does it minimise and strictly control its credit and liquidity risks?

PFMI: Q.9.4.1

AGC: n/a

232 G09Q018

Do the CSD's legal agreements with its settlement banks state when transfers occur, that transfers are final when effected, and that funds received are transferable?

PFMI: Q.9.5.1

AGC: n/a

Yes

233 G09Q019

Are funds received transferable by the end of the day at the latest? If not, why? Are they transferable intraday? If not, why?

PFMI: Q.9.5.2

AGC: n/a

Yes

234 G09Q020

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Physical deliveries (PFMI Principle 10)

235 G10Q001

Summary narrative for PFMI Principle 10. 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.)

PFMI: Annex A - CSD disclosure template - IV.P10

AGC: n/a

The securities in physical form are immobilized in Interbolsa's system/vault and treated in book-entry form. Actually, and according to the Portuguese Securities Code, securities can be dematerialized or represented by paper form and it is mandatory the record of those securities in a CSD, in book-entry form, for the trading of the same in a regulated market or MTF. Thus, book-entry form can take the form of immobilization or dematerialization. Interbolsa maintains vaults for the safekeeping of securities in physical form. Those securities are immobilized in Interbolsa's vault and represented by book-entry records. Transfers are made by book-entry.

236 G10Q002

Which asset classes does the CSD accept for physical delivery?

PFMI: Q.10.1.1

AGC: n/a

Equity, Debt instruments, Participation units, Participation bonds, Convertible bonds, Warrants, Structured instruments and Certificates

237 G10Q003

How does the CSD define its obligations and responsibilities with respect to the delivery of physical instruments or commodities? How are these responsibilities defined and documented? To whom are these documents disclosed?

PFMI: Q.10.1.2

AGC: n/a

Through its regulations, circulars and instructions.

238 G10Q004

How does the CSD engage with its participants to ensure they have an understanding of their obligations and the procedures for effecting physical delivery?

PFMI: Q.10.1.3

AGC: n/a

All the procedures are described in the operational documents available at Interbolsa's website

239 G10Q005

How are eligible securities lodged in the CSD system?

PFMI: Q.10.1.3

AGC: 57, 57a

- ☐ 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:

240 G10Q006

When are securities lodged into the CSD reflected in a participant's CSD account?

PFMI: Q.10.1.3

AGC: 58, 58a

- ☐ Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- ☐ Securities are re-registered prior to being reflected in the participant CSD account.
- ☐ Not applicable
- ☐ OTHER:

241 G10Q007

How long does it usually take to lodge securities with the CSD?

PFMI: Q.10.1.3

AGC: 59, 59b

- ☐ 1 to 2 days
- ☐ 3 days to 1 week
- ☐ 2 to 4 weeks
- ☐ More than 4 weeks
- ☐ Not applicable
- ☒ Other: 3 days to 1 week for physical securities

242 G10Q008

Please specify

PFMI: Q.10.1.3

AGC: 59a

243 G10Q009

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

PFMI: Q.10.1.3

AGC: 60

- ☒ Yes
- ☐ No
- ☐ Not applicable

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3**AGC: 60a*

- ☒ Yes
- ☐ No
- ☐ Not applicable

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3**AGC: 60b*

- ☒ Yes
- ☐ No
- ☐ Not applicable

246 G10Q012

If they cannot be traded, or if you answered other, please explain

*PFMI: Q.10.1.3**AGC: 60c*

247 G10Q013

If they cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3**AGC: 60d*

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3**AGC: 60e*

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3**AGC: 61, 61d*☒ Yes☐ No☐ Not applicable

250 G10Q016

If no: Securities are unavailable for

*PFMI: Q.10.1.3**AGC: 61a*☐ 1 to 2 days☐ 3 days to 1 week☐ 2 to 4 weeks☐ More than 4 weeks☐ Not applicable

251 G10Q017

If more than 4 weeks, please specify

*PFMI: Q.10.1.3**AGC: 61b*

252 G10Q018

If not applicable, please explain

*PFMI: Q.10.1.3**AGC: 61c*

253 G10Q019

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

PFMI: Q.10.1.3

AGC: 63, 63a

- ☐ 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
- ☒ Other: Validation of the withdrawal instruction followed by a withdrawal of fungible certificates from the vault and delivery at the CSD's counter to the participant. In what concerns securities in book-entry form a transfer to another system shall take place: the transfer from a registration system to another should only be considered effective when the integration requirements into the new system are fulfilled and after the former managing entity has certified the exclusion from the system.

254 G10Q020

How long does it usually take to remove securities from the CSD?

PFMI: Q.10.1.3

AGC: 64, 64b

- ☐ 1 to 2 days
- ☒ 3 days to 1 week
- ☐ 2 to 4 weeks
- ☐ More than 4 weeks
- ☐ Not applicable

255 G10Q021

If more than 4 weeks, please specify

PFMI: Q.10.1.3

AGC: 64a

256 G10Q022

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

PFMI: Q.10.1.3

AGC: 65a

- ☒ No
- ☐ Not applicable
- ☐ Yes

257 G10Q023

If they cannot be traded please explain

PFMI: Q.10.1.3

AGC: 65b

Withdrawal blocks the withdrawn quantity of securities in the account.

258 G10Q024

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

PFMI: Q.10.1.3

AGC: 65c

- ☒ No
- ☐ Not applicable
- ☐ Yes

259 G10Q025

If they cannot be settled, please explain

PFMI: Q.10.1.3

AGC: 65d

Withdrawal blocks the withdrawn quantity of securities in the account .

260 G10Q026

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

PFMI: Q.10.1.3

AGC: 65e

- ☒ No
- ☐ Not applicable
- ☐ Yes

261 G10Q027

If ownership cannot be transferred, please explain

PFMI: Q.10.1.3

AGC: 65f

Withdrawal blocks the withdrawn quantity of securities in the account.

262 G10Q028

How does the CSD identify the risks and costs associated with storage and delivery of physical instruments or commodities? What risks and costs has the CSD identified?

PFMI: Q.10.2.1

AGC: n/a

263 G10Q029

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

PFMI: Q.10.2.1

AGC: 75

- ☐ Not applicable, no vault is maintained
- ☐ Electronic keys or combinations
- ☐ Dual access control
- ☐ Visitor logs
- ☐ Vault counts
- ☐ Intrusion alarms
- ☐ Fire alarms
- ☐ Guards
- ☒ OTHER: Safekeeping of physical certificates is outsourced to a commercial bank (except for global certificates). The outsourcing contract specifies the security measures that must be adopted.

264 G10Q030

Please indicate frequency of vault counts:

PFMI: Q.10.2.1

AGC: 75a.

265 G10Q031

Please explain:

PFMI: Q.10.2.1

AGC: 75b

Safekeeping of physical certificates is outsourced to a commercial bank (except for global certificates). The outsourcing contract specifies the security measures that must be adopted.

266 G10Q032

What processes, procedures and controls does the CSD have to monitor and manage any identified risks and costs associated with storage and delivery of physical instruments or commodities?

PFMI: Q.10.2.2

AGC: n/a

267 G10Q033

If an CSD can match participants for delivery and receipt, under what circumstances can it do so, and what are the associated rules and procedures? Are the legal obligations for delivery clearly expressed in the rules and associated agreements?

PFMI: Q.10.2.3

AGC: n/a

N/A

268 G10Q034

How does the CSD monitor its participants' delivery preferences and, to the extent practicable, ensure that its participants have the necessary systems and resources to be able to fulfil their physical delivery obligations?

PFMI: Q.10.2.4

AGC: n/a

269 G10Q035

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Central Securities Depositories (PFMI Principle 11)

270 G11Q001

Summary narrative for PFMI Principle 11. 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.)

PFMI: Annex A - CSD disclosure template - IV.P11

AGC: n/a

According to the Portuguese Securities Code, securities can be dematerialized or represented by paper form and it is mandatory the record of those securities in a CSD, in book-entry form, for the trading of the same in a regulated market or MTF. Book-entry form can take the form of immobilization or dematerialization. Interbolsa maintains vaults for the safekeeping of securities in physical form. Those securities are immobilized in Interbolsa's vault and represented by book entry records. Transfers are made by book-entry.

Currently, and according to the Portuguese Securities Code, it is neutral to issue physical or dematerialized securities, but most of the securities integrated in the centralized securities systems managed by Interbolsa are dematerialized securities.

Holdings and transfers of those securities are carried out, through Interbolsa's systems, by book-entry records. Interbolsa ensures the integrity of the issue, ensuring that the quantity of securities in circulation correspond to the quantity issued.

According to articles 88 and 91 of the Portuguese Securities Code centralized securities systems consist of interlinked groups of accounts, through which the constitution and transfer of securities is processed and which assume control over the amount of securities in circulation, and their inherent rights. The centralized system of Interbolsa is constituted by the following accounts: (a) Issue accounts, opened by the issuer, according to Article 44(1) of the Portuguese Securities Code; (b) Individual registration accounts, opened by financial intermediaries authorized for this purpose; (c) Issue controlling accounts, opened by each of the issuers with Interbolsa, according to Article 44(3) (a) of the Portuguese Securities Code; (d) Accounts for the control of individual registration accounts, opened by financial intermediaries with Interbolsa.

The accounts opened by the financial intermediaries in Interbolsa are global or individual accounts (depending on the level of segregation required) opened in the name of each one of the entities authorized to manage individual registration accounts, and the sum of the respective totals should be, in relation to each category of securities, equal to the sum of the total of each one of the individual registration accounts opened in their books.

These accounts should separately disclose the amount of securities held by each financial intermediary acting as registering entity and holder.

Specific sub-accounts are opened with the centralized systems of Interbolsa, relating to pledged securities or securities which may not be transferred or, for any other reason, may not fulfill the requirements of trading on a regulated market.

To address the operational risks related to settlement, safekeeping and custody activities, Interbolsa has in force some control objectives:

- Adequate information is produced and used to monitor processing integrity; and
- Specific controls and procedures are in place to verify securities balances after all movements occurred in the securities accounts opened with Interbolsa.

Securities issuing account integrity is the first role of Interbolsa. All processes are defined to ensure a permanent balance between issuing account and participants' assets that ensure the rights of every stakeholder.

In the case of insolvency of Interbolsa, insolvency rules will apply and a judge or administrator of insolvency will set up the necessary and adequate procedures, namely how the services are continued and when they are terminated, in order to not prevent Interbolsa from performing their services, ensuring a smooth transition or transfer of activity to another entity for the benefit of all stakeholders. The same will be ensured in the case of liquidation of Interbolsa.

271 G11Q002

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?

*PFMI: n/a**AGC: 26*☒ Government securities☒ Equities☒ Corporate bonds☒ Corporate money market☐ Not applicable☒ OTHER: Participation units / Participation bonds / Convertible bonds / Warrants / Structured instruments / Certificates / Rights

272 G11Q003

Please name the other security types:

*PFMI: n/a**AGC: 26a.*

Participation units
Participation bonds
Convertible bonds
Warrants
Structured instruments
Certificates
Rights

273 G11Q004

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).

PFMI: n/a

AGC: 27, 27c

- ☐ Yes by law for settlement of all instrument types
- ☐ Yes by law for safekeeping of all instrument types
- ☐ Yes by market practice for settlement of all instrument types
- ☐ Yes by market practice for safekeeping of all instrument types
- ☐ Yes by law for settlement, but not for all instrument types
- ☐ 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 market practice for safekeeping, but not for all instrument types
- ☐ Neither
- ☒ OTHER: Safekeeping of securities at Interbolsa is compulsory by law, irrespective of instrument type, for all securities traded in a regulated market (MTF or OTF) in Portugal.

274 G11Q005

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

PFMI: n/a

AGC: 27a. (i)

275 G11Q006

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27a. (ii)

276 G11Q007

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

PFMI: n/a

AGC: 27b. (i)

277 G11Q008

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27b. (ii)

278 G11Q009

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.

PFMI: n/a

AGC: 28 28a

Interbolsa settles all trades (100%) executed in the regulated market managed by Euronext Lisbon, irrespective of the instrument type.

279 G11Q010

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

PFMI: n/a

AGC: 28b.

Interbolsa holds in safekeeping all the securities traded in the markets in Portugal (100%). In addition Interbolsa holds securities not traded in regulated markets/MTF/ OTF.

280 G11Q011

How are the rights of securities issuers and holders safeguarded by the rules, procedures and controls of the CSD?

PFMI: Q.11.1.1

AGC: n/a

281 G11Q012

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?

PFMI: Q.11.1.1

AGC: 44a

- ☐ Yes
- ☒ No
- ☐ Not applicable

282 G11Q013

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:

PFMI: Q.11.1.1

AGC: 44b

283 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

PFMI: Q.11.1.1

AGC: 44d.

- ☒ Yes
- ☐ No
- ☐ Not applicable

284 G11Q015

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

PFMI: Q.11.1.1

AGC: 44e.

Legally appointed intervening authorities can have access to the accounts by requesting information and instructing transfer operations directly to Interbolsa.

285 G11Q016

By the participant's creditors?

*PFMI: Q.11.1.1**AGC: 44g, 44i*

- ☐ Yes
- ☒ No
- ☐ Not applicable

286 G11Q017

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

*PFMI: Q.11.1.1**AGC: 44h*

287 G11Q018

By the CSD's creditors?

*PFMI: Q.11.1.1**AGC: 44j.*

- ☐ Yes
- ☒ No
- ☐ Not applicable

288 G11Q019

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

*PFMI: Q.11.1.1**AGC: 44k.*

289 G11Q020

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

*PFMI: Q.11.1.1**AGC: 47, 47a*

- ☐ 6 months or less
- ☐ 1 year
- ☐ 3 years
- ☐ 5 years
- ☐ 7 years
- ☒ Other: 10 years

290 G11Q021

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

*PFMI: Q.11.1.1**AGC: 54*

- ☒ Yes
- ☐ No
- ☐ Not applicable

291 G11Q022

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.)

*PFMI: Q.11.1.1**AGC: 55*

- ☐ Yes
- ☒ No
- ☐ Not applicable

292 G11Q023

If yes, for what reasons are liens or similar claims imposed?

PFMI: Q.11.1.1

AGC: 55a

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

293 G11Q024

Please describe:

PFMI: Q.11.1.1

AGC: 55b

294 G11Q025

Please indicate the limits of this lien as indicated below:

PFMI: Q.11.1.1

AGC: 55c

- ☐ 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

295 G11Q026

Please explain:

PFMI: Q.11.1.1

AGC: 55d

296 G11Q027

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?

PFMI: Q.11.1.1

AGC: 55e

☐ Yes

☐ No

297 G11Q028

If yes, please indicate whether:

PFMI: Q.11.1.1

AGC: 55f

☐ 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

298 G11Q029

Please explain:

PFMI: Q.11.1.1

AGC: 55g

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

PFMI: Q.11.1.1

AGC: 55h

☐ Yes

☐ No

300 G11Q031

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?

