



Commission de Surveillance
du Secteur Financier

Circular CSSF 23/832

Application of the
Guidelines of the European
Securities and Market
Authority on standard
forms, formats and
templates to apply for
permission to operate a
DLT Market Infrastructure
(ESMA70-460-206)

Circular CSSF 23/832

Subject: Application of the Guidelines of the European Securities and Market Authority on standard forms, formats and templates to apply for permission to operate a DLT Market Infrastructure (ESMA70-460-206)

Luxembourg, 5 April 2023

**To all entities intending to
apply under Regulation (EU)
2022/858.**

Ladies and Gentlemen,

The purpose of this circular is to inform you that the CSSF, in its capacity as competent authority under Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology, applies the Guidelines of ESMA on standard forms, formats and templates to apply for permission to operate a DLT Market Infrastructure (Ref. ESMA70-460-213) (the "Guidelines"), published on 08/03/2023. Consequently, the CSSF has integrated the Guidelines into its administrative practice and regulatory approach with a view to promote supervisory convergence in this field at European level.

All concerned entities shall duly comply with them.

1. The Guidelines

The Guidelines are issued by ESMA in accordance with Article 16(1) of the ESMA Regulation and Articles 8(5), 9(5) and 10(6) of Regulation (EU) 2022/858¹.

The objectives of the guidelines are to establish consistent, efficient and effective supervisory practices within the European System of Financial Supervision and to ensure the common, uniform and consistent application of Articles 8(4), 9(4) and 10(4) of Regulation (EU) 2022/858. In particular, they aim at establishing standard forms, formats and templates to apply for specific permissions to operate DLT market infrastructures.

In addition to the information that is mentioned in the Guidelines, in accordance with Regulation (EU) 2022/858, applicants for a specific permission to operate a DLT MTF, a DLT SS or a DLT TSS are reminded that they may have to simultaneously present further information to apply as a CSD or as an investment firm or to operate a regulated market or to demonstrate compliance with Directive 2014/65/EU or Regulation (EU) No 909/2014 (see Articles 8(3), 9(3) and 10(3) and (5) of Regulation (EU) 2022/858). Such further information is not covered by the Guidelines.

The Guidelines apply as from 23 March 2023.

¹ Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU

The Guidelines are attached to this circular and are available on (<https://www.esma.europa.eu>).

2. Scope of application

The present circular shall apply to all entities intending to apply for specific permissions to operate a DLT market infrastructure as defined in Article 2(5) of Regulation (EU) 2022/858.

3. Date of application

This circular shall apply with immediate effect.

Claude WAMPACH
Director

Marco ZWICK
Director

Jean-Pierre FABER
Director

Françoise KAUTHEN
Director

Claude MARX
Director General

Annexe: Guidelines of the European Securities and Market – On standard forms, formats and templates to apply for permission to operate a DLT market infrastructure

Guidelines

On standard forms, formats and templates to apply for permission to operate a DLT market infrastructure

