

#Value!

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Welcome to the Depository-Information Gathering Project.

Before beginning, we suggest that you print the entire document for review on paper and review the **Glossary of Terms**. Each will assist you with answering the questions. For help, contact: **Robin D. Truesdale, Baker & McKenzie LLP (202) 835-1664**; e-mail:

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Note

- * When reviewing/updating your prior year's responses in the questionnaire, please ensure that the sub-questions are reviewed/updated as well.
- * Please deselect/uncheck any responses in the sub-questions where those responses are no longer applicable.
- * Please note: Any text in the "other" and/or "please explain/describe" questions should be deleted before deselecting the response. In this regard, note that deselecting a response with written text does not delete the information, it only hides the information from view.
- * Any responses that appear in open text boxes should be deleted if the information is no longer applicable.

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

Response Necessary/Eligibility Question

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

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

- Yes
- No (please answer 1a)
- Other (please answer 1a)

1a. Please explain:

Response Necessary/Eligibility Question

2. Rule 17f-7 also requires that an Eligible Securities Depository "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: (Choose all that apply.)

- Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)
- Act as or operate a transnational system for the central handling of securities or equivalent book-entries? (please answer 2b)
- Act in another capacity with respect to the handling of securities or equivalent book-entries? (please answer 2a)
- Not applicable (please answer 2a)
- Other (please answer 2a)

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

Debt securities.

3. What type of legal entity is the institution? (Choose all that apply.)

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- Other (please answer 3a)

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

- For profit
- Not for profit
- Other (please answer 4a)

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

The Securities Settlement system (SSS) is owned by the National Bank of Belgium (NBB). 50% of the capital of the National Bank of Belgium is owned by the Belgian State and the other 50% by private shareholders.

6. Please answer the following:

6a. What is the date of establishment of the depository? 29/01/1991

6b. What is the date that the depository's operations began? 29/01/1991

7. Under what regulation or statute is the depository established and governed?

The NBB-SSS was primarily created in order to set up an active secondary market in public debt instruments according to the law dated January 2, 1991 related to the Belgian public debt. It is also dedicated to the financing of private entities. This is reflected in the laws determining the system's scope of action:

- The coordinated Royal Decree n°62 dated November 10, 1967 on the Deposit of Fungible Financial Instruments and the Settlement of Transactions involving such instruments;
- The Law dated July 22, 1991 related to commercial papers and certificates of deposits;
- The Company Code.

The securities settlement system operated by the NBB is also recognized by a royal Decree of 14 June 1994 as a settlement system for the implementation of Chapter I of the Law of 6 August 1993 on transactions in certain securities.

7a. Is the regulation or statute electronically available?

- Yes (please answer 7b)
- No

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

http://www.ejustice.just.fgov.be/cgi_loi/loi.pl
https://www.nbb.be/doc/ts/enterprise/juridisch/e/governance/corporate_governance_charter_en.pdf
<https://www.nbb.be/en/securities-settlement-and-payment-systems>
<https://www.nbb.be/en/about-national-bank/administration-and-control/legal-framework>

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

The NBB-SSS is owned by the NBB and operated by a unit of the Financial Market Department within the NBB. The Board of Directors of the NBB is responsible for the NBB's administration and management and makes the policy decision also for the SSS. The NBB publishes on its website a corporate governance statement explaining how its management and supervisory organs operate.

They are no specific governance arrangements for the NBB-SSS. In other words, no specific Board is committed for the NBB-SSS which is a part of the Payment and Securities Service of the NBB.

The Board of Directors of the NBB is composed of the Governor and five to seven directors (seven in 2016). It includes an equal number of French and Dutch speakers, with the possible exception of the Governor. Powers, compositions and functioning of the Board are described in the corporate governance statement.

The curriculum vitae of each Board member is available on the website of the NBB: www.nbb.be.

7e. What are the election procedures?

The Governor is appointed by the King. The Directors are appointed by the King, on the proposal of the Council of Regency.

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

The Governor is appointed for a renewable term of five years and the Directors are appointed for a renewable term of six years.

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

The Governor and the Directors jointly exercise their powers as members of the Board of Directors.

The Board of Directors is a collegiate body, responsible for the administration and management of the Bank in accordance with the Organic Law, the Statutes and the Rules of Procedure, and is in charge of the direction of its policy.

The Board of Directors may not deliberate unless the majority of its members are present.

7h. Who is responsible for regulating the board members?

NBB Corporate Governance Charter.

Response Necessary/Eligibility Question

8. Rule 17f-7 requires that an Eligible Securities Depository “is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that “‘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 depository? (Choose all that apply.)