PFMI: Q.11.1.1

AGC: 55j

☐ Yes

☐ No

301 G11Q032

If yes, are the restrictions accomplished by:

PFMI: Q.11.1.1

AGC: 55k

☐ Contract between the CSD and the participant

302 G11Q033

Please explain:

PFMI: Q.11.1.1

AGC: 55l

303 G11Q034

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

PFMI: Q.11.1.1

AGC: 56, 56e

☒ Yes

☐ No

☐ Not applicable

304 G11Q035

When does title or entitlement to CSD securities pass between participants?

PFMI: Q.11.1.1

AGC: 56a

- ☐ 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

305 G11Q036

Please describe:

PFMI: Q.11.1.1

AGC: 56b

306 G11Q037

Where does title or entitlement to CSD securities pass between participants?

PFMI: Q.11.1.1

AGC: 56c

- ☒ On the CSD books
- ☐ On the registrars books

307 G11Q038

Please describe:

PFMI: Q.11.1.1

AGC: 56d

308 G11Q039

How do the CSD's rules, procedures and controls ensure that the securities it holds on behalf of participants are appropriately accounted for on its books and protected from risks associated with the other services the CSD may provide?

PFMI: Q.11.1.2

AGC: n/a

309 G11Q040

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

*PFMI: Q.11.1.2**AGC: 45*

- ☒ Computer file
- ☐ Microfiche
- ☐ Hard copy
- ☒ Computer tape
- ☐ OTHER:

310 G11Q041

In which format is the source data maintained?

*PFMI: Q.11.1.2**AGC: 45b*

311 G11Q042

How does the CSD ensure that it has robust accounting practices? Do audits review whether there are sufficient securities to satisfy customer rights? How frequently are end-to-end audits conducted to examine the procedures and internal controls used in the safekeeping of securities?

*PFMI: Q.11.1.3**AGC: n/a*

The securities registered within the systems of Interbolsa are subject to the principle of double-entry accounting, not allowing not balanced records.

312 G11Q043

What are the CSD's internal procedures to authorise the creation and deletion of securities? What are the CSD's internal controls to prevent the unauthorised creation and deletion of securities?

*PFMI: Q.11.1.4**AGC: n/a*

313 G11Q044

Does the CSD conduct periodic and at least daily reconciliation of the totals of securities issues in the CSD for each issuer (or its issuing agent)? How does the CSD ensure that the total number of securities recorded in the CSD for a particular issue is equal to the amount of securities of that issue held on the CSD's books?

PFMI: Q.11.1.5

AGC: n/a

Yes. Interbolsa conducts daily reconciliation. Interbolsa as in place reconciliation measures to verify that the number of securities issues centrally and not centrally maintained recorded in the securities accounts is equal to the sum of securities recorded on the securities accounts of its participants.

314 G11Q045

If the CSD is not the official registrar of the issues held on its books, how does the CSD reconcile its records with official registrar?

PFMI: Q.11.1.6

AGC: n/a

315 G11Q046

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:

PFMI: Q.11.1.6

AGC: 52i

316 G11Q047

How does the CSD prevent overdrafts and debit balances in securities accounts?

PFMI: Q.11.2.1

AGC: n/a

Securities overdrafts, debit balances or securities creation are not allowed in the systems operated by Interbolsa.

317 G11Q048

Are securities issued or maintained in a dematerialised form? What percentage of securities is dematerialised, and what percentage of the total volume of transactions applies to these securities?

PFMI: Q.11.3.1

AGC: n/a

Yes

318 G11Q049

How are CSD eligible securities held by the CSD?

PFMI: Q.11.3.1

AGC: 50, 50a

☒ In dematerialized form☒ In certificated form☐ OTHER:

319 G11Q050

If securities are issued as a physical certificate, is it possible to immobilise them and allow their holding and transfer in a book-entry system? What percentage of securities is immobilised, and what percentage of the total volume of transactions applies to immobilised securities?

PFMI: Q.11.3.2

AGC: n/a

Yes. All physical certificates are immobilised in the vault.

320 G11Q051

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

PFMI: Q.11.3.2

AGC: 51

- ☐ 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

321 G11Q052

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

PFMI: Q.11.3.2

AGC: 51a

322 G11Q053

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)

PFMI: Q.11.3.2

AGC: 51b

323 G11Q054

Are these certificates:

PFMI: Q.11.3.2

AGC: 51c

☐ Bearer

☒ Registered

☐ OTHER:

324 G11Q055

If registered, how are the CSD eligible securities registered?

PFMI: Q.11.3.2

AGC: 51d

☐ 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: In the name of the beneficial owner

325 G11Q056

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

PFMI: Q.11.3.2

AGC: 51f

326 G11Q057

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

PFMI: Q.11.3.2

AGC: 51h

- ☐ Bearer
- ☒ Registered

327 G11Q058

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

PFMI: Q.11.3.2

AGC: 51i

Authentication and validation of the certificates and validation of the certificate numbers (and/or securities numbers, if applicable). Registration of ownership is done in the books of Interbolsa's participants.

328 G11Q059

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

PFMI: Q.11.3.2

AGC: 52

- ☐ Yes
- ☐ No
- ☐ Not applicable
- ☒ Other: Participants may request securities re-certification only for the purpose of trading abroad. Issuers may request the conversion of the whole issue to certificated form.

329 G11Q060

Are the securities held:

PFMI: Q.11.3.2

AGC: 52a, 52k

- ☐ Through book-entry at the CSD
- ☐ Through book-entry at a registrar or issuer
- ☐ OTHER:

330 G11Q061

Please identify which types of entities may act as registrars:

PFMI: Q.11.3.2

AGC: 52b

- ☐ Issuers
- ☐ Separate companies that perform registrar functions
- ☐ CSD
- ☐ OTHER:

331 G11Q062

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?

PFMI: Q.11.3.2

AGC: 52d

- ☐ Yes
- ☐ No

332 G11Q063

If yes, how are securities held at the registrar for the account of the CSD?

PFMI: Q.11.3.2

AGC: 52e

- ☐ In the name of the CSD
- ☐ In the name of a separate nominee of the CSD

333 G11Q064

Please describe:

PFMI: Q.11.3.2

AGC: 52f

334 G11Q065

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:

PFMI: Q.11.3.2

AGC: 52g

- ☐ The beneficial owner
- ☐ A nominee

335 G11Q066

Please describe:

PFMI: Q.11.3.2

AGC: 52h

336 G11Q067

What incentives, if any, does the CSD provide to immobilise or dematerialise securities?

PFMI: Q.11.3.3

AGC: n/a

337 G11Q068

How do the CSD's rules and procedures protect assets against custody risk, including the risk of loss because of the CSD's negligence, misuse of assets, fraud, poor administration, inadequate recordkeeping or failure to protect participants' interests in their securities?

*PFMI: Q.11.4.1**AGC: n/a*

338 G11Q069

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?

*PFMI: Q.11.4.1**AGC: 66, 66a, 66d*

- ☒ No
- ☐ Not applicable
- ☐ Yes

339 G11Q070

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

*PFMI: Q.11.4.1**AGC: 66b 66c*

- ☐ 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:

340 G11Q071

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?

*PFMI: Q.11.4.1**AGC: 66e, 66g, 66h*

- ☐ No
- ☒ Yes
- ☐ Not applicable

341 G11Q072

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

*PFMI: Q.11.4.1**AGC: 66f*

- ☐ 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:

342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1**AGC: 66i, 66l.*

- ☐ No
- ☒ Yes
- ☐ Not applicable

343 G11Q074

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

*PFMI: Q.11.4.1**AGC: 66j, 66k*

- ☐ 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:

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1**AGC: 66m, 66p.*

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

345 G11Q076

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

*PFMI: Q.11.4.1**AGC: 66n.*

- ☐ 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:

346 G11Q077

How has the CSD determined that those rules and procedures are consistent with the legal framework?

*PFMI: Q.11.4.2**AGC: n/a*

347 G11Q078

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

*PFMI: Q.11.4.2**AGC: 68*☐ Yes☒ No

348 G11Q079

What other methods, if any, does the CSD employ to protect its participants against misappropriation, destruction and theft of securities (for example, insurance or other compensation schemes)?

*PFMI: Q.11.4.3**AGC: n/a*

349 G11Q080

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)?

*PFMI: Q.11.4.3**AGC: 92*☒ Yes☐ No☐ Not applicable

350 G11Q081

What is the amount of the coverage?

PFMI: Q.11.4.3

AGC: 92a.

This information is not made available to the public.

351 G11Q082

What is the amount of the deductible?

PFMI: Q.11.4.3

AGC: 92b.

This information is not made available to the public.

352 G11Q083

Does the CSD have insurance for Operational Errors?

PFMI: Q.11.4.3

AGC: 93

☒ Yes

☐ No

☐ Not applicable

353 G11Q084

What is the amount of the coverage?

PFMI: Q.11.4.3

AGC: 93a.

This information is not made available to the public.

354 G11Q085

What is the amount of the deductible?

PFMI: Q.11.4.3

AGC: 93b.

This information is not made available to the public.

355 G11Q086
Does the CSD have Errors and Omissions insurance?

PFMI: Q.11.4.3
AGC: 94

- ☒ Yes
- ☐ No
- ☐ Not applicable

356 G11Q087
What is the amount of the coverage?

PFMI: Q.11.4.3
AGC: 94a.

This information is not made available to the public.

357 G11Q088
What is the amount of the deductible?

PFMI: Q.11.4.3
AGC: 94b.

This information is not made available to the public.

358 G11Q089
Does the CSD have insurance for the Premises?

PFMI: Q.11.4.3
AGC: 95

- ☒ Yes
- ☐ No
- ☐ Not applicable

359 G11Q090

What is the amount of the coverage?

PFMI: Q.11.4.3

AGC: 95a.

This information is not made available to the public.

360 G11Q091

What is the amount of the deductible?

PFMI: Q.11.4.3

AGC: 95b.

This information is not made available to the public.

361 G11Q092

Does the CSD have any other insurance?

PFMI: Q.11.4.3

AGC: 96, 96d

- ☒ Yes
- ☐ No
- ☐ Not applicable

362 G11Q093

If so, what is it for?

PFMI: Q.11.4.3

AGC: 96a.

D&O, Employee Practice Liability, Cyber, Terrorism, Business, Travel, General Liabilities

363 G11Q094

What is the amount of the coverage?

PFMI: Q.11.4.3

AGC: 96b.

This information is not made available to the public.

364 G11Q095

What is the amount of the deductible?

*PFMI: Q.11.4.3**AGC: 96c.*

This information is not made available to the public.

365 G11Q096

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.

*PFMI: Q.11.4.3**AGC: 97*

1st Layer - Zurich, Liberty - 2nd layer HCC, Liberty, Zurich, Navigators, Generalli, Argo

366 G11Q097

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

*PFMI: Q.11.4.3**AGC: 97a.*

N/A

367 G11Q098

What is the term of the policy?

*PFMI: Q.11.4.3**AGC: 97b.*

1 year renewing yearly

368 G11Q099

Who does the insurance cover?

*PFMI: Q.11.4.3**AGC: 97c, 97d*

- ☒ CSD
- ☒ Direct CSD participants
- ☐ Final investors
- ☐ Not applicable
- ☐ OTHER:

369 G11Q100

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:

*PFMI: Q.11.4.3**AGC: 98*

370 G11Q101

filecount - Upload document here:

*PFMI: Q.11.4.3**AGC: 98a.*

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371 G11Q102

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?

*PFMI: Q.11.4.3**AGC: 67a, 67b.*☐ Yes☒ No☐ Not applicable☐ OTHER:

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3**AGC: 67b.*

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3**AGC: 67c.*

374 G11Q105
Insurance

PFMI: Q.11.4.3
AGC: 67d.

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

375 G11Q106
Please explain (then please answer 67f):

PFMI: Q.11.4.3
AGC: 67e.

Insurance for civil liabilities.

376 G11Q107
Please provide details of the relevant sections of the contracts, rules or practices where this information is found

PFMI: Q.11.4.3
AGC: 67f.

Professional Indemnity & Crime – Purpose of the Policy: (i) PI – Claims arising out of negligence, errors or omissions while rendering services of a professional nature and/or failure to meet contractual obligations in the conduct of its activities. (ii) Crime – Loss resulting directly from one or more dishonest or fraudulent acts (fund embezzlement) committed by an employee or third party

377 G11Q108
Acknowledgement of liability for losses caused by CSD's own actions.

PFMI: Q.11.4.3
AGC: 67g.

- ☐ Yes
- ☒ No
- ☐ Not applicable

378 G11Q109

Please explain (then please answer 67i):

PFMI: Q.11.4.3

AGC: 67h.

379 G11Q110

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

PFMI: Q.11.4.3

AGC: 67i.

380 G11Q111

Other

PFMI: Q.11.4.3

AGC: 67j.

☐ Yes

☐ No

381 G11Q112

Please explain (then please answer 67l):

PFMI: Q.11.4.3

AGC: 67k.

382 G11Q113

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

PFMI: Q.11.4.3

AGC: 67l.

383 G11Q114

What segregation arrangements are in place at the CSD? How does the CSD ensure segregation between its own assets and the securities of its participants? How does the CSD ensure segregation among the securities of participants?

PFMI: Q.11.5.1

AGC: n/a

Interbolsa keeps records and accounts that enable:

(a) To segregate, at any time and without delay, the securities of a participant from those of any other participant and, if applicable, from its own assets;

(b) To segregate the securities of the participant from those of the participant's clients;

(c) Participants to hold in one securities account the securities that belong to different clients of that participant (Omnibus Client Segregation);

(d) Participants to segregate the securities of any of the participant's clients, if and as required by the participant (Individual Client Segregation).

Interbolsa does not hold securities for its own.

384 G11Q115

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

PFMI: Q.11.5.1

AGC: 41

☒ Yes

☐ No

☐ Not applicable

385 G11Q116

If yes, please indicate number:

*PFMI: Q.11.5.1**AGC: 41a, 41c*☒ An unlimited number of accounts☐ More than one account☐ OTHER:

386 G11Q117

If more than one account what is the maximum?

*PFMI: Q.11.5.1**AGC: 41b*

387 G11Q118

Where supported by the legal framework, how does the CSD support the operational segregation of securities belonging to participants' customers from the participants' book? How does the CSD facilitate the transfer from these customers' accounts to another participant?

*PFMI: Q.11.5.2**AGC: n/a*

388 G11Q119

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

*PFMI: Q.11.5.2**AGC: 42*☒ Yes☐ No☐ Not applicable☐ OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

*PFMI: Q.11.5.2**AGC: 42a*

- ☒ Required
- ☐ Permitted

390 G11Q121

How does segregation occur?

*PFMI: Q.11.5.2**AGC: 42b, 42c*

- ☒ By separately designated participant accounts.
- ☐ By sub-accounts within a single participant account.
- ☐ By separately designated beneficial owner accounts.
- ☐ OTHER:

391 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

*PFMI: Q.11.5.2**AGC: 43, 43b*

- ☐ Yes
- ☒ No
- ☐ Not applicable

392 G11Q123

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

PFMI: Q.11.5.2

AGC: 43a

☐ Yes

☐ No

393 G11Q125

Does the CSD provide services other than central safekeeping and administration of securities and settlement? If so, what services?