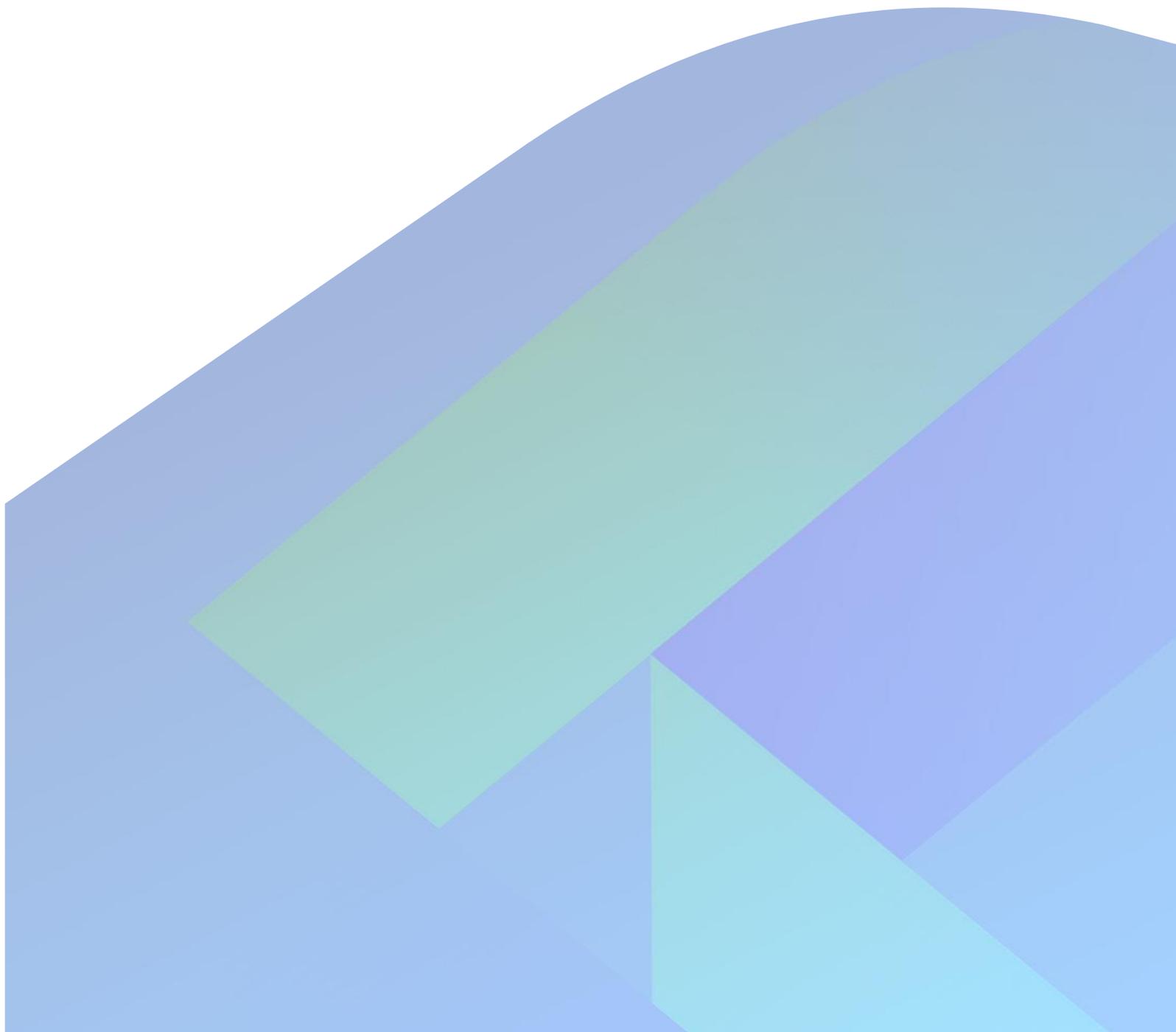


Table of Contents

I. Scope	3
II. Legislative references and abbreviations	4
III. Purpose	6
IV. Compliance and reporting obligations	7
V. Guidelines on standard forms, formats and templates to apply for specific permissions to operate a DLT MI	8
VI. Annex to the Guidelines	10

I. Scope

Who?

1. These guidelines apply to competent authorities as defined in Article 2(21) of Regulation (EU) 2022/858 and to applicants for specific permissions to operate DLT market infrastructures as defined in Article 2(5) of Regulation (EU) 2022/858 (DLT MIs).

What?

2. These guidelines apply in relation to standard forms, formats and templates, to be used to submit information to apply for any specific permission to operate a DLT MI, namely: a DLT Multilateral Trading Facility (DLT MTF), a DLT Settlement System (DLT SS) and a DLT Trading and Settlement System (DLT TSS), as required by Articles 8 to 10 of Regulation (EU) 2022/858 respectively.

When?

