

# ESMA updates the CSDR Q&As

The updated Q&As provide answers to questions regarding practical issues on the implementation of the new CSDR regime. The latest CSDR Q&As clarify aspects regarding the scope of internalised settlement reporting, namely:

- investment firms are not required to report in case they do not execute transfer orders themselves, which they forward in their entirety to a custodian, irrespective of whether the custodian is established in the EEA or not; and
- trade netting as such does not qualify as internalised settlement.

Q&As are an important tool to promote common supervisory approaches and practices in the application of CSDR. This document is aimed at national competent authorities under the Regulation to ensure that, in their supervisory activities, their actions are converging along the lines of the responses adopted by ESMA. It should also help investors and other market participants by providing clarity on CSDR requirements.

## **Background**

The aim of CSDR is to harmonise certain aspects of the settlement cycle and settlement discipline and to provide a set of common requirements for CSDs operating securities settlement systems across the EU. ESMA will continue to develop Q&As on the CSDR in the coming months and will review and update them where required.