PFMI: Q.11.6.1

AGC: n/a

Yes, Non Banking type ancillary services

394 G11Q126

Please indicate services you provide.

PFMI: Q.11.6.1

AGC: 35

- ☐ Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.
- ☐ 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.
- ☒ Same day turnaround settlements.
- ☐ Information on distribution of new issues (IPO, Privatization).
- ☐ Not applicable
- ☒ OTHER: - Corporate actions control and processing - Issue control and registration - Securities Lending Management System - Safekeeping of physical securities - Identification of shareholders (to issuer and only for registered securities)

395 G11Q127

Automatic securities lending facility is provided for:

PFMI: Q.11.6.1

AGC: 35a

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

396 G11Q128

If collateral handling, please provide details

PFMI: Q.11.6.1

AGC: 35c

397 G11Q129

Other, please explain:

PFMI: Q.11.6.1

AGC: 35d

- Corporate actions control and processing
- Issue control and registration
- Securities Lending Management System
- Safekeeping of physical securities
- Identification of shareholders (to issuer and only for registered securities)
- Assignment of ISIN and CFI codes for securities and other financial instruments

398 G11Q130

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

*PFMI: Q.11.6.1**AGC: 36*

- ☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- ☐ Credited to the securities account upon actual receipt by the CSD.
- ☐ Corporate action entitlements are handled by an entity separate from the CSD.
- ☐ Not applicable
- ☒ OTHER: Entitlements are credited to the securities accounts in the overnight batch process as a result of the corporate action processing according to the account positions of the underlying security or the rights issue or instructions received from the issuer. These entitlements are available in the beginning of the payment date.

399 G11Q131

Credited to the securities account:

*PFMI: Q.11.6.1**AGC: 36a*

- ☐ On pay date.
- ☐ On pay date +1.
- ☐ On pay date +2.
- ☐ OTHER:

400 G11Q132

Name of entity:

*PFMI: Q.11.6.1**AGC: 36c*

401 G11Q133

What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1**AGC: 37, 37d.*

- ☐ 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.
- ☐ Income and dividend collection is handled by an entity separate from the CSD.
- ☐ Not applicable
- ☐ OTHER:

402 G11Q134

Credited to the cash account:

*PFMI: Q.11.6.1**AGC: 37a*

- ☐ On pay date.
- ☐ On pay date +1.
- ☐ On pay date +2.
- ☐ OTHER:

403 G11Q135

Name of entity:

*PFMI: Q.11.6.1**AGC: 37c*

404 G11Q136

If the CSD provides services other than central safekeeping and administration of securities and settlement, how does it identify the risks associated with those activities, including potential credit and liquidity risks? How does it measure, monitor and manage these risks, including legally separating services other than safekeeping and administration of securities where necessary?

PFMI: Q.11.6.2

AGC: n/a

At 08:30 (WET) on payment date the payment instructions are sent to the TARGET2-securities platform to debit the cash account (DCA) of the Payment Agent designated by the issuer and the cash accounts (DCAs) of the participants are credited in the T2S platform according to the positions in securities accounts determined during the previous overnight batch process.

In relation with the securities (bonds) denominated in a non-euro currency (namely in USD, JPY, GBP, CHF, AUD and CAD), between 09:30 and 11:00 (WET) on payment date the cash account (DCA) of the payment agent designated by the issuer is debited and the cash accounts (DCAs) of the participants are credited in Caixa Geral de Depósitos, SA (the entity which runs the non-euro currency payment system), according to the positions in securities accounts determined during the previous overnight batch process.

405 G11Q137

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Exchange-of-value settlement systems (PFMI Principle 12)

406 G12Q001

Summary narrative for PFMI Principle 12. 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.)

PFMI: Annex A - CSD disclosure template - IV.P12

AGC: n/a

The securities settlement systems managed by Interbolsa have in place procedures that facilitate the settlement of transactions on the intended settlement date.

According to the legal framework in force, all DVP instructions can only be settled if cash and securities are available. Securities instructions do not settle if the correspondent cash legs do not settle and vice-versa. If the cash and/or securities are not available, the transaction will not be further processed.

The credit and debit in cash and securities takes place at the same time and any failure leads to a pending operation that will be recycled, according to the system rules.

Interbolsa uses the T2S platform for real time settlement.

In case of settlement in non-euro currency the foreign currency payment system operated by Caixa Geral de Depósitos, S.A., is used instead of Target 2.

According to the rules and the functioning of the system, settlement will become final when provisional registers on the securities accounts (physical securities) become final, after the information received regarding financial settlement.

407 G12Q002

How do the CSD's legal, contractual, technical and risk management frameworks ensure that the final settlement of relevant financial instruments eliminates principal risk? What procedures ensure that the final settlement of one obligation occurs if and only if the final settlement of a linked obligation also occurs?

PFMI: Q.12.1.1

AGC: n/a

408 G12Q003

Does the CSD guaranty settlement?

PFMI: Q.12.1.1

AGC: 66u.

- ☒ No
- ☐ Yes
- ☐ Not applicable

409 G12Q004

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

PFMI: Q.12.1.1

AGC: 66v.

410 G12Q005

How are the linked obligations settled - on a gross basis (trade by trade) or on a net basis?

PFMI: Q.12.1.2

AGC: n/a

On a gross basis (trade by trade).

411 G12Q006

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.

*PFMI: Q.12.1.2**AGC: 48*

- ☒ Model1
- ☐ Model2
- ☐ Model3
- ☐ Not applicable
- ☐ OTHER:

412 G12Q007

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

*PFMI: Q.12.1.3**AGC: 48a*

Model 1 is used for both OTC settlement and for regulated markets. The transfer of securities and funds is done in the T2S platform.

In case of settlement in non-euro currency the foreign currency payment system operated by Caixa Geral de Depósitos, S.A. is used instead of the T2S DCA accounts.

413 G12Q008

Is the finality of settlement of linked obligations simultaneous?

*PFMI: Q.12.1.3**AGC: n/a*

- ☒ Yes
- ☐ No

414 G12Q009

If not, what is the timing of finality for both obligations? Is the length of time between the blocking and final settlement of both obligations minimised?

*PFMI: Q.12.1.3**AGC: n/a*

415 G12Q010

Are the cash and security movements simultaneous?

PFMI: Q.12.1.3

AGC: 49

- ☒ Yes
- ☐ No
- ☐ Not applicable

416 G12Q011

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

PFMI: Q.12.1.3

AGC: 49a

- ☐ 1 hour
- ☐ 2 hours
- ☐ 3 hours
- ☐ 4 hours
- ☐ 5 hours
- ☐ Overnight
- ☐ 2 days
- ☒ Other: For settlement in non-Euro currency Interbolsa uses the T2S Conditional Securities Delivery (CoSD) functionality.

417 G12Q012

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Participant default rules and procedures (PFMI Principle 13)

418 G13Q001

Summary narrative for PFMI Principle 13. 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.)

*PFMI: Annex A - CSD disclosure template - IV.P13**AGC: n/a*

Interbolsa has in place a "Manual of Insolvency Procedures" that highlight and list the relevant issues that have to be considered and need to be addressed as well as the procedures to be adopted in case of insolvency of an Interbolsa participant, namely in a T2S context.

The Manual of Insolvency Procedures addresses the following issues:

- (i) The reception of information by the local authority, in case of insolvency of an Interbolsa participant;
- (ii) The sharing of information with regulators, market infrastructures, Interbolsa's participants, other CSDs/NCBs in a T2S context;
- (iii) The decision process within Interbolsa;
- (iv) The operational procedures to be taken, namely the identification and management of pending transfer orders of the insolvent participant.

Furthermore and beyond the context of the insolvency of a participant (and the default rules and procedures considered above), Interbolsa has in place mechanisms to prevent and address settlement fails.

A. Measures to prevent settlement fails

(i) The securities settlement systems managed by Interbolsa have in place procedures that facilitate the settlement of transactions in financial instruments referred to in article 5(1) of the CSDR on the intended settlement date with a minimum exposure of its participants to counterparty and liquidity risks and a low rate of settlement fails.

(ii) Interbolsa also promotes early settlement on the intended settlement date (ISD) through appropriate mechanisms, namely the settlement attempt in the beginning of the business day on ISD that occurs in the Night-time Settlement (NTS) period, that starts at 19:00 WET on the previous calendar day of ISD.

(iii) Interbolsa also put in place measures to encourage and incentivise the timely settlement of transactions by its participants and therefore prevent settlement fails, namely:

- Automated settlement process;
- Matching and population of settlement instructions;
- Cancellation facility;
- Hold and release mechanism;
- Partial settlement;
- Recycling;
- Additional facilities and information, as: Allegement; Monitoring tools and reporting; Real-time gross settlement (RTGS) period, between 04h00 and 17h00 WET and Night Time Settlement period, with two batches (cycles) and several sequences, that starts at 19h00 WET and ends before 02h00 WET; Technical netting; Optimisation algorithms; Prioritisation; Linked instructions; Auto-collateralisation; Amendment.

B. Measures to address settlement fails:

Interbolsa's rules (Interbolsa Regulation 2/2016), expressly specify the procedures in case of settlement fails.

For the moment, Interbolsa does not have any penalty mechanism implemented. Only for guaranteed transactions carried out in a Regulated Market/Multilateral Trading Facilities the Central Counterparty applies cash penalties for failed settlement instructions.

When the Settlement Discipline regime will enter into force (2020) Interbolsa will implement an all new mechanism related to the treatment of settlement fails, namely in what concerns cash penalties.

In the context of T2S platform (seen as common settlement infrastructure used by several CSDs) a task force (CSDR Task Force - CSDR TF) was created, in the remit of the CSD Sub-Group (CSG), in order to analyse the impacts of CSDR on T2S platform as well as to design a penalty mechanism according to the CSDR and the RTS on settlement discipline. Since the beginning Interbolsa takes part of the T2S CSDR TF and is involved in the discussions.

T2S CSDs (under the direction of ECSDA) are also working in a Legal Framework that is expected to define a common set of rules and principles to rule a joint application of the penalties regime in the European Union.

419 G13Q002

Do the CSD's rules and procedures clearly define an event of default (both a financial and an operational default of a participant) and the method for identifying a default? How are these events defined?

PFMI: Q.13.1.1

AGC: n/a

Yes (see article 283 of the Portuguese Securities Code).

420 G13Q003

How do the CSD's rules and procedures address the following key aspects of a participant default: a) the actions that the CSD can take when a default is declared, b) the extent to which the actions are automatic or discretionary, c) changes to normal settlement practices, d) the management of transactions at different stages of processing, e) the expected treatment of proprietary and customer transactions and accounts, f) the probable sequencing of actions, g) the roles, obligations and responsibilities of the various parties, including non-defaulting participants, and h) the existence of other mechanisms that may be activated to contain the impact of a default?

PFMI: Q.13.1.2

AGC: n/a

Interbolsa has an Insolvency Procedures Manual in place, which contains the harmonized procedures adopted by all T2S CSDs and Central Banks related to the insolvency of a CSD/CB participant.

421 G13Q004

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

PFMI: Q.13.1.2

AGC: 77

- ☐ Yes
- ☒ No
- ☐ Not applicable

422 G13Q005

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

PFMI: Q.13.1.2

AGC: 77a

423 G13Q006

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

PFMI: Q.13.1.2

AGC: 80

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

424 G13Q007

Please explain:

PFMI: Q.13.1.2

AGC: 80a

425 G13Q008

How do the CSD's rules and procedures allow the CSD to promptly use any financial resources that it maintains for covering losses and containing liquidity pressures arising from default, including liquidity facilities?

PFMI: Q.13.1.3

AGC: n/a

426 G13Q009

How do the CSD's rules and procedures address the order in which the financial resources can be used?

PFMI: Q.13.1.4

AGC: n/a

427 G13Q010

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

*PFMI: Q.13.1.4**AGC: 76, 76d*

- ☐ CSD insurance covers the loss
- ☐ The CSD guaranty fund covers the loss
- ☐ Loss is shared among participants
- ☐ Not applicable
- ☒ OTHER: A guaranty fund covers losses of private investors, customers of our participants. Losses are borne by the settlement counterparties that must claim compensation.

428 G13Q011

Please explain the process:

*PFMI: Q.13.1.4**AGC: 76a*

429 G13Q012

Please explain the process of how the loss is shared:

*PFMI: Q.13.1.4**AGC: 76b*

- ☐ Equally, among participants
- ☐ Pro-rata based on participant's volume
- ☐ Limited to participants with transactions with failing counterparty

430 G13Q013

Please explain:

PFMI: Q.13.1.4

AGC: 76d

A guaranty fund, covers losses of private investors, customers of our participants. Losses are borne by the settlement counterparties that must claim compensation.

431 G13Q014

How do the CSD's rules and procedures address the replenishment of resources following a default?

PFMI: Q.13.1.5

AGC: n/a

432 G13Q015

Does the CSD's management have internal plans that clearly delineate the roles and responsibilities for addressing a default? What are these plans?

PFMI: Q.13.2.1

AGC: n/a

Yes. All relevant aspects related to the treatment of a participant default is expressly referred in Interbolsa's Insolvency Procedures Manual

433 G13Q016

What type of communication procedures does the CSD have in order to reach in a timely manner all relevant stakeholders, including regulators, supervisors and overseers?

PFMI: Q.13.2.2

AGC: n/a

Email, Phone, and Interbolsa's website

434 G13Q017

How frequently are the internal plans to address a default reviewed? What is the governance arrangement around these plans?

PFMI: Q.13.2.3

AGC: n/a

On an annual basis

435 G13Q018

How are the key aspects of the CSD's participant default rules and procedures made publicly available? How do they address: a) the circumstances in which action may be taken, b) who may take those actions, c) the scope of the actions which may be taken, including the treatment of both proprietary and customer positions, funds and assets, d) the mechanisms to address an CSD's obligations to non-defaulting participants, and e) where direct relationships exist with participants' customers, the mechanisms to help address the defaulting participant's obligations to its customers?

PFMI: Q.13.3.1

AGC: n/a

In Interbolsa's rules and in Interbolsa's website.

436 G13Q019

How does the CSD engage with its participants and other relevant stakeholders in the testing and review of its participant default procedures? How frequently does it conduct such tests and reviews? How are these tests results used? To what extent are the results shared with the board, risk committee and relevant authorities?

PFMI: Q.13.4.1

AGC: n/a

Interbolsa tested this year with T2S platform and the Portuguese Central Bank the procedures in place to address an insolvency of a CSD participant and of a Central Bank participant. Next year, insolvency tests with the market will be, also, conducted by Interbolsa.

437 G13Q020

What range of potential participant default scenarios and procedures do these tests cover? To what extent does the CSD test the implementation of the resolution regime for its participants?

PFMI: Q.13.4.2

AGC: n/a

The relevant scenarios are covered.

438 G13Q021

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

General business risk (PFMI Principle 15)

439 G14Q001

Summary narrative for PFMI Principle 15. 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.)