3. These guidelines apply from 23 March 2023.

II. Legislative references, abbreviations

Legislative references

<i>Delegated Regulation (EU) 2017/394</i>	Commission Implementing Regulation (EU) 2017/394 of 11 November 2016 laying down implementing technical standards with regard to standard forms, templates and procedures for authorisation, review and evaluation of central securities depositories, for the cooperation between authorities of the home Member State and the host Member State, for the consultation of authorities involved in the authorisation to provide banking-type ancillary services, for access involving central securities depositories, and with regard to the format of the records to be maintained by central securities depositories in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council (OJ L 65, 10.3.2017, p. 145)
<i>Regulation (EU) No 909/2014</i>	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1) (CSDR)
<i>Regulation (EU) No 2022/858</i>	Regulation (EU) 2022/858 of the European Parliament and of the Council on a pilot regime for market infrastructures based on distributed ledger technology and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU (OJ L 151, 2.6.2022, p.1) (DLTR)
<i>Directive 2014/65/EU</i>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349) (MiFID II)
<i>Regulation (EU) No 600/2014</i>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (p. 84–148) (MiFIR)

*ESMA Regulation or
Regulation (EU) No
1095/2010*

Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84)

Abbreviations

<i>DLT</i>	Distributed Ledger Technology
<i>DLT MI</i>	DLT Market Infrastructure
<i>DLT MTF</i>	DLT Multilateral Trading Facility
<i>DLT SS</i>	DLT Settlement System
<i>DLT TSS</i>	DLT Trading and Settlement System
<i>EBA</i>	European Banking Authority
<i>EIOPA</i>	European Insurance and Occupational Pensions Authority
<i>ESFS</i>	European System of Financial Supervision
<i>ESMA</i>	European Securities Markets Authority
<i>EU</i>	European Union

III. Purpose

4. These guidelines are based on Article 16(1) of the ESMA Regulation and Articles 8(5), 9(5) and 10(6) of Regulation (EU) 2022/858.
5. The objectives of these guidelines are to establish consistent, efficient and effective supervisory practices within the ESFS and to ensure the common, uniform and consistent application of Articles 8(4), 9(4) and 10(4) of Regulation (EU) 2022/858. In particular, they aim at establishing standard forms, formats and templates to apply for specific permissions to operate DLT market infrastructures.
6. In addition to the information that is mentioned in these Guidelines, in accordance with Regulation (EU) 2022/858, applicants for a specific permission to operate a DLT MTF, a DLT SS or a DLT TSS are reminded that they may have to simultaneously present further information to apply as a CSD or as an investment firm or to operate a regulated market or to demonstrate compliance with Directive 2014/65/EU or Regulation (EU) No 909/2014 (see Articles 8(3), 9(3) and 10(3) and (5) of Regulation (EU) 2022/858). Such further information is not covered by these Guidelines.

IV. Compliance and reporting obligations

Status of the guidelines

7. In accordance with Article 16(3) of the ESMA Regulation, competent authorities and financial market participants must make every effort to comply with these guidelines.
8. Competent authorities to which these guidelines apply should comply by incorporating them into their national legal and/or supervisory frameworks as appropriate, including where particular guidelines are directed primarily at financial market participants. In this case, competent authorities should ensure through their supervision that financial market participants comply with the guidelines.

Reporting requirements

9. Within two months of the date of publication of the guidelines on ESMA's website in all EU official languages, competent authorities to which these guidelines apply must notify ESMA whether they (i) comply, (ii) do not comply, but intend to comply, or (iii) do not comply and do not intend to comply with the guidelines.
10. In case of non-compliance, competent authorities must also notify ESMA within two months of the date of publication of the guidelines on ESMA's website in all EU official languages of their reasons for not complying with the guidelines.
11. A template for notifications is available on ESMA's website. Once the template has been filled in, it shall be transmitted to ESMA.
12. Financial market participants are not required to report whether they comply with these guidelines.

V. Guidelines on standard forms, formats and templates to apply for specific permissions to operate a DLT MI

Guideline 1: Competent authorities' instructions for application

13. The competent authority should make available on its website instructions on how to submit an application for a specific permission to operate a DLT MI, which should include the tables included in the Annex.
14. In particular, the competent authority should indicate on its website that duly completed application forms, notifications and any related additional information are to be submitted on durable medium. Competent authorities should indicate on their websites whether duly completed application forms, notifications and any related additional information are to be submitted on paper, electronically, or both.
15. For the purposes of these guidelines, 'durable medium' means any instrument which enables the storage of information in a way that is accessible for future reference for a period of time adequate for the purposes of the information and allows the unchanged reproduction of the information stored.
16. The competent authority should indicate on their websites the languages that can be used to fill-in the template. Considering that multiple authorities may be involved in the assessment of the applications, the competent authority may recommend for the applicant to submit the same information in a language customary in the sphere of international finance.
17. The competent authority should also indicate a contact point for handling all information received from any applicants seeking permission to operate a DLT MI. The contact details of the designated contact point should be made public and regularly updated on the competent authorities' websites.