- 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 (please answer 8a)

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

Oversight department of the NBB.

Response Necessary/Eligibility Question

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

- Regulatory authorities?
- Independent accountants?
- Other (please answer 10a)

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

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

Oversight department of the NBB.

11a.

- Fines
- Restrictions on depository activities.
- Suspension of depository activities.
- Termination of depository activities.
- Other (please answer 11b)

11b. Please explain:

No remedies are determined by the legislation, due to the central banking nature of the National Bank of Belgium.

Name of Authority #2 (please answer 11c):

11c.

- Fines
- Restrictions on depository activities.
- Suspension of depository activities.
- Termination of depository activities.
- Other (please answer 11d)

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

- Yes (please answer 12a)
- No
- Other (please answer 12a)

Capital

13. Are annual financial statements publicly disclosed?

- Yes (please answer 13a)
- No (please answer 13e)
- Other (please answer 13h)

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

- Yes (please answer 13b)

No (if no, please send a copy of the annual report to the Washington office of Baker & McKenzie, 815 Connecticut Ave., NW, Washington, DC

- 20006, Attn: Robin Truesdale)

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

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

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

<https://www.nbb.be/en/publications-and-research/annual-reports>

Internal Audit

14. Is an internal audit undertaken in your depository?

- Yes (please answer 14a)
- No (please proceed to 15)

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

The areas covered by the internal audit are operations and financials. Once the conclusions of the audit are released, the NBB-SSS team takes the necessary actions to implement the recommendations of the report (if any).

14b. Please list the date of your last internal audit: 07/10/2015

Please list the period that the audit covered: 07/10/2015 to 30/10/2015

14c. How frequently does the internal audit occur? (Choose one.)

- Two or more times a year (please answer 14e)
- Annually (please answer 14e)
- Less than annually (please answer 14d)

14d. If less than annually, please explain:

Every two years at least.

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

- Yes

No

14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

- No material exceptions found.
 Minor exceptions found. (please answer 14g)
 Material exceptions found. (please answer 14g)

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

- Yes (please answer 15a)
 No (please proceed to 16)

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

Ernst & Young.

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

10/03/2017

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

01/01/2016 to 31/12/2016

15d. How frequently does the financial audit occur? (Choose one.)

- Two or more times a year (please answer 15f)
 Annually (please answer 15f)
 Less than annually (please answer 15e)

15f. Are the results of the financial audit publicly available?

- Yes
 No

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

- No material exceptions found.
 Minor exceptions found. (please answer 15h)
 Material exceptions found. (please answer 15h)

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

- Yes (please answer 16a)
 No (please proceed to 17)

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

- Banks (please answer 17a)
 Brokers (please answer 17e)
 Individuals (please answer 17i)
 Foreign Institutions (please answer 17m)
 Other entities (please answer 17q)
 Not applicable

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

21 Belgian banks.

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

- Financial Thresholds (please answer 17c)
 Regulatory Oversight (please answer 17c)
 Market Experience (please answer 17c)
 Other (please answer 17d)

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

17d. Please explain:

Geographical limitation : European Economic Area.

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

3 Belgian brokers.

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

- Financial Thresholds (please answer 17g)
- Regulatory Oversight (please answer 17g)
- Market Experience (please answer 17g)
- Other (please answer 17h)

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

In the Terms & Conditions of the NBB-SSS.

17h. If other, please explain:

Geographical limitation : European Economic Area.

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

29 foreign institutions.

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

- Financial Thresholds (please answer 17o)
- Regulatory Oversight (please answer 17o)
- Market Experience (please answer 17o)
- Other (please answer 17p)

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

In the Terms & Conditions of the NBB-SSS.

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

The Belgian State's Treasury, LCH.Clearnet, Brokertec, MTS, SIS SIX, Euroclear Bank, Euroclear France, Clearstream Banking Luxembourg, Clearstream Banking Frankfurt, Monte Titoli, the National Bank of Belgium as monetary authority, the NBB for its own investment portfolio and its client's portfolios, etc are participants in the NBB-SSS.

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

17 participants who are not part of the previous categories.

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

- Financial Thresholds (please answer 17t)
- Regulatory Oversight (please answer 17t)
- Market Experience (please answer 17t)

Other (please answer 17u)

17u. If other, please explain:

In the Terms & Conditions of the NBB-SSS.

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

Yes (please answer 18a)

No

Not applicable

Other (please answer 18b)

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

Yes

No

Not applicable

Other (please answer 19a)

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

Relevant law and regulation

Standard participation contract

Established terms and conditions of participation

By-laws of the depository

Rules of the depository

Other (please answer 20a)

Not applicable

Response Necessary/Eligibility Question

21. Rule 17f-7 requires that an Eligible Securities Depository “holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants.”