PFMI: Annex A - CSD disclosure template - IV.P15

AGC: n/a

440 G14Q002

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

PFMI: Q.17.2.3

AGC: 15

☒ Yes☐ No

441 G14Q003

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

PFMI: n/a

AGC: 15a.

Ernst & Young Audit & Asociados – SROC, S.A.

442 G14Q004

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

PFMI: n/a

AGC: 15b.

30/12/2020

443 G14Q005

Please list the period that the audit covered:

*PFMI: n/a**AGC: 15c.*

Start date: 01/01/2020

End date: 31/12/2020

444 G14Q006

How frequently does the financial audit occur?

*PFMI: n/a**AGC: 15d.*

- ☒ Two or more times a year
- ☐ Annually
- ☐ Less than annually

445 G14Q007

If less than annually, please explain:

*PFMI: n/a**AGC: 15e.*

446 G14Q008

Please select the statement that most accurately characterizes the results of the last financial audit:

*PFMI: n/a**AGC: 15g.*

- ☒ No material exceptions found.
- ☐ Minor exceptions found.
- ☐ Material exceptions found.

447 G14Q009

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: n/a**AGC: 15h.*

448 G14Q010

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

*PFMI: n/a**AGC: 86*

- ☐ Yes
- ☒ No
- ☐ Not applicable

449 G14Q011

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

*PFMI: n/a**AGC: 86a.*

450 G14Q012

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

*PFMI: n/a**AGC: 87*

- ☐ Yes
- ☒ No
- ☐ Not applicable

451 G14Q013

Please explain the circumstances and resolution:

*PFMI: n/a**AGC: 87a.*

452 G14Q014

Has the CSD realized revenues sufficient to cover expenses during the past three years?

PFMI: n/a

AGC: 88, 88a

- ☒ 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

453 G14Q015

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

PFMI: n/a

AGC: 30, 30m

- ☐ Yes
- ☒ No
- ☐ Not applicable

454 G14Q016

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.

PFMI: n/a

AGC: 30a, 30j

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

455 G14Q017

Corporate Action. Please specify number of instances:

PFMI: n/a

AGC: 30b.

456 G14Q018

Corporate Action. Please specify total loss in USD:

PFMI: n/a

AGC: 30c.

457 G14Q019

Settlement Process - Securities. Please specify number of instances:

PFMI: n/a

AGC: 30d.

458 G14Q020

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

PFMI: n/a

AGC: 30e.

459 G14Q021

Settlement Process - Cash. Please specify number of instances:

PFMI: n/a

AGC: 30f.

460 G14Q022

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

PFMI: n/a

AGC: 30g.

461 G14Q023

System Outage. Please specify number of instances:

PFMI: n/a

AGC: 30h.

462 G14Q024

System Outage. Please specify total loss in USD:

PFMI: n/a

AGC: 30i.

463 G14Q025

For Other, please specify number of instances:

PFMI: n/a

AGC: 30k.

464 G14Q026

For Other, please specify total loss in USD:

PFMI: n/a

AGC: 30l.

465 G14Q027

How does the CSD identify its general business risks? What general business risks has the CSD identified?

PFMI: Q.15.1.1

AGC: n/a

The primary purpose of the core business of Interbolsa is to manage the securities settlement systems and centralized securities systems and to contribute to the proper functioning and development of the Portuguese capital market, creating competitive conditions, reducing systemic risks and helping to ensure the protection of the rights of all those who act (directly or indirectly) in the market. As such, if Interbolsa is not capable of executing this service, its business is at risk.

466 G14Q028

How does the CSD monitor and manage its general business risks on an ongoing basis? Does the CSD's business risk assessment consider the potential effects on its cash flow and (in the case of a privately operated CSD? capital?

*PFMI: Q.15.1.2**AGC: n/a*

To mitigate risks inherent to the systems managed by Interbolsa and thus to the business, Interbolsa has in place rules, contained in regulations, circulars and notices, in which the procedures governing the centralized securities systems and the securities settlement systems are identified and described. Likewise, in order to make its procedures and activities transparent, Interbolsa has available in its Portal (www.interbolsa.pt) all the rules in force, as well as, operational manuals.

At the IT level, there are several controls and security procedures that aim to protect the systems managed by Interbolsa.

In terms of risk control, Interbolsa pursues the objective of providing settlement, registration, deposit and securities custody services, adopting a strategy based on the continuous improvement of its products and services, choosing the international standards and best practices according to the needs of its Clients.

Interbolsa provides its clients with high quality services and has infrastructures that respond in an efficient, safe and reliable way to the needs of the market, thus minimizing the operational and systemic risks inherent to its activity.

467 G14Q029

Does the CSD hold liquid net assets funded by equity so that it can continue operations and services as a going concern if it incurs general business losses?

*PFMI: Q.15.2.1**AGC: n/a*

Yes

468 G14Q030

Does the CSD maintain a reserve for operating losses?

*PFMI: Q.15.2.1**AGC: 89, 89b*☐ Yes☒ No☐ Not applicable

469 G14Q031

How does the CSD calculate the amount of liquid net assets funded by equity to cover its general business risks?

*PFMI: Q.15.2.2**AGC: n/a*

The business risks, are calculated in accordance with Article 6 of the Commission Delegated Regulation (EU) 2017/390;

470 G14Q032

How does the CSD determine the length of time and associated operating costs of achieving a recovery or orderly wind-down of critical operations and services?

*PFMI: Q.15.2.2**AGC: n/a*

The winding-down or restructuring activities are calculated in accordance with Article 7 of the Commission Delegated Regulation (EU) 2017/390.

471 G14Q033

Please describe and indicate reserve (for operating losses) amount:

*PFMI: Q.15.2.2**AGC: 89a.*

472 G14Q034

Has the CSD developed a plan to achieve a recovery or orderly wind-down, as appropriate?

*PFMI: Q.15.3.1a**AGC: n/a*☒ Yes☐ No

473 G14Q035

If yes, what does this plan take into consideration (for example, the operational, technological and legal requirements for participants to establish and move to an alternative arrangement)?

*PFMI: Q.15.3.1b**AGC: n/a*

474 G14Q036

What amount of liquid net assets funded by equity is the CSD holding for purposes of implementing this plan? How does the CSD determine whether this amount is sufficient for such implementation? Is this amount at a minimum equal to six months of the CSD's current operating expenses?

PFMI: Q.15.3.2

AGC: n/a

Interbolsa estimates a time span of six months for winding down or restructuring its activities.

475 G14Q037

How are the resources designated to cover business risks and losses separated from resources designated to cover participant defaults or other risks covered under the financial resources principles?

PFMI: Q.15.3.3

AGC: n/a

Resources are separated

476 G14Q038

Does the CSD include equity held under international risk-based capital standards to cover general business risks?

PFMI: Q.15.3.4

AGC: n/a

No

477 G14Q039

What is the composition of the CSD's liquid net assets funded by equity? How will the CSD convert these assets as needed into cash at little or no loss of value in adverse market conditions?

PFMI: Q.15.4.1

AGC: n/a

Interbolsa business risk is covered by part of Interbolsa capital, held in liquid net assets

478 G14Q040

How does the CSD regularly assess the quality and liquidity of its liquid net assets funded by equity to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions?

PFMI: Q.15.4.2

AGC: n/a

Interbolsa has in place a recovery plan related to capital requirements, which is annually reviewed.

479 G14Q041

Has the CSD developed a plan to raise additional equity? What are the main features of the CSD's plan to raise additional equity should its equity fall close to or fall below the amount needed?

PFMI: Q.15.5.1

AGC: n/a

Yes

480 G14Q042

How frequently is the plan to raise additional equity reviewed and updated?

PFMI: Q.15.5.2

AGC: n/a

On an annual basis

481 G14Q043

What is the role of the CSD's board (or equivalent) in reviewing and approving the CSD's plan to raise additional equity if needed?

PFMI: Q.15.5.3

AGC: n/a

Interbolsa's General Meeting must approve the increase of capital

482 G14Q044

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Custody risk (PFMI Principle 16)

483 G15Q001

Summary narrative for PFMI Principle 16. 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.)

PFMI: Annex A - CSD disclosure template - IV.P16

AGC: n/a

Interbolsa has established a framework of internal control across its business areas and functions. This framework is based on ethical principles, established procedures and training of the key personnel who are responsible for implementing and overseeing it. The Internal control function as a second line of defence, aims at ensuring, in a permanent manner that identified risks are mitigated by controls, that controls are effective, documented and reported and that internal procedures exist and are updated on a regular basis

484 G15Q002

If the CSD uses custodians, how does the CSD select its custodians? What are the specific selection criteria the CSD uses, including supervision and regulation of these entities? How does the CSD monitor the custodians' adherence to these criteria?

PFMI: Q.16.1.1

AGC: n/a

N/A

485 G15Q003

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.)?

PFMI: Q.16.1.1

AGC: 29, 29i

☒ Yes

☐ No

☐ Not applicable

☐ OTHER:

486 G15Q004

If third parties are employed, please indicate which services they supply:

PFMI: Q.16.1.1

AGC: 29a.

Safekeeping of physical certificates and CSD counter services for attending participants in deposit and withdrawal operations

487 G15Q005

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?

*PFMI: Q.16.1.1**AGC: 29b.*☒ Yes☐ No

488 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1**AGC: 29c, 29e.*☒ regardless of whether such loss was caused by any action or inaction 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☐ 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 the loss was caused by the willful default or other willful conduct on the part of the agent☐ OTHER:

489 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

*PFMI: Q.16.1.1**AGC: 29d, 29h.*☒ 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:

490 G15Q008
Please specify limit:

PFMI: Q.16.1.1
AGC: 29f.

491 G15Q009
Please specify limit:

PFMI: Q.16.1.1
AGC: 29g.

492 G15Q010
How does the CSD verify that these entities have robust accounting practices, safekeeping procedures, and internal controls that fully protect its and its participants' assets?

PFMI: Q.16.1.2
AGC: n/a

The conditions related to the provision of the services are established in the participation rules and in the agreement signed between the parties, and are assessed by Interbolsa, when necessary. Periodically, Interbolsa conducts supervision actions to its participants.

493 G15Q011
How has the CSD established that it has a sound legal basis to support enforcement of its interest or ownership rights in assets held in custody?

PFMI: Q.16.2.1
AGC: n/a

494 G15Q012
How does the CSD ensure that it has prompt access to its assets, including securities that are held with a custodian in another time zone or legal jurisdiction, in the event of participant default?

PFMI: Q.16.2.2
AGC: n/a

495 G15Q013

How does the CSD evaluate and understand its exposures to its custodian banks? In managing those exposures, how does it take into account the full scope of its relationship with each custodian bank? For instance, does the CSD use multiple custodians for the safekeeping of its assets to diversify exposure to any single custodian? How does the CSD monitor concentration of risk exposures to its custodian banks?

PFMI: Q.16.3.1

AGC: n/a

Interbolsa does not have exposure to custodian banks

496 G15Q014

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.

PFMI: Q.16.3.1

AGC: 62

497 G15Q015

How does the CSD ensure that its investment strategy is consistent with its overall risk management strategy?

PFMI: Q.16.4.1a

AGC: n/a

The general investment policy of Interbolsa is to invest cash surpluses in money market instruments of short maturities and short durations

498 G15Q016

How and to whom does the CSD disclose its investment strategy?

PFMI: Q.16.4.1b

AGC: n/a

The Interbolsa's investment strategy is disclosed by request to the Regulator.

499 G15Q017

How does the CSD ensure on an ongoing basis that its investments are secured by, or are claims on, high-quality obligors?

PFMI: Q.16.4.2

AGC: n/a

The Euronext Group has implemented policies and procedures designed to measure, manage, monitor and report risk exposures, which are regularly reviewed by the appropriate management and supervisory bodies.

The Euronext Group's central treasury team is charged with identifying risk exposures and monitoring and managing such risks on a daily basis.

To the extent necessary and permitted by local regulation, the Euronext Group's subsidiaries centralise their cash investments, report their risks and hedge their exposures in coordination with the Group's central treasury team.

500 G15Q018

How does the CSD consider its overall exposure to an obligor in choosing investments? What investments are subject to limits to avoid concentration of credit risk exposures?

PFMI: Q.16.4.3

AGC: n/a

According to the Investment Policy in force all investments are subject to limits to avoid concentration of credit risk exposures

501 G15Q019

Does the CSD invest participant assets in the participants' own securities or those of its affiliates?

PFMI: Q.16.4.4

AGC: n/a

No

502 G15Q020

How does the CSD ensure that its investments allow for quick liquidation with little, if any, adverse price effect?

PFMI: Q.16.4.5

AGC: n/a

The general investment policy of Interbolsa is to invest cash surpluses in money market instruments of short maturities and short durations

503 G15Q021

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Operational risk (PFMI Principle 17)

504 G16Q001

Summary narrative for PFMI Principle 17. 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.)

*PFMI: Annex A - CSD disclosure template - IV.P17**AGC: n/a*

INTERBOLSA has clearly defined internal procedures to identify and manage operational risk. Management and advisory bodies are responsible for risk identification, the review of the risk criteria and parameters, as well as their control and supervision.

505 G16Q002

What are the CSD's policies and processes for identifying the plausible sources of operational risks? How do the CSD's processes identify plausible sources of operational risks, whether these risks arise from internal sources (for example, the arrangements of the system itself, including human resources), from the CSD's participants or from external sources?

*PFMI: Q.17.1.1**AGC: n/a*

506 G16Q003

What sources of operational risks has the CSD identified? What single points of failure in its operations has the CSD identified?

*PFMI: Q.17.1.2**AGC: n/a*

The main sources of Interbolsa's operational risk stem from system failures and errors in operational processes that are not fully automated.

507 G16Q004

How does the CSD monitor and manage the identified operational risks? Where are these systems, policies, procedures and controls documented?

PFMI: Q.17.1.3

AGC: n/a

Interbolsa has established a framework of internal control across its business areas and functions. This framework is based on ethical principles, established procedures and training of the key personnel who are responsible for implementing and overseeing it. The Internal control function as a second line of defense, aims at ensuring, in a permanent manner that identified risks are mitigated by controls, that controls are effective, documented and reported and that internal procedures exist and are updated on a regular basis.

508 G16Q005

What policies, processes and controls does the CSD employ that are designed to ensure that operational procedures are implemented appropriately? To what extent do the CSD's systems, policies, processes and controls take into consideration relevant international, national and industry-level operational risk management standards?

PFMI: Q.17.1.4

AGC: n/a

509 G16Q006

What are the CSD's human resources policies to hire, train and retain qualified personnel, and how do such policies mitigate the effects of high rates of personnel turnover or key-person risk? How do the CSD's human resources and risk management policies address fraud prevention?

PFMI: Q.17.1.5

AGC: n/a

Euronext Group as in force a program that aims to retain qualified personnel. Interbolsa's employees must comply with and enforcing the law, regulations and the Interbolsa Code of Ethics, including the Euronext Group Policies, in force at any given time

510 G16Q007

How do the CSD's change management and project management policies and processes mitigate the risks that changes and major projects inadvertently affect the smooth functioning of the system?