Guideline 2: Submission of application to the competent authority

18. When applying for a specific permission to operate a DLT MI, all applicants should provide the competent authority with the following information:
 - a. Table 1 of the Annex: General information on the applicant; and
 - b. Table 2 of the Annex: General information to be included in an application for permission to operate a DLT MTF, a DLT SS or a DLT TSS.
19. Depending on the applicant regulatory status and on the nature of its application request, Table 3 and/or Table 4 of the Annex should be provided, as follows:
 - a. Where the applicant is or intends to be authorised as an investment firm or to operate a regulated market under Directive 2014/65/EU and intends to operate a DLT MTF or a DLT TSS, it should provide the below information:

Permission sought	Information to provide
1 - Permission to operate a DLT MTF in accordance with Article 8(1) or 8(2) of Regulation (EU) 2022/858	For exemption request(s) to Directive 2014/65/EU and Regulation (EU) No 600/2014 under Article 4 of the Regulation (EU) 2022/858: Table 3
2 - Permission to operate a DLT TSS in accordance with Article 10(1) or 10(2) of Regulation (EU) 2022/858	For exemption request to Directive 2014/65/EU and Regulation (EU) No 600/2014 under Article 4 of Regulation (EU) 2022/858: Table 3 For exemption request to Regulation (EU) No 909/2014 under Article 5 of Regulation (EU) 2022/858: Table 4

- b. Where the applicant is or intends to be authorised as a CSD under Regulation (EU) No 909/2014 and intends to operate a DLT SS or a DLT TSS, it should provide the below information:

Permission sought	Information to provide
1 - Permission to operate a DLT SS in accordance with Article 9(1) or 9(2) of Regulation (EU) 2022/858	For exemption request to Regulation (EU) No 909/2014 under Article 5 of Regulation (EU) 2022/858: Table 4
2 - Permission to operate a DLT TSS in accordance with Article 10(1) or 10(2) of Regulation (EU) 2022/858	For exemption request to Directive 2014/65/EU and Regulation (EU) No 600/2014 under Article 4 of Regulation (EU) 2022/858: Table 3 For exemption request to Regulation (EU) No 909/2014 under Article 5 of Regulation (EU) 2022/858: Table 4

20. For each document listed in Tables 2, 3 or 4 the applicant should identify at least the following information:
- the unique reference number of each document;
 - the title of each document;
 - the chapter, section or page of each document where the relevant information is provided.
21. Where necessary to avoid submitting the same information or document twice, applicants should cross refer to the relevant information or document submitted under a different part of their application file.
22. When the applicant considers that information in addition to the one to be provided under Table 2, Table 3 or Table 4 is relevant for the purposes of the specific permission, the applicant may submit additional specific documents.

VI. Annex to the Guidelines

Table 1

General information

Type of information	Format
Date of application	ISO 8601 date in the format YYYY-MM-DD
Identification of the applicant	
Corporate name of the applicant	Free text
Legal Entity Identifier of the applicant	ISO 17442 Legal Entity Identifier (LEI) 20 alphanumeric character code
segment MIC (applicable for DLT MTFs or DLT TSS)	Market identifier as defined in ISO 10383
Registered address of the applicant	Free text
Contact details of the person at the applicant responsible for the application	Name: Function: Phone number: Email address:
Identification of the application	
Nature of the application	<p><i>Tick the relevant box</i></p> <p>Initial permission to operate a:</p> <ul style="list-style-type: none"> <input type="checkbox"/> DLT MTF under Article 8(1) or 8(2) of DLTR <input type="checkbox"/> DLT SS under Article 9(1) or 9(2) of DLTR <input type="checkbox"/> DLT TSS under Article 10(1) or 10(2) of DLTR <p><input type="checkbox"/> Change to a permission to operate a DLT MI because of a material change to the DLT functioning, services, or activities under Articles 8(13), 9(13) and 10(13) of DLTR</p> <p>Reference of the authorisation: Date:</p>