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

Yes (please answer 21b)

No (please answer 21a)

Not applicable (please answer 21a)

Other (please answer 21a)

21b. Please confirm the basis for the arrangements 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. (Choose all that apply.)

Relevant Law and Regulation (please answer 21d)

Standard participation contract (please answer 21d)

Established terms and conditions of participation (please answer 21d)

By-laws of the depository (please answer 21d)

Rules of the depository (please answer 21d)

Other (please answer 21c)

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

The law and regulation do not make a distinction between the participants of NBB-SSS, neither the Terms & Conditions of the NBB-SSS.

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

By e-mail

By telephone

By public announcement

By press release

Other (please answer 22a)

Not applicable

22a. Please explain:

Also notified by land mail.

Governance of Participants**23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)**

- The depository
- The exchange
- The depository's regulator
- Other (please answer 23a)
- Not applicable

23a. Please explain:**24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)**

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Other (please answer 24a)
- Not applicable

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

- Yes (please answer 25a)
- No
- Not applicable
- Other (please answer 25b)

DEPOSITORY 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.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

- Government securities
- Equities
- Corporate bonds
- Corporate money market instruments
- Others (please answer 26a)
- Not applicable

26a. Please name the other security types:

-dematerialised obligations referred to in Article 485 of the Company Code;

-other fixed-income securities that can circulate under the system provided for in the Royal Decree such as bearer securities or collective bearer securities (global notes) and registered entries.

27. Is the use of the depository 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). (Choose all that apply.)

- Yes by law for settlement of all instrument types (please answer 27a)
- Yes by law for safekeeping of all instrument types (please answer 27b)
- Yes by market practice for settlement of all instrument types (please answer 27a)
- Yes by market practice for safekeeping of all instrument types (please answer 27b)
- Yes by law for settlement, but not for all instrument types (please answer 27a)
- Yes by law for safekeeping, but not for all instrument types (please answer 27b)
- Yes by market practice for settlement, but not for all instrument types (please answer 27a)
- Yes by market practice for safekeeping, but not for all instrument types (please answer 27b)

Neither/other (please answer 27c)

27c. If neither/other, please explain:

Besides NBB-SSS, the following CSDs are investors for BE-assets :

- Euroclear Bank
- Euroclear France
- SIX-SIS
- Clearstream Banking Luxemburg
- Clearstream Banking Frankfurt
- Monte Titoli

28. 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.

99,99% of the Belgian debt Securities are issued in the NBB-SSS.

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

99,99% of the Belgian debt Securities are issued in the NBB-SSS.

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

- Yes (please answer 29a)
- No
- Not applicable
- Other (please answer 29i)

29a. If third parties are employed, please indicate which services they supply (then please answer 29b):

The settlement and matching of instructions is performed by the T2S Platform since the 29th of March 2016.

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

- Yes (please answer 29c)
- No

29c. If you acknowledge responsibility, please indicate whether your responsibility is assumed (Choose all that apply.)

- regardless of whether such loss was caused by any action or inaction of the agent (please answer 29d)
- 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 (please answer 29d)
- 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 (please answer 29d)
- if the loss was caused by the willful default or other willful conduct on the part of the agent (please answer 29d)
- Other (please answer 29e)

29d. If you acknowledge responsibility for agents, your responsibility is assumed for losses (Choose all that apply.)

- without limit
- which are not consequential losses
- subject to a monetary limit not based on insurance limits (please answer 29f)
- subject to a monetary limit based on insurance limits (please answer 29g)
- Other (please answer 29h)

29h. If other, please explain:

See the point "Liability of the NBB" in the Terms & Conditions of the NBB-SSS.

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

- Yes (please answer 30a)
- No
- Not applicable
- Other (please answer 30m)

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

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

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

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

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

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

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 31a)
- Neither/others (e.g. credit lines used please answer 31b)
- Not applicable

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 32a)
- Neither/others (please answer 32b)
- Not applicable

32b. If others, please explain:

The T2S platform processes the securities and the cash legs of the transactions.

33. Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 33a)
- Neither/others (please answer 33b)
- Not applicable

34. Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository. (please answer 34a)
- Neither/others (please answer 34b)

Not applicable

34b. If others, please explain:

The T2S platform controls the securities and the cash legs of the transactions.