PFMI: Q.17.1.6

AGC: n/a

To prevent any risk from a major change in the system, Interbolsa has a program office department responsible for the management of multidisciplinary projects (based on the methodologies and guiding principles of project management defined by the PMI - Project Management Institute), referenced as best market practices at the level of the provision of this type of services.

Before a major project go alive there are a set of internal tests in a quality testing environment and configuration of the production environment.

511 G16Q008

How has the board of directors defined the key roles and responsibilities for operational risk management?

PFMI: Q.17.2.1

AGC: n/a

The Managing Board is responsible for ensuring a suitable design and sustainable implementation of Risk Management and internal control across the Company and defines and allocates risk appetite within the Company. This policy supports compliance with regulatory and legal requirements in the jurisdictions in which Euronext operates, provides assurance to the Managing and Supervisory Boards, Regulators and clients, and facilitates operational and strategic

Key roles and responsibilities for operational risk management are well defined by the managing board.

512 G16Q009

Does the CSD's board explicitly review and endorse the CSD's operational risk management framework? How frequently does the board review and endorse the CSD's operational risk management framework?

PFMI: Q.17.2.2

AGC: n/a

On an annual basis

513 G16Q010

How does the CSD review, audit and test its systems, policies, procedures and controls, including its operational risk management arrangements with participants? How frequently does the CSD conduct these reviews, audits and tests with participants?

PFMI: Q.17.2.3

AGC: n/a

Interbolsa tests its system with participants once a year

514 G16Q011

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

PFMI: Q.17.2.3

AGC: 14

☒ Yes

☐ No

515 G16Q012

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

PFMI: Q.17.2.3

AGC: 14a.

Internal audit covers all areas of Euronext Group, except internal audit of Finance.

516 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

PFMI: Q.17.2.3

AGC: 14b.

Start date: 01/01/2019

End date: 31/12/2019

Audit date: 28/09/2020

517 G16Q014

How frequently does the internal audit occur?

PFMI: Q.17.2.3

AGC: 14c.

☐ Two or more times a year

☒ Annually

☐ Less than annually

518 G16Q015

If less than annually, please explain:

PFMI: Q.17.2.3

AGC: 14d.

519 G16Q016

Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3**AGC: 14e.*☐ Yes☒ No

520 G16Q017

Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3**AGC: 14f.*☒ No material exceptions found.☐ Minor exceptions found.☐ Material exceptions found.

521 G16Q018

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3**AGC: 14g.*

522 G16Q019

To what extent, where relevant, is the CSD's operational risk management framework subject to external audit?

*PFMI: Q.17.2.4**AGC: n/a*

523 G16Q020

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

*PFMI: Q.17.2.4**AGC: 16*☐ Yes☒ No

524 G16Q021

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

*PFMI: Q.17.2.4**AGC: 16a.*

525 G16Q022

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

*PFMI: Q.17.2.4**AGC: 16b.*

526 G16Q023

Please list the period that the audit covered:

*PFMI: Q.17.2.4**AGC: 16c.*

Start date:

End date:

527 G16Q024

How frequently does the operational audit occur?

*PFMI: Q.17.2.4**AGC: 16d.*☐ Two or more times a year☐ Annually☐ Less than annually

528 G16Q025

If less than annually, please explain:

PFMI: Q.17.2.4

AGC: 16e.

529 G16Q026

Please select the statement that most accurately characterizes the results of the last operational audit:

PFMI: Q.17.2.4

AGC: 16g.

- ☒ No material exceptions found.
- ☐ Minor exceptions found.
- ☐ Material exceptions found.

530 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: Q.17.2.4

AGC: 16h.

531 G16Q028

What are the CSD's operational reliability objectives, both qualitative and quantitative? Where and how are they documented?

PFMI: Q.17.3.1

AGC: n/a

532 G16Q029

How do these objectives ensure a high degree of operational reliability?

PFMI: Q.17.3.2

AGC: n/a

533 G16Q030

What are the policies in place that are designed to achieve the CSD's operational reliability objectives to ensure that the CSD takes appropriate action as needed?

PFMI: Q.17.3.3

AGC: n/a

534 G16Q031

How does the CSD review, audit and test the scalability and adequacy of its capacity to handle, at a minimum, projected stress volumes? How frequently does the CSD conduct these reviews, audits and tests?

PFMI: Q.17.4.1

AGC: n/a

535 G16Q032

How are situations where operational capacity is neared or exceeded addressed?

PFMI: Q.17.4.2

AGC: n/a

536 G16Q033

What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of physical vulnerabilities and threats on an ongoing basis?

PFMI: Q.17.5.1

AGC: n/a

537 G16Q034

How is access to the physical building controlled?

PFMI: Q.17.5.1

AGC: 74

- ☒ By guards
- ☒ By electronic keys
- ☒ personal ID card
- ☒ By alarm system
- ☒ OTHER: CCTV surveillance, access control system and tourniquetes

538 G16Q035

Please explain:

PFMI: Q.17.5.1

AGC: 74a.

CCTV surveillance, access control system and turniquetes

539 G16Q036

Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for physical security?

PFMI: Q.17.5.2

AGC: n/a

Yes, Interbolsa complies with standards and is audited regularly in this respect.

540 G16Q037

What are the CSD's policies and processes, including change management and project management policies and processes, for addressing the plausible sources of information security vulnerabilities and threats on an ongoing basis?

PFMI: Q.17.5.3

AGC: n/a

There is a set of change-management processes, including annual review of Business Continuity plan and Recovery Plan.

541 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

PFMI: Q.17.5.3

AGC: 71 71a.

☒ Yes

☐ No

☐ Not applicable

542 G16Q039

Does each user have a unique user ID?

*PFMI: Q.17.5.3**AGC: 71c.*

- ☒ Yes
- ☐ No
- ☐ Not applicable

543 G16Q040

Are passwords regularly changed?

*PFMI: Q.17.5.3**AGC: 71e.*

- ☒ Yes
- ☐ No
- ☐ Not applicable

544 G16Q041

How often?

*PFMI: Q.17.5.3**AGC: 71f.*

Monthly

545 G16Q042

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3**AGC: 71h.*

- ☒ Yes
- ☐ No
- ☐ Not applicable

546 G16Q043

How many?

*PFMI: Q.17.5.3**AGC: 71i.*

5 unsuccessfull attempts

547 G16Q044

Do the CSD's policies, processes, controls and testing appropriately take into consideration relevant international, national and industry-level standards for information security?

*PFMI: Q.17.5.4**AGC: n/a*

548 G16Q045

How and to what extent does the CSD's business continuity plan reflect objectives, policies and procedures that allow for the rapid recovery and timely resumption of critical operations following a wide-scale or major disruption?

*PFMI: Q.17.6.1**AGC: n/a*

Interbolsa's main commitment in a disaster situation is to protect its employees, assets and the continuity of its business. Interbolsa has drawn up a Business Continuity Plan and a Disaster Recovery Plan. The recovery point objective (RPO) in all scenarios coincides with the point at which the disruption occurs. The Recovery Time Objective (RTO) in most scenarios is '0' since network, system, connection, etc. redundancies are sufficient to achieve this. In certain instances, the RTO may depend on making certain decisions and manual action, but disruptions will not exceed two hours for critical services.

549 G16Q046

How and to what extent is the CSD's business continuity plan designed to enable critical IT systems to resume operations within two hours following disruptive events, and to enable the CSD to facilitate or complete settlement by the end of the day even in extreme circumstances?

*PFMI: Q.17.6.2**AGC: n/a*

The recovery point objective (RPO) in all scenarios coincides with the point at which the disruption occurs. The Recovery Time Objective (RTO) in most scenarios is 0 since network, system, connection, etc. redundancies are sufficient to achieve this. In certain instances, the RTO may depend on making certain decisions and manual action, but disruptions will not exceed two hours for critical services

550 G16Q047

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

PFMI: Q.17.6.2

AGC: 82

- ☒ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable

551 G16Q048

How is the contingency plan designed to ensure that the status of all transactions can be identified in a timely manner, at the time of the disruption, and if there is a possibility of data loss, what are the procedures to deal with such loss (for example, reconciliation with participants or third parties)?

PFMI: Q.17.6.3

AGC: n/a

Interbolsa assumes a RTO=0

552 G16Q049

How do the CSD's crisis management procedures address the need for effective communications internally and with key external stakeholders and authorities?

PFMI: Q.17.6.4

AGC: n/a

The Business Continuity Plan of Interbolsa describes all communication and stakeholders that need to be informed in case of an incident that does not allow the access of the participantes to Interbolsa's systems

553 G16Q050

Will the CSD publicly announce any system interruption?

PFMI: Q.17.6.4

AGC: 84

- ☒ Yes
- ☐ No
- ☐ Not applicable

554 G16Q051

To whom will the CSD disclose any system interruptions?

PFMI: Q.17.6.4

AGC: 84a.

- ☒ To the CSD regulators
- ☒ To all direct participants
- ☒ To direct and indirect participants
- ☒ To the public via the internet
- ☐ In the press
- ☒ OTHER: To all its participants and to the Regulators

555 G16Q052

If so, please list webpage address:

PFMI: Q.17.6.4

AGC: 84b.

<https://www.interbolsa.pt>

556 G16Q053

If so, please list all publications:

PFMI: Q.17.6.4

AGC: 84c.

557 G16Q054

Please explain:

PFMI: Q.17.6.4

AGC: 84d.

To all its participants and to the Regulators

558 G16Q055

How will the CSD disclose any system interruptions?

PFMI: Q.17.6.4

AGC: 84e.

- ☒ By e-mail
- ☒ By telephone
- ☐ Public announcement
- ☐ Press release
- ☒ OTHER: Through Interbolsa's web portal accessible through Internet

559 G16Q056

Please explain:

PFMI: Q.17.6.4

AGC: 84f.

Through Interbolsa's web portal accessible through Internet

560 G16Q057

How does the CSD's business continuity plan incorporate the use of a secondary site (including ensuring that the secondary site has sufficient resources, capabilities, functionalities and appropriate staffing arrangements)? To what extent is the secondary site located a sufficient geographic distance from the primary site such that it has a distinct risk profile?

PFMI: Q.17.6.5

AGC: n/a

There is a secondary site with the necessary capacity and resources to undertake all relevant functions of in the event of a disaster situation. Primary and secondary sites are double connected through different telecommunication providers.

The primary and secondary Data Processing Centers are located in different cities with different risk profile. There is a high-capacity and high-availability multi-fiber interconnection between them, allowing the Asynchronous data replication of the systems.

561 G16Q058

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

PFMI: Q.17.6.5

AGC: 83

- ☒ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable

562 G16Q059

Has the CSD considered alternative arrangements (such as manual, paper-based procedures or other alternatives) to allow the processing of time-critical transactions in extreme circumstances?

PFMI: Q.17.6.6

AGC: n/a

The procedures described in the Contingency Plan consider alternative arrangements, i.e. manual entries and paper-based procedures in extreme circumstances.

563 G16Q060

How are the CSD's business continuity and contingency arrangements reviewed and tested, including with respect to scenarios related to wide-scale and major disruptions? How frequently are these arrangements reviewed and tested?

PFMI: Q.17.6.7

AGC: n/a

The Business Contingency Plan is reviewed at least annually or earlier in the event of a change in operations or systems. It includes a detailed inventory of the technical resources (machines, applications and data) involved in the contingency.

564 G16Q061

How does the review and testing of the CSD's business continuity and contingency arrangements involve the CSD's participants, critical service providers and linked CSD? as relevant? How frequently are the CSD's participants, critical service providers and linked CSD? involved in the review and testing?

*PFMI: Q.17.6.8**AGC: n/a*

Interbolsa and some of its Customers take part in the Disaster Recovery Tests conducted by the T2S – In 2018 it was established the months of May and November to perform the tests. Interbolsa also performs tests with Banco de Portugal. Some of the critical services providers are requested to participate in the tests.

565 G16Q062

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?

*PFMI: Q.17.6.8**AGC: 81*☒ Yes☐ No

566 G16Q063

Does your Business Recovery Plan include:

*PFMI: Q.17.6.8**AGC: 81a, 81h.*

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

567 G16Q064

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

PFMI: Q.17.6.8

AGC: 81b.

Once a year.

Last test with participants took place on January 9th, 2021 (The test scheduled by T2S on October 2020 as postponed to January 2021)

568 G16Q065

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

PFMI: Q.17.6.8

AGC: 81c.

569 G16Q066

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

PFMI: Q.17.6.8

AGC: 81d.

Whenever changes are implemented

570 G16Q067

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

PFMI: Q.17.6.8

AGC: 81e.

571 G16Q068

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

PFMI: Q.17.6.8

AGC: 81f.

Clearing House - Whenever changes are implemented Foreign currency payment system - Whenever changes are implemented

572 G16Q069

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

PFMI: Q.17.6.8

AGC: 85

- ☐ Yes
- ☒ No
- ☐ Not applicable

573 G16Q070

If yes, how much time was needed to implement the recovery plan?

PFMI: Q.17.6.8

AGC: 85a.

- ☐ Less than 1 hour
- ☐ 1 - 2 hours
- ☐ 2 - 4 hours
- ☐ Longer than 4 hours

574 G16Q071

How much time was needed to recover and restore business to normal operations?

*PFMI: Q.17.6.8**AGC: 85b.*

- ☐ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours

575 G16Q072

What was the impact to the market?

*PFMI: Q.17.6.8**AGC: 85c, 85d.*

- ☐ All securities settlements took place as scheduled on the same day with good value
- ☐ All cash settlements took place as scheduled on the same day with good value
- ☐ All securities settlements took place one business day late with good value
- ☐ All cash settlements took place one business day late with good value
- ☐ All securities settlements took place one business day late with value one day late
- ☐ All cash settlements took place one business day late with value one day late
- ☐ All securities settlements took place more than one business day late
- ☐ All cash settlements took place more than one business day late
- ☐ As a result of the system failure, all fines and penalties for late settlements were waived
- ☐ Even though there was a system failure, all fines and penalties for late settlements were still assessed
- ☐ OTHER:

576 G16Q073

If no or other, please explain

*PFMI: Q.17.7.4**AGC: 40a.*

577 G16Q074

What risks has the CSD identified to its operations arising from its key participants, other CSD, and service and utility providers? How and to what extent does the CSD monitor and manage these risks?

PFMI: Q.17.7.1

AGC: n/a

Interbolsa identifies (reviews and keeps the identification up-to-date), on an ongoing basis, the key participants in its securities settlement systems (SSS) based on the transaction volumes and values.

Interbolsa created a Risk Assessment Questionnaire in order to assess the risk posed to Interbolsa by its main participants.

Interbolsa manages the dependencies with critical utilities providers and critical service providers through adequate contractual and organisational arrangements, as well as through specific provisions in its business continuity policy and disaster recovery plan. In case any service provider further sub-contract any elements of the services provided to Interbolsa, the contractual arrangements foresee a prior approval by Interbolsa.