<p>Where already obtained by the applicant, authorisation under Directive 2014/65/EU or Regulation (EU) 909/2014</p>	<p><i>Tick the relevant box</i></p> <p><input type="checkbox"/> Investment firm under Directive 2014/65/EU Where available, reference of the authorisation: Date:</p> <p><input type="checkbox"/> Market operator under Directive 2014/65/EU Where available, reference of the authorisation: Date:</p> <p><input type="checkbox"/> CSD under Regulation (EU) 909/2014 Where available, reference of the authorisation: Date:</p> <p><input type="checkbox"/> None of the above.</p>
<p>Trading venue(s) or SSS the applicant operates or intends to operate (where applicable)</p>	<p><i>Tick the relevant box and please repeat the entries (name and MIC) where the applicant runs more than one TV per type</i></p> <p><input type="checkbox"/> MTF Name of the MTF/MIC:</p> <p><input type="checkbox"/> Regulated Market Name of the regulated market/MIC:</p> <p><input type="checkbox"/> OTF Name of the OTF/MIC:</p> <p><input type="checkbox"/> Securities settlement system (SSS) Name of the SSS:</p>
<p>Simultaneous application under Directive 2014/65/EU or Regulation (EU) 909/2014</p>	<p><i>Tick the relevant box</i></p> <p><input type="checkbox"/> Investment firm under Directive 2014/65/EU Where available, reference number of the application: Date of submission:</p> <p><input type="checkbox"/> Market operator under Directive 2014/65/EU Where available, reference of the application: Date:</p> <p><input type="checkbox"/> CSD under Regulation (EU) 909/2014 Where available, reference number of the application: Date of submission:</p> <p><input type="checkbox"/> None of the above</p>
<p>List of document and annexes provided</p>	<p><input type="checkbox"/> Table 1</p> <p><input type="checkbox"/> Table 2</p> <p><input type="checkbox"/> Table 3</p> <p><input type="checkbox"/> Table 4</p> <p><input type="checkbox"/> Other documents (please provide a list)</p>

<i>Legal status of the applicant</i>	
The memorandum and articles of association and other constitutional and statutory documentation	[unique reference number of the document(s)]
An excerpt from the relevant commercial or court register, or other forms of certified evidence of the legal address and business activity of the applicant that shall be valid at the date of the application	[unique reference number of the document(s)]
A copy of the decision of the management body regarding the application and the minutes of the meeting in which the management body approved the application file and its submission	[unique reference number of the document(s)]

Table 2

Information that should be included in an application for permission to operate a DLT MTF, a DLT SS or a DLT TSS

Information to be submitted in accordance with Article 8(4), 9(4) and 10(4) of Regulation (EU) 2022/858	Description and/or unique reference number of the document where the information can be found	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided
(a) The business plan of the applicant, the rules of the DLT MI and any legal terms as referred to in Article 7(1) of Regulation (EU) 2022/858			
A <u>business plan</u> describing how the applicant intends to carry out their services and activities.			
<i>Please also provide specific information on the following aspects:</i>			
Description of the critical staff <i>This should include a description of which staff is considered critical and of their role per domain (IT, internal control, risk management etc)</i>			
Type of clients targeted (status, geographical location)			
Description of the technical aspects <i>This should include a detailed description of the DLT technical implementation: supporting infrastructure (systems, networks, applications etc), third party arrangements also providing data flow and network diagrams. If any of these are cloud-based, it should also include specific information in line with ESMA cloud</i>			

<i>computing guidelines</i> ¹ .			
Description of the use of the DLT providing details on the operation on the user side and operators' side (e.g. how and for what purpose the system is used; the expected outcome/ advantages for users; how the users connect to the system)			
Other relevant information if applicable			
<i>Rules defining the rights, obligations, responsibilities and liabilities of the operator of the DLT MI, as well as that of the members, participants, issuers and/or clients using the concerned DLT MI</i>			
<i>Please also provide specific information on the following aspects:</i>			
Criteria for participation			
The governing law of the DLT MI			
The pre-litigation dispute settlement mechanism			
Any insolvency protection measures under Directive 98/26/EC			
The jurisdiction for bringing legal action			
Other relevant information if applicable			
<i>(b) Information regarding the functioning, services and activities of the DLT MI as referred to in Article 7(3) of Regulation (EU) 2022/858</i>			