35. Please indicate services you provide. (Choose all that apply.)

- 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. (please answer 35a)

Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c)

- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Other (please answer 35d)
- Not applicable

35c. Collateral Handling: please provide details:

T2S provides a mechanism named "Auto-collateralisation". It means intraday credit granted by a euro area national central bank (NCB) in central bank money and triggered when a Participant has insufficient funds to settle securities transactions, whereby such intraday credit is collateralised either with the securities being purchased (collateral on flow), or with securities held by the Participant in favour of the euro area NCB (collateral on stock).

for more details, see the chapter "Auto-collateralisation" in the Terms & Conditions of the NBB-SSS.

35d. If other services, please explain:

Management of the Belgian fiscal X/N-system (established by the law of 6 August 1993).

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

- Credited to the securities account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 36a)
- Credited to the securities account upon actual receipt by the depository.
- Corporate action entitlements are handled by an entity separate from the depository. (please answer 36c)
- Not applicable
- Other (please answer 36d)

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

- Credited to the cash account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 37a)
- Credited to the cash account upon actual receipt by the depository.
- Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)
- Not applicable
- Other (please answer 37d)

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

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

The following depositories have an account with NBB-SSS :

- Euroclear Bank (direct)
- Monte Titoli (direct)
- Clearstream Banking Luxembourg (direct)
- Euroclear France (via Euroclear Bank)
- LuxCSD (via CBL)
- Clearstream Banking AG-CASCADE (via CBL)
- SIX SIS

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

- Yes (please answer 39a)
- No (please answer 39a)
- Other (please answer 39a)

Not applicable

39a. Please explain:

Yes, contingency measures are in place in case a directly linked (I)CSDs has a problem and regular operational risk assessments are performed.

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

- Yes No (please answer 40a)
 Other (please answer 40a) Not applicable

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

- Yes (please answer 41a)
 No
 Not applicable
 Other (please answer 41d)

41a. If yes, please indicate number: (Choose one.)

- An unlimited number of accounts.
 More than one account (please answer 41b and indicate how many)
 Other (e.g. subaccounts) (please answer 41c)

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

- Yes (please answer 42a)
 No
 Not applicable
 Other (please answer 42d)

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

- Required (please answer 42b)
 Permitted (please answer 42b)
 Other (please answer 42e)

42b. How does segregation occur? (Choose all that apply.)

- By separately designated participant accounts.
 By sub-accounts within a single participant account.
 By separately designated beneficial owner accounts.
 Other - e.g. share registration (please answer 42c)

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

- Yes (please answer 43a)
 No
 Other (please answer 43b)
 Not applicable

44. 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:

44a. By the participant's clients?

- Yes (please answer 44b)
 No
 Not applicable
 Other (please answer 44c)

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

The holdings of clients of a failing participant remain in any case the clients' property. If necessary those clients would have the possibility to ask the NBB-SSS to transfer their assets

to another participant. Although such a case did never occur until now, it is most probably that the official trustee would take care of the assets of the clients and initiate the transfer. Probably it would take some hours, maybe a day or two, before clients' assets would be transferred depending on the actual state of the participant's case.

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

- Yes (please answer 44e)
- No
- Not applicable
- Other (please answer 44f)

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

In case of insolvency of a participant, the liquidator has access to its accounts and can order transfers.

44g. By the participant's creditors?

- Yes (please answer 44h)
- No
- Not applicable
- Other (please answer 44i)

44j. By the depository's creditors?

- Yes (please answer 44k)
- No
- Not applicable
- Other (please answer 44l)

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please refer to "Help" for clarification.)

- Computer file (please answer 45b)
- Microfiche (please answer 45b)
- Hard copy (please answer 45b)
- Computer tape (please answer 45b)
- Other (please answer 45a)

45b. In which format is the source data maintained?

Not disclosed.

Response Necessary/Eligibility Question

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

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

- Yes (please answer 46b)
- No (please answer 46a and then proceed to 48)
- Other (please answer 46a)

46b. If yes, please indicate the scheduled frequency: (Choose one.)

- Daily
- Weekly
- Monthly
- Quarterly
- Annually
- Upon request
- Other (please answer 46c)

46c. If other, please explain:

Intraday is also available.

47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)

- 6 months or less
- 1 year
- 3 years
- 5 years
- 7 years
- Other (please answer 47a)

47a. If other, please explain:

10 years.

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

- Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a)
- Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a)
- Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. (please answer 48a)
- Not applicable
- Other (please answer 48b)

48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?

See <https://www.nbb.be/en/payments-and-securities/securities-settlement-system-nbb-sss> for more details.

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by bookentry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous?

- Yes
- No (please answer 49a)
- Not applicable
- Other (please answer 49c)

When saving Part 1 of the Survey please indicate the status as either In Progress or Complete.

Part 1 Status: Complete