Interbolsa prepared a Risk Assessment Questionnaire and has sent it to its critical service providers in order to assess the risks posed by each of them. This questionnaire was created based in the assessment methodology for the oversight expectations applicable to critical service providers issued by the CPMI – IOSCO (Committee on Payments and Market Infrastructures and the Board of the International Organization of Securities Commissions). Interbolsa ensures that its systems and communication arrangements with other CSDs or market infrastructures are reliable, secure and designed to minimise operational risk.

Any arrangements with another CSD or another market infrastructure provides that:

- (i) The other CSD or other financial market infrastructure discloses to Interbolsa any critical service provider on which the other CSD or market infrastructure relies;
- (ii) The governance arrangements and management processes in the other CSD or other market infrastructure do not affect the smooth provision of services by Interbolsa, including the risk management arrangements and the non-discriminatory access conditions.

578 G16Q075

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?

PFMI: Q.17.7.1

AGC: 39

☐ Yes

☐ No

☒ Not applicable

579 G16Q076

Please explain

PFMI: Q.17.7.1

AGC: 39a

580 G16Q077

If the CSD has outsourced services critical to its operations, how and to what extent does the CSD ensure that the operations of a critical service provider meet the same reliability and contingency requirements they would need to meet if they were provided internally?

PFMI: Q.17.7.2

AGC: n/a

The vault of the deposit of physical certificates is outsourced to a commercial bank (except for global certificates). The outsourcing contract specifies the security measures that must be adopted and the reliability and contingency requirements they would need to provide this service to Interbolsa.

581 G16Q078

How and to what extent does the CSD identify, monitor and mitigate the risks it may pose to another FMI?

PFMI: Q.17.7.3

AGC: n/a

See question 577

582 G16Q079

To what extent does the CSD coordinate its business continuity arrangements with those of other interdependent CSDs?

PFMI: Q.17.7.4

AGC: n/a

See question 577

583 G16Q080

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

*PFMI: Q.17.7.4**AGC: 40*

- ☒ Yes
- ☐ No
- ☐ Not applicable
- ☐ Other

584 G16Q081

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Access and participation requirements (PFMI Principle 18)

585 G17Q001

Summary narrative for PFMI Principle 18. 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.)

PFMI: Annex A - CSD disclosure template - IV.P18

AGC: n/a

Interbolsa Regulation 1/2016 defines the terms and conditions of participation to the securities settlement systems and centralised securities systems (abbreviated as Systems) managed by Interbolsa.

According to article 1 of Interbolsa Regulation 1/2016, can be participants to the securities settlement systems and to the centralised securities system managed by Interbolsa, generically designated as affiliates or participants, the entities referred in articles 267 and 268 of the Portuguese Securities Code and in article 2 of CMVM Regulation 14/2000.

The affiliation has to be formally requested by the applicant to the Managing Board of Interbolsa. The applicant should indicate in the request the type of participation as well as the systems and services they intend to make use of, namely the direct or indirect connection to the TARGET2-Securities platform. Finally, it also has to prove its capacity to fulfil the requisites foreseen in Interbolsa Regulation 1/2016. Those requirements are considered prerequisites for obtaining and maintaining the position of Interbolsa's affiliate.

Actually, affiliates must immediately notify Interbolsa if and when they are aware of any circumstance liable to affect the fulfilment of the requirements for access, or its maintenance, as outlined in Interbolsa Regulation 1/2016, or any other obligation inherent in their position as affiliates, without affecting the competency of Interbolsa to inspect, at any moment, the respective compliance.

586 G17Q002

What are the CSD's criteria and requirements for participation (such as operational, financial and legal requirements)?

PFMI: Q.18.1.1

AGC: n/a

Interbolsa Regulation 1/2016 defines the terms and conditions of participation to the securities settlement systems and centralised securities systems (abbreviated as Systems) managed by Interbolsa.

587 G17Q003

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

PFMI: Q.18.1.1

AGC: 19

- ☒ Yes
- ☐ No
- ☐ Not applicable

588 G17Q004

How do these criteria and requirements allow for fair and open access to the CSD's services, including by direct and, where relevant, indirect participants and other CSD?, based on reasonable risk-related participation requirements?

PFMI: Q.18.1.2

AGC: n/a

The access criteria and requirements identified by Interbolsa allow for fair and open access to Interbolsa's Services.

589 G17Q005

How are the participation requirements for the CSD justified in terms of the safety and efficiency of the CSD and its role in the markets it serves, and tailored to and commensurate with the CSD's specific risks?

PFMI: Q.18.2.1

AGC: n/a

The participation requirements to access Interbolsa's systems were constructed considering the safety and efficiency of Interbolsa and its role in the Portuguese market.

590 G17Q006

Are there participation requirements that are not risk-based but required by law or regulation? If so, what are these requirements?

PFMI: Q.18.2.2

AGC: n/a

N/A

591 G17Q007

What governs the relationship between the CSD and the participants?

PFMI: Q.18.2.2

AGC: 20

- ☐ Relevant law and regulation
- ☒ Standard participation contract
- ☐ Established terms and conditions of participation
- ☐ By-laws of the CSD
- ☒ Rules of the CSD
- ☐ Not applicable
- ☐ OTHER:

592 G17Q008

Please explain:

PFMI: Q.18.2.2

AGC: 20a

Interbolsa Regulation 1/2016 defines the terms and conditions for participation to the securities settlement systems and centralised securities systems (abbreviated as Systems) managed by Interbolsa.

The admission as participant shall be established by contract containing general conditions previously registered with CMVM and shall be subject to the presentation of a proof of registration with CMVM, where mandatory.

593 G17Q009

Are all classes of participants subject to the same access criteria? If not, what is the rationale for the different criteria (for example, size or type of activity, additional requirements for participants that act on behalf of third parties, and additional requirements for participants that are non-regulated entities)?

PFMI: Q.18.2.3

AGC: n/a

Yes

594 G17Q010

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?

*PFMI: Q.18.2.3**AGC: 17, 17q*

- ☒ Banks
- ☐ Brokers
- ☐ Individuals
- ☒ Foreign Institutions
- ☐ Not applicable
- ☒ OTHER: 7 entities

595 G17Q011

How many Bank participants are there currently? (then please answer 17b)

*PFMI: Q.18.2.3**AGC: 17a.*

29

596 G17Q012

Please select the features included in the eligibility requirements for Banks.

*PFMI: Q.18.2.3**AGC: 17b, 17d*

- ☐ Financial Thresholds
- ☒ Regulatory Oversight
- ☒ Market Experience
- ☒ OTHER: Technical capability

597 G17Q013

Please explain:

*PFMI: Q.18.2.3**AGC: 17d.*

To be participant in the systems of Interbolsa the applicant has to be registered or be recognised by the Portuguese regulator (CMVM).

Interbolsa requests technical capability to connect and to communicate with Interbolsa's systems and operational capability to use the provided services.

Eligible entities should also have, being the case, cash account open in the settlement/payment systems (namely a DCA – Dedicated Cash Account in T2S), either directly or indirectly through a third party.

598 G17Q014

How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3**AGC: 17e.*

599 G17Q015

Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3**AGC: 17f, 17h*☐ Financial Thresholds☒ Regulatory Oversight☒ Market Experience

☒ OTHER: Technical capability to connect and to communicate with Interbolsa's systems and operational capability to use the provided services. Eligible entities should also have, being the case, cash account open in the settlement/payment systems (namely a DCA in T2S), either directly or indirectly, and be registered at CMVM, or obtain the necessary and adequate recognition to operate in Portugal.

600 G17Q016

How many Individual participants are there currently? (then please answer 17j)

*PFMI: Q.18.2.3**AGC: 17i.*

601 G17Q017

Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3**AGC: 17j.*☐ Financial Thresholds☒ Regulatory Oversight☒ Market Experience☐ OTHER:

602 G17Q018

How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3**AGC: 17m.*

11

603 G17Q019

Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3**AGC: 17n, 17p.*☐ Financial Thresholds☒ Regulatory Oversight☒ Market Experience☒ OTHER: Technical capability to connect and to communicate with Interbolsa's systems and operational capability to use the provided services. Eligible entities should also have, being the case, cash account open in the settlement/payment systems (namely a DCA in T2S), either directly or indirectly, and be registered at CMVM, or obtain the necessary and adequate recognition to operate in Portugal.

604 G17Q020

If you have selected "Other entities" above, please explain:

PFMI: Q.18.2.3

AGC: 17q.

Banco de Portugal (The Portuguese Central Bank)
 Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E.(the organisation responsible for the management of Portuguese Government debt)
 SII - Sistema de Indemnização aos Investidores (investor compensation system managed by CMVM)
 LCH, S.A. (CCP for the Portuguese market)
 OMIClear - Sociedade de Compensação de Mercados de Energia, SGCCCC, S.A.,
 Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.
 Euronext Paris, SA

605 G17Q021

Indicate how many "Other entities" are currently participants?

PFMI: Q.18.2.3

AGC: 17r.

7

606 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

PFMI: Q.18.2.3

AGC: 17s, 17u

☐ Financial Thresholds☐ Regulatory Oversight☐ Market Experience

☒ OTHER: Technical capability to connect and to communicate with Interbolsa's systems and operational capability to use the provided services. Eligible entities should also have, being the case, cash account open in the settlement/payment systems (namely a DCA in T2S), either directly or indirectly (with the exception of SII, Omiclear, Euronext Lisbon and Euronext Paris) and be registered at CMVM, or obtain the necessary and adequate recognition to operate in Portugal.

607 G17Q023

How are the access restrictions and requirements reviewed to ensure that they have the least restrictive access that circumstances permit, consistent with maintaining acceptable risk controls? How frequently is this review conducted?

PFMI: Q.18.2.4

AGC: n/a

The access criteria is annually assessed

608 G17Q024

How are participation criteria, including restrictions in participation, publicly disclosed?

PFMI: Q.18.2.5

AGC: n/a

Interbolsa Regulation 1/2016 defines the Participation criteria and is publicly available in Interbolsa's website.

609 G17Q025

Where can a description of the specific eligibility requirements for Bank participants be found?

PFMI: Q.18.2.5

AGC: 17c.

Interbolsa Regulation 1/2016 defines the Participation criteria and is publicly available in Interbolsa's website.

610 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

PFMI: Q.18.2.5

AGC: 17g.

Interbolsa Regulation 1/2016 defines the Participation criteria and is publicly available in Interbolsa's website.

611 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

PFMI: Q.18.2.5

AGC: 17k.

N/A

612 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

PFMI: Q.18.2.5

AGC: 17o.

Interbolsa Regulation 1/2016 defines the Participation criteria and is publicly available in Interbolsa's website.

613 G17Q029

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

PFMI: Q.18.2.5

AGC: 17t.

614 G17Q030

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

PFMI: Q.18.2.5

AGC: 22

☒ By e-mail

☐ By telephone

☐ By public announcement

☐ By press release

☐ Not applicable

☒ OTHER: All material changes are published in Interbolsa's Portal accessible through Internet.

615 G17Q031

Please explain:

PFMI: Q.18.2.5

AGC: 22a.

All material amendments/changes are published in Interbolsa's website. Information is also sent by email.

616 G17Q032

How does the CSD monitor its participants' ongoing compliance with the access criteria? How are the CSD's policies designed to ensure that the information it uses to monitor compliance with participation criteria is timely and accurate?

PFMI: Q.18.3.1

AGC: n/a

Interbolsa monitors and supervises its participants compliance with the access criteria.

617 G17Q033

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

PFMI: Q.18.3.1

AGC: 23

- ☒ The CSD
- ☐ The exchange
- ☒ The CSD's regulator
- ☐ Not applicable
- ☒ OTHER: Banco de Portugal (the Portuguese central bank)

618 G17Q034

Please explain:

PFMI: Q.18.3.1

AGC: 23a

Banco de Portugal (the Portuguese central bank)

619 G17Q035

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

PFMI: Q.18.3.1

AGC: 79

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

620 G17Q036

Please explain other loss or default protections:

PFMI: Q.18.3.1

AGC: 79a

621 G17Q037

Please explain the requirements:

PFMI: Q.18.3.1

AGC: 79b

622 G17Q038

Please explain how these debit caps work:

PFMI: Q.18.3.1

AGC: 79c

623 G17Q039

What type or types of settlement controls

*PFMI: Q.18.3.1**AGC: 79d.*☐ Blocking or freezing of securities positions☒ Controlling DVP settlement☒ Simultaneous DVP☐ OTHER:

624 G17Q040

Please explain:

*PFMI: Q.18.3.1**AGC: 79e.*

625 G17Q041

Please explain:

*PFMI: Q.18.3.1**AGC: 79f.*

Buyer can use the securities after successful payment. If payment is not made the securities remain in the seller's account available for use.

626 G17Q042

Please explain:

*PFMI: Q.18.3.1**AGC: 79g.*

Securities transfer is linked with the payment as both are carried out in the same system.

627 G17Q043

Please identify and explain:

*PFMI: Q.18.3.1**AGC: 79h*

628 G17Q044

Please explain briefly how these work:

*PFMI: Q.18.3.1**AGC: 79i*

629 G17Q045

What are the CSD's policies for conducting enhanced surveillance of, or imposing additional controls on, a participant whose risk profile deteriorates?

*PFMI: Q.18.3.2**AGC: n/a*

Interbolsa's Regulation 1/2016 contains the relevant matters related to participants access, surveillance and additional controls.

630 G17Q046

What are the CSD's procedures for managing the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements?

*PFMI: Q.18.3.3**AGC: n/a*

The procedures for managing the suspension and orderly exit of a participant are contained in Interbolsa's Regulation 1/2016.

631 G17Q047

What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3**AGC: 24*

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

632 G17Q048

Please explain:

*PFMI: Q.18.3.3**AGC: 24a*

633 G17Q049

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

*PFMI: Q.18.3.3**AGC: 25*☐ Yes☒ No

634 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

*PFMI: Q.18.3.3**AGC: 25a.*

635 G17Q051

How are the CSD's procedures for managing the suspension and orderly exit of a participant disclosed to the public?

*PFMI: Q.18.3.4**AGC: n/a*

Through Interbolsa' website

636 G17Q052

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Tiered participation (PFMI Principle 19)

637 G18Q001

Summary narrative for PFMI Principle 19. 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.)

PFMI: Annex A - CSD disclosure template - IV.P19

AGC: n/a

Interbolsa does not organize tiered participation arrangements in its systems. Contractual relationships exist only with direct participants. Interbolsa allows its participants to open as much securities accounts as they need in order to provide segregation to its clients.

Nevertheless, Interbolsa can assess material dependencies between direct participants and participants' clients, where the clients are known to Interbolsa. In this case, Interbolsa conducts a risk exercise in order to identify the participants' clients that are known to Interbolsa whose transactions, based on their volumes and values, are significant in relation to the respective participant's risk management capacity.

638 G18Q002

Does the CSD have any tiered participation arrangements? If so, describe these arrangements.

PFMI: Q.19.1.1

AGC: n/a

639 G18Q003

How does the CSD gather basic information about indirect participation? Which information is collected and how frequently is it updated?

PFMI: Q.19.1.2

AGC: n/a

640 G18Q004

How does the CSD evaluate its risks arising from these arrangements?

PFMI: Q.19.1.3

AGC: n/a

641 G18Q005

What material risks to the CSD arising from tiered participation arrangements has the CSD identified? How has it mitigated these risks?

PFMI: Q.19.1.4

AGC: n/a

642 G18Q006

How does the CSD identify material dependencies between direct and indirect participants that might affect the CSD?

PFMI: Q.19.2.1

AGC: n/a

643 G18Q007

Has the CSD identified (a) the proportion of activity that each direct participant conducts on behalf of indirect participants in relation to the direct participants' capacity, (b) direct participants that act on behalf of a material number of indirect participants, (c) indirect participants responsible for a significant proportion of turnover in the system, and (d) indirect participants whose transaction volumes or values are large relative to the capacity of the direct participant through which they access the CSD to manage risks arising from these transactions?

PFMI: Q.19.3.1

AGC: n/a

644 G18Q008

What risks to the CSD arise, and how does the CSD manage these risks arising from key indirect participants?

PFMI: Q.19.3.2

AGC: n/a

645 G18Q009

What are the CSD's policies for reviewing its rules and procedures in order to mitigate risks to the CSD arising from tiered participation? How frequently is this review conducted?

PFMI: Q.19.4.1

AGC: n/a

646 G18Q010

What criteria does the CSD use to determine when mitigating actions are required? How does the CSD monitor and mitigate its risks?

PFMI: Q.19.4.2

AGC: n/a

647 G18Q011

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Links (PFMI Principle 20)

648 G19Q001

Summary narrative for PFMI Principle 20. 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.)

PFMI: Annex A - CSD disclosure template - IV.P20

AGC: n/a

Interbolsa (as Investor CSD) has direct links with Euroclear France and Euroclear Nederland, and Clearstream Banking (CBF) in T2S. Interbolsa also established a relayed link with NBB-SSS, through the link with Euroclear France and with LuxCSD, through the link with Clearstream Banking Frankfurt (CBF). With these links Interbolsa allows its participants to hold in their securities accounts debt instruments originally registered at the referred CSDs.

The ICSDs have indirect links with the Portuguese market (Interbolsa as issuer CSD) through custody arrangements with custodians which are participants in Interbolsa's systems.

The links between Interbolsa and other CSDs are being implemented in a phased approach:

First phase - Debt instruments accepted as collateral by European Central Bank (ECB);

Second phase - Other securities.

The functionalities available are:

Settlement of Delivery versus Payment (DVP) and Free of Payment (FOP) cross-CSD/transfer operations;

Exercise of rights according to issuer CSD rules (Corporate Actions on Stocks and Corporate Actions on Flows).

In a second phase Interbolsa will also provide tax and other services.

Interbolsa has an Issuer CSD link with Iberclear and with Clearstream Banking (CBF).

649 G19Q002

What process is used to identify potential sources of risk (such as, legal, credit, liquidity, custody and operational risks) arising from prospective links? How does this affect the CSD's decision whether to establish the link?

PFMI: Q.20.1.1

AGC: n/a

650 G19Q003

What links have been established with other CSD? How does the CSD identify, monitor and manage the risks arising from an established link on an ongoing basis?

PFMI: Q.20.1.2

AGC: n/a

Interbolsa (as Investor CSD) has direct links with Euroclear France and Euroclear Nederland, and Clearstream Banking (CBF) in T2S. Interbolsa also established a relayed link with NBB-SSS, through the link with Euroclear France and with LuxCSD, through the link with Clearstream Banking Frankfurt (CBF) .
Interbolsa has an Issuer CSD link with Iberclear and with Clearstream Banking (CBF) .

651 G19Q004

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

PFMI: Q.20.1.2

AGC: 38

There are 3 direct investor-CSD links set up with Euroclear France and Euroclear Nederland and Clearstream Banking (CBF) which currently are used only for ECB eligible debt instruments. There is 2 relayed investor-CSD links set up with NBB-SSS, through Euroclear France, and with LuxCSD through CBF also for ECB eligible debt instruments. Interbolsa has Issuer CSD links with Iberclear and CBF

652 G19Q005

How does the CSD ensure that link arrangements are designed so that it is able to remain observant of the other principles? How frequently is this analysis conducted?

PFMI: Q.20.1.3

AGC: n/a

653 G19Q006

In which jurisdictions has the CSD established links? What are the relevant legal frameworks supporting the established links?

PFMI: Q.20.2.1

AGC: n/a

654 G19Q007

How does the CSD ensure that its links have a well founded legal basis that support its design and provide it with adequate protection in all relevant jurisdictions? How does the CSD ensure that such protections are maintained over time?

PFMI: Q.20.2.2

AGC: n/a

655 G19Q008

What processes are in place to measure, monitor and manage credit and liquidity risks arising from any established links?

PFMI: Q.20.3.1

AGC: n/a

656 G19Q009

If a CSD extends credit to a linked CSD, what processes exist to ensure that credit extensions to the linked CSD are fully covered by high-quality collateral and that credit limits are appropriate?

PFMI: Q.20.3.2

AGC: n/a

657 G19Q010

Are provisional transfers of securities allowed across the link? If so, what arrangements make provisional transfers necessary, and is the retransfer of these securities prohibited until the first transfer is final?

PFMI: Q.20.4.1

AGC: n/a

658 G19Q011

For any established link, how has the investor CSD determined that the rights of its participants have a high level of protection?

PFMI: Q.20.5.1

AGC: n/a

Interbolsa ensures that the foreign CSD with which it holds the securities offers a sound asset protection regime through the signed agreements and its terms and conditions.

659 G19Q012

How frequently is reconciliation of holdings conducted by the entities holding the securities in custody?

PFMI: Q.20.5.2

AGC: n/a

On a daily basis.

660 G19Q013

How does the investor CSD provide a high-level of protection for the rights of its participants (including segregation and portability arrangements and asset protection provisions for omnibus accounts)?

PFMI: Q.20.5.3

AGC: n/a

661 G19Q014

If the CSD uses an intermediary to operate a link, what are the criteria used by the CSD to select the intermediary or intermediaries? Are these criteria risk-based?

PFMI: Q.20.6.1

AGC: n/a

662 G19Q015

What are the respective liabilities of the two linked CSDs and the intermediaries?

PFMI: Q.20.6.2

AGC: n/a

663 G19Q016

What processes exist to measure, monitor and manage the risks arising from use of the intermediary?

PFMI: Q.20.6.3

AGC: n/a

664 G19Q017

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Efficiency and effectiveness (PFMI Principle 21)

665 G20Q001

Summary narrative for PFMI Principle 21. 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.)

PFMI: Annex A - CSD disclosure template - IV.P21

AGC: n/a

666 G20Q002

How does the CSD determine whether its design (including its clearing and settlement arrangement, its operating structure, its delivery systems and technologies, and its individual services and products) is taking into account the needs of its participants and the markets it serves?

PFMI: Q.21.1.1

AGC: n/a

667 G20Q003

How does the CSD determine whether it is meeting the requirements and needs of its participants and other users and continues to meet those requirements as they change (for example, through the use of feedback mechanisms)?

PFMI: Q.21.1.2

AGC: n/a

668 G20Q004

What are the CSD's goals and objectives as far as the effectiveness of its operations is concerned?

PFMI: Q.21.2.1

AGC: n/a

669 G20Q005

How does the CSD ensure that it has clearly defined goals and objectives that are measurable and achievable?

PFMI: Q.21.2.2

AGC: n/a

670 G20Q006

To what extent have the goals and objectives been achieved? What mechanisms does the CSD have to measure and assess this?

PFMI: Q.21.2.3

AGC: n/a

671 G20Q007

What processes and metrics does the CSD use to evaluate its efficiency and effectiveness?

PFMI: Q.21.3.1

AGC: n/a

672 G20Q008

How frequently does the CSD evaluate its efficiency and effectiveness?

PFMI: Q.21.3.2

AGC: n/a

673 G20Q009

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Communication (PFMI Principle 22)

674 G21Q001

Summary narrative for PFMI Principle 22. 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.)

PFMI: Annex A - CSD disclosure template - IV.P22

AGC: n/a

The communication between Interbolsa and its affiliates are done either through SWIFT or through STD – Sistema de Transferência de Dados (Data Transfer System).

For core settlement systems Interbolsa has SWIFT messages according to ISO 15022 or 20222 standards and following international standards. SWIFT ISO 20022 messages are used in the communication with T2S and SWIFT ISO 15022 messages are available to all participants, but it is not mandatory.

Interbolsa has developed and provides to its participants a proprietary channel for the communication with its participants: the STD. STD is a software application made accessible to the participants by Interbolsa, which enables data transfer between users and Interbolsa, through messages and files. The adopted proprietary message structure was designed to be compatible and convertible to ISO messages. A message conversion prototype was developed to ease up the change to ISO 15022 messages via a straight-through-processing.

The two channels, SWIFT and STD, are compatible - the information received from the participants is stored in the same format and in the same databases, regardless of the input channel used; the information sent to the participants has a common origin, regardless of the output channel selected.

Therefore, Interbolsa uses in its communication with participants and market infrastructures "international open communication procedures and standards", according to the requirements established in article 35 of the CSDR.

In what refers the communication between the non-euro currency settlement system managed by Interbolsa, this is processed through STD, according to the connection agreement signed between Interbolsa and Caixa Geral de Depósitos, S.A. (as the operator of the SPME).

675 G21Q002

Does the CSD use an internationally accepted communications procedure and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication procedures?

PFMI: Q.22.1.1

AGC: n/a

Yes, ISO standards

676 G21Q003

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?

*PFMI: Q.22.1.1**AGC: 69*

- ☒ By direct electronic link
- ☐ By receipt of physical account holding statements
- ☐ Not applicable
- ☐ OTHER:

677 G21Q004

Please explain:

*PFMI: Q.22.1.1**AGC: 69a.*

678 G21Q005

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

*PFMI: Q.22.1.1**AGC: 70*

- ☒ Yes
- ☐ No
- ☐ Not applicable

679 G21Q006

How is access given to participants?

*PFMI: Q.22.1.1**AGC: 70a.*

- ☒ By direct electronic link
- ☐ OTHER:

680 G21Q007

Please select type of electronic link:

*PFMI: Q.22.1.1**AGC: 70b.*

- ☐ Dial-up modem
- ☒ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax

681 G21Q008

Please explain:

*PFMI: Q.22.1.1**AGC: 70c.*

682 G21Q009

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

*PFMI: Q.22.1.1**AGC: 72*

- ☒ Yes
- ☐ No
- ☐ Not applicable

683 G21Q010

Please explain:

*PFMI: Q.22.1.1**AGC: 72a*

Private communication network and SWIFT communications network.

684 G21Q011

How does the CSD communicate with Stock Exchanges?

*PFMI: Q.22.1.1**AGC: 73 73a*

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

685 G21Q012

How does the CSD communicate with Payment Systems?

*PFMI: Q.22.1.1**AGC: 73b*

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

686 G21Q013

How does the CSD communicate with Clearing Houses?

*PFMI: Q.22.1.1**AGC: 73c*

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

687 G21Q014

How does the CSD communicate with Registrars?

*PFMI: Q.22.1.1**AGC: 73d*

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

688 G21Q015

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication procedures for cross-border operations?

PFMI: Q.22.1.2

AGC: n/a

Interbolsa uses ISO 20022 messages to communicate with T2S for the settlement of cross-border operations and ISO 15022 messages for Corporate Actions

689 G21Q016

Does the CSD use an internationally accepted communications standard and, if so, which one(s)? If not, how does the CSD accommodate internationally accepted communication standards?

PFMI: Q.22.1.3

AGC: n/a

Yes, ISO standards

690 G21Q017

If the CSD engages in cross-border operations, how do the CSD's operational procedures, processes and systems use or otherwise accommodate internationally accepted communication standards for cross-border operations?

PFMI: Q.22.1.4

AGC: n/a

691 G21Q018

If no international standard is used, how does the CSD accommodate systems that translate or convert message format and data from international standards into the domestic equivalent and vice versa?

PFMI: Q.22.1.5

AGC: n/a

692 G21Q019

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Transparency and disclosure (PFMI Principle 23)

693 G22Q001

Summary narrative for PFMI Principle 23. 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.)

PFMI: Annex A - CSD disclosure template - IV.P23

AGC: n/a

694 G22Q002

What documents comprise the CSD's rules and procedures? How are these documents disclosed to participants?

PFMI: Q.23.1.1

AGC: n/a

Interbolsa's rules and procedures are included, respectively, in Regulations /Circulars/Instruction/Notices and in Manuals.

These documents are publicly available in Interbolsa's website.

695 G22Q003

How does the CSD determine that its rules and procedures are clear and comprehensive?

PFMI: Q.23.1.2

AGC: n/a

Interbolsa's rules are registered within CMVM, for legality control and conformity with the rules, which gives confidence and security to the applicability of those rules. Interbolsa rules are publicly disclosed in Interbolsa's website.

696 G22Q004

What information do the CSD's rules and procedures contain on the procedures it will follow in non-routine, though foreseeable, events?

PFMI: Q.23.1.3

AGC: n/a

697 G22Q005

How and to whom does the CSD disclose the processes it follows for changing its rules and procedures?

PFMI: Q.23.1.4

AGC: n/a

The process to change rules and procedures follow an internal approval and the assessment and approval from the regulator (CMVM – Comissão do Mercado de Valores Mobiliários).

698 G22Q006

How does the CSD disclose relevant rules and key procedures to the public?

PFMI: Q.23.1.5

AGC: n/a

Through its website.

699 G22Q007

What documents comprise information about the system's design and operations? How and to whom does the CSD disclose the system's design and operations?

PFMI: Q.23.2.1

AGC: n/a

Interbolsa has available in its website Manuals that contain system's design and operations relevant information. More detailed information can be provided to Interbolsa's national competent authority.

700 G22Q008

How and to whom does the CSD disclose the degree of discretion it can exercise over key decisions that directly affect the operation of the system

PFMI: Q.23.2.2

AGC: n/a

701 G22Q009

What information does the CSD provide to its participants about their rights, obligations and risks incurred through participation in the CSD?

PFMI: Q.23.2.3

AGC: n/a

Interbolsa provides to its participants in its rules, manuals and other information available in its website, information related to their rights and obligations that enable them to assess the risks incurred.

702 G22Q010

How does the CSD facilitate its participants' understanding of the CSD's rules, procedures and the risks associated with participating?

PFMI: Q.23.3.1

AGC: n/a

Explanation of the services provided and the procedures in place (available in Interbolsa's website), testing of new functionalities.

703 G22Q011

Is there evidence that the means described above enable participants' understanding of the CSD's rules, procedures and the risks they face from participating in the CSD?

PFMI: Q.23.3.2

AGC: n/a

704 G22Q012

In the event that the CSD identifies a participant whose behaviour demonstrates a lack of understanding of the CSD's rules, procedures and the risks of participation, what remedial actions are taken by the CSD?

PFMI: Q.23.3.3

AGC: n/a

Direct information to be provided.

705 G22Q013

Does the CSD publicly disclose its fees at the level of its individual services and policies on any available discounts? How is this information disclosed?

PFMI: Q.23.4.1

AGC: n/a

Yes

706 G22Q014

How does the CSD notify participants and the public, on a timely basis, of changes to services and fees?

PFMI: Q.23.4.2

AGC: n/a

By email and through Interbolsa's website.

707 G22Q015

Does the CSD provide a description of its priced services? Do these descriptions allow for comparison across similar CSD??

PFMI: Q.23.4.3

AGC: n/a

Yes

708 G22Q016

Does the CSD disclose information on its technology and communication procedures, or any other factors that affect the costs of operating the CSD?

PFMI: Q.23.4.4

AGC: n/a

Yes

709 G22Q017

When did the CSD last complete the PFMI Disclosure framework for financial market infrastructures? How frequently is it updated? Is it updated following material changes to the CSD and its environment and, at a minimum, every two years?

PFMI: Q.23.5.1

AGC: n/a

710 G22Q018

What quantitative information does the CSD disclose to the public? How often is this information updated?

PFMI: Q.23.5.2

AGC: n/a

Interbolsa's discloses public information in its website.

711 G22Q019

What other information does the CSD disclose to the public?

PFMI: Q.23.5.3

AGC: n/a

Interbolsa discloses to the public its annual, semi-annual and quarterly financial information.

712 G22Q020

Capital. Are annual financial statements publicly disclosed?

PFMI: Q.23.5.3

AGC: 13

☒ Yes☐ No

713 G22Q021

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

PFMI: Q.23.5.3

AGC: 13a.

☒ Yes☐ No

714 G22Q022

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

PFMI: Q.23.5.3

AGC: 13b.

0

715 G22Q023

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

PFMI: Q.23.5.3

AGC: 13c.

0

716 G22Q024

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

PFMI: Q.23.5.3

AGC: 13d.

<https://www.interbolsa.pt/interbolsa-pt/organizacao/relatoriosdegestao/>

717 G22Q025

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):

*PFMI: Q.23.5.3**AGC: 13e.*

718 G22Q026

Reserves (then please answer 13g):

*PFMI: Q.23.5.3**AGC: 13f.*

719 G22Q027

Retained Earnings:

*PFMI: Q.23.5.3**AGC: 13g.*

720 G22Q028

How does the CSD disclose this information to the public? In which language(s) are the disclosures provided?

*PFMI: Q.23.5.4**AGC: n/a*

This information is available at Interbolsa website. The annual reports are in Portuguese language.

721 G22Q029

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?

*PFMI: Q.23.5.4**AGC: 100*☒ Yes☐ No

722 G22Q030

Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4**AGC: 15f*☒ Yes☐ No

723 G22Q031

Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4**AGC: 16f*☐ Yes☐ No

724 G22Q032

List of publicly available resources. Please list publicly available resources, including those referenced in the disclosure, that may help a reader understand the CSD and its approach to observing each applicable PFMI Principle.

*PFMI: Annex A - CSD disclosure template - V.**AGC: n/a*

725 G22Q033

filecount - Add relevant appendices for this group.

*PFMI: n/a**AGC: n/a*

0

Compliance with SEC Rule 17f-7

726 G23Q001

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?

PFMI: n/a
AGC: 1

☒ Yes

☐ No

727 G23Q002

Please explain

PFMI: n/a
AGC: 1a

728 G23Q003

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:

PFMI: n/a

AGC: 2

☒ 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:

729 G23Q004

Please explain:

PFMI: n/a

AGC: 2a.

730 G23Q005

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:

PFMI: n/a

AGC: 2b.

Interbolsa accepts fungible securities in physical or in dematerialized form. The type of securities can be:

Equities:

- Shares (in registered or bearer form)
- Participation units (closed or open end funds)
- Rights issues
- Warrants
- Certificates
- Structured instruments

Debt instruments:

- Corporate bonds
- Public debt
- Participation bonds
- Convertible bonds
- Commercial paper

731 G23Q006

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?

PFMI: n/a

AGC: 8

☒ 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.

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

☐ OTHER:

732 G23Q007

Please explain:

PFMI: n/a

AGC: 8a.

733 G23Q008

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

PFMI: n/a

AGC: 9

~CMVM - Comissão do Mercado de Valores Mobiliários (The Portuguese Securities Market Commission)

734 G23Q009

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:

PFMI: n/a

AGC: 10

☒ Regulatory authorities?

☒ Independent accountants?

☐ OTHER:

735 G23Q010

Please explain:

PFMI: n/a

AGC: 10a

736 G23Q011

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

PFMI: n/a

AGC: 11

CMVM - Comissão do Mercado de Valores Mobiliários (The Portuguese Securities Market Commission)

737 G23Q012

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

*PFMI: n/a**AGC: 11a.*

- ☒ Fines
- ☒ Restrictions on CSD activities.
- ☒ Suspension of CSD activities.
- ☒ Termination of CSD activities.
- ☐ OTHER:

738 G23Q013

Please explain:

*PFMI: n/a**AGC: 11b.*

739 G23Q013A

Name of Authority #2:

740 G23Q014

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

*PFMI: n/a**AGC: 11c.*

- ☐ Fines
- ☐ Restrictions on CSD activities.
- ☐ Suspension of CSD activities.
- ☐ Termination of CSD activities.
- ☐ OTHER:

741 G23Q015

Please explain:

*PFMI: n/a**AGC: 11d.*

742 G23Q016

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

*PFMI: n/a**AGC: 12*☐ Yes☒ No☐ OTHER:

743 G23Q017

If yes, please explain:

*PFMI: n/a**AGC: 12a.*

744 G23Q018

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?

*PFMI: n/a**AGC: 90*☐ Yes☒ No☐ Not applicable

745 G23Q019

Please describe:

*PFMI: n/a**AGC: 90a.*

746 G23Q020

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?

*PFMI: n/a**AGC: 90b.*☐ Yes☐ No

747 G23Q021

If yes, please describe:

*PFMI: n/a**AGC: 90c.*

748 G23Q022

If no, why not?

*PFMI: n/a**AGC: 90d.*

749 G23Q023

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 than 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.

*PFMI: n/a**AGC: 21*☒ Yes☐ No☐ Not applicable

750 G23Q024

If no, other or not applicable, please explain:

PFMI: n/a

AGC: 21a.

751 G23Q025

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.

PFMI: n/a

AGC: 21b, 21c.

- ☒ Relevant Law and Regulation
- ☒ Standard participation contract
- ☒ Established terms and conditions of participation
- ☐ By-laws of the CSD
- ☒ Rules of the CSD
- ☐ OTHER:

752 G23Q027

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.

PFMI: n/a

AGC: 21d

The Portuguese Law applies to all financial intermediaries that exercise financial intermediation activities in the Portuguese Market, not applying different rules or having discriminatory treatment:

Article 293 of the Portuguese Securities Code (regarding Financial Intermediaries) establishes that:

1. Financial intermediaries of financial instruments are:

- a) Credit institutions and investment firms authorized to exercise financial intermediation activities in Portugal;
- b) Managing entities of collective investment undertakings authorized to exercise this activity in Portugal;
- c) Entities with functions correspondent to those described in the previous paragraphs that are authorized to exercise any financial intermediation activities in Portugal;
- d) Securities investment companies and real estate investment companies.

2. Investment firms of financial instruments are:

- a) Broker companies;
- b) Broker-dealer companies;
- c) Asset managing companies;
- d) The intermediary firms of money markets and foreign exchange markets;
- e) The investment advice firms;
- f) The management entities of MTFs;
- g) Others that are defined as such by law, or that, not being credit institutions, are persons whose regular and professional business consists of providing investment services to third parties or in carrying out investment activities.

The rules regarding the safekeeping of the assets apply to all custodians (financial intermediaries or other entities) and all the assets safekept under Portuguese Law receive the same level of protection (regarding the safeguarding of client assets, please see article 306 of the Portuguese Securities Code, that establishes as general rule that: (1) "In all acts performed, as well as in accounting and operations records, the financial intermediary" (considering the definition of article 293 above) "should maintain a clear distinction between its assets and the assets of each one of its clients". (2) The opening of proceedings for the insolvency, recovery of the company or reorganization of the financial intermediary does not have effects on actions carried out by the financial intermediary on behalf of its clients"

Finally, we should refer that INTERBOLSA does not apply different eligibility criteria to domestic or foreign entities that become affiliates of INTERBOLSA.

As an example:

IB Regulation 1/2016 – articles 5 and 6

Article 4

(Affiliation: requirements)

1. Can access the quality of affiliates the participants that fulfil the following requirements:

- a) To have the technical and operational conditions, as well as human resources, determined by INTERBOLSA, necessary to access to the Systems managed by INTERBOLSA and to the platforms to which INTERBOLSA established a connection, as is the concrete case of T2S platform, and to ensure their functioning in conditions of efficiency and safety;
- b) To enter into an agreement with INTERBOLSA according to the standard agreement annexed to this Regulation;
- c) To be registered, being the case, at the CMVM – *Comissão do Mercado de Valores Mobiliários* (the securities market commission, abbreviated as CMVM), or obtain the necessary and adequate recognition to operate in Portugal;
- d) Communicate to INTERBOLSA, being the case, one or several cash account(s) opened in TARGET2 platform, and in the T2S platform (those designated *Dedicated Cash Accounts*);
- e) To pay the affiliation fee.

2. The requirements foreseen in no. 1 above are considered prerequisites for the obtaining and maintaining of the position of affiliate.

3. (...)

4. (...)

5. (...)

6. (...)

Article 5

(Access of entities of other European Union Member States)

1. By law, the entities in other European Union Member States, such as investment companies, credit institutions, Central Securities Depositories, Securities Settlement Systems, and other entities that by law can acquire the capacity of participant in Interbolsa's Systems, can become affiliates of Interbolsa's systems, either under the freedom to provide services or through branch offices.

2. For the purpose of no.1 above, Article 4 will apply adapted as necessary.

Article 6

(Access of entities of non-European Union Member States)

1. Entities of non-European Union Member States can become affiliates of INTERBOLSA, so long as they are duly authorised to provide services in Portugal, by the competent authority.

2. For the purpose of no.1 above, Article 4 will apply adapted as necessary.

753 G23Q028

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?

*PFMI: n/a**AGC: 46*☒ Yes☐ No

754 G23Q029

If no or other, please explain

*PFMI: n/a**AGC: 46a.*

755 G23Q030

If yes, please indicate the scheduled frequency:

*PFMI: n/a**AGC: 46b, 46c.*☒ Daily☐ Weekly☐ Monthly☐ Quarterly☐ Annually☐ Upon request☐ OTHER:

756 G23Q031

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

PFMI: Q.11.5.2

AGC: 53, 53a

☒ Yes

☐ No

☐ Not applicable

☐ OTHER:

757 G23Q032

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Relevant RSSS recommendations

758 G24Q001

Confirmation of trades between direct market participants should occur as soon as possible after trade execution, but no later than trade date (T+0). Where confirmation of trades by indirect market participants (such as institutional investors) is required, it should occur as soon as possible after trade execution, preferably on T+0, but no later than T+1.

PFMI: 2 - Trade confirmation

AGC: n/a

N/A

759 G24Q002

Rolling settlement should be adopted in all securities markets. Final settlement should occur no later than T+3. The benefits and costs of a settlement cycle shorter than T+3 should be evaluated.

PFMI: 3 - Settlement cycles

AGC: n/a

Interbolsa complies with article 5 of the CSD Regulation (final settlement occurs in T+2).

760 G24Q003

Securities lending and borrowing (or repurchase agreements and other economically equivalent transactions) should be encouraged as a method for expediting the settlement of securities transactions. Barriers that inhibit the practice of lending securities for this purpose should be removed.

PFMI: 5 - Securities lending

AGC: n/a

761 G24Q004

Securities should be immobilised or dematerialised and transferred by book entry in CSDs to the greatest extent possible.

PFMI: 6 - Central securities depositories (CSDs)

AGC: n/a

Interbolsa complies with article 3 of the CSD Regulation (Book-entry form).

762 G24Q005

Entities holding securities in custody should employ accounting practices and safekeeping procedures that fully protect customers' securities. It is essential that customers' securities be protected against the claims of a custodian's creditors.

PFMI: 12 - Protection of customers' securities

AGC: n/a

Interbolsa complies with article 38 of the CSD Regulation (Protection of securities of participants and those of their clients).

763 G24Q006

filecount - Add relevant appendices for this group.

PFMI: n/a

AGC: n/a

0

Cyber Security

764 G25Q001

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

PFMI: n/a

AGC: 101

☒ Yes☐ No

765 G25Q001A

filecount - If you answered Yes to the previous question, please provide a copy or overview

0

766 G25Q002

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

PFMI: n/a

AGC: 102

☒ Yes☐ No

767 G25Q003

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.

PFMI: n/a

AGC: 103

768 G25Q004

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

PFMI: n/a

AGC: 104

☐ Yes☒ No

769 G25Q005

Please advise how often you review the policy.

PFMI: n/a

AGC: 105

- ☒ Annually
- ☐ Semi-annually
- ☐ Other

770 G25Q006

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

PFMI: n/a

AGC: 106

0

771 G25Q007

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

PFMI: n/a

AGC: 107

772 G25Q008

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?

PFMI: n/a

AGC: 108

- ☒ Yes
- ☐ No

773 G25Q009

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

PFMI: n/a

AGC: 109

774 G25Q010

Does your organization use multi-factor authentication

PFMI: n/a

AGC: 110

☒ Yes☐ No

775 G25Q011

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

PFMI: n/a

AGC: 111

☐ Yes☐ No

776 G25Q012

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

PFMI: n/a

AGC: 112

777 G25Q013

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

PFMI: n/a

AGC: 113

778 G25Q014

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

PFMI: n/a

AGC: 114

779 G25Q015

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.

*PFMI: n/a**AGC: 115*☐ Yes☒ No

780 G25Q016

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

*PFMI: n/a**AGC: 116*☒ Vulnerability assessment☒ Scenario based penetration tests☐ Testing of incident response process and technical/business/operations (e.g. table-top exercise)☐ OTHER:

781 G25Q017

For cloud technology and associated cyber security risks, do 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?

*PFMI: n/a**AGC: 117*☐ Yes☐ No

782 G25Q018

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

*PFMI: n/a**AGC: 118*☐ Yes☐ No

783 G25Q019

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

*PFMI: n/a**AGC: 119*☒ Yes☐ No

784 G25Q020

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

*PFMI: n/a**AGC: 120*☒ Yes☐ No

785 G25Q021

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

*PFMI: n/a**AGC: 121*☐ Yes☐ No

786 G25Q022
Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?
PFMI: n/a AGC: 122
<div><input type="radio"/> Yes</div> <div><input type="radio"/> No</div>

Appendices

787 G26Q001
filecount - Add relevant appendices
PFMI: n/a AGC: n/a
0