¹ [Final report on Guidelines on outsourcing to cloud service providers](#), ESMA50-157-2403, 18 December 2020

<p>Type of DLT Financial Instruments traded and or/settled</p>	<p>Indicate:</p> <ul style="list-style-type: none"> <input type="checkbox"/> shares, as referred to in point (a) of Article 3(1) of Regulation (EU) 2022/858 <input type="checkbox"/> bonds, other forms of securitised debt or money market instruments, as referred to in point (b) of Article 3(1) of Regulation (EU) 2022/858. If 'other form of securitised debt', please specify: <input type="checkbox"/> UCITS, as referred to in point (c) of Article 3(1) of Regulation (EU) 2022/858 		
<p>Type of DLT used</p>	<p>Please specify its main characteristics (multiple selection allowed):</p> <ul style="list-style-type: none"> <input type="checkbox"/> permissioned² <input type="checkbox"/> permissionless³ <input type="checkbox"/> private⁴ <input type="checkbox"/> public⁵ <input type="checkbox"/> other characteristics: [please specify] 		
<p>Description of how the operators carry out their functions, services and activities (including description of outsourcing arrangements if any)</p>			
<p>Description of services provided to clients</p>			

² For the purposes of these guidelines, "permissioned" means a DLT network in which only certain participants can perform certain functions (e.g. validation).

³ For the purposes of these guidelines, "permissionless" means a network where any participant can carry out any function.

⁴ For the purposes of these guidelines, "private" means a DLT network that can be joined only by selected participants.

⁵ For the purposes of these guidelines, "public" means a DLT network which anyone can join.

Description of how the performance of those functions, services and activities deviates from those performed by a multilateral trading facility or a securities settlement system that is not based on distributed ledger technology			
If applicable, modality chosen to identify and differentiate the DLT functions, services and activities from those performed by a multilateral trading facility or a securities settlement system that is not based on distributed ledger technology			
Other relevant information if applicable			
(c) Information on the functioning of the DLT used, as referred to in Article 7(2) of Regulation (EU) 2022/858			
Information on the rules on the functioning of the DLT used			
Information of the rules on accessing the distributed ledger			
Information on the rules on the participation of the validating node(s)			
Information on the validation process of transactions on DLT FI			
Information on the rules addressing or detecting potential conflicts of interests			
Information on the rules on risk management including any mitigation measures to ensure investor protection, market integrity and financial stability			
Other relevant information if applicable			
(d) Overall IT and cyber arrangements as referred to in Article 7(4) of Regulation (EU) 2022/858			
Description of controls and arrangements in place related to the use of DLT and DLT			

<p>financial instruments and of any data stored by those operators, at least in respect of the following areas:</p> <p>A – Governance and strategy: internal control and governance arrangements for the IT and information security risks, as well as IT and information security strategy</p> <p>B – IT and information security risk management – policies and procedures in place to identify and manage any IT and information security risk posed by the use of DLT and DLT financial instruments</p> <p>C – Information security arrangements and controls implemented to ensure protection, confidentiality, integrity and availability of funds, collateral and DLT financial instruments of the members, participants, issuers of clients using the DLT MI, as well as of the means of access to them, including at least on the following areas:</p> <ul style="list-style-type: none"> - logical security controls (including segregation of duties, identity and access management, logical separation arrangements etc) - physical security - IT and information security operations - Security monitoring arrangements - security reviews, assessment and testing, training and awareness, and - IT and information security incident management policies and procedures <p>D – System development Life</p>			
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<p>Cycle (SDLC), IT project and change management: policies & procedures, governance and control arrangements</p> <p>E – Business continuity management: policy and procedures</p> <p>F – Third party risk management: policies and procedures, considering also guidance provided by ESMA (EBA/EIOPA, depending on NCA) cloud computing guidelines (in the case of EBA: outsourcing guidelines).</p> <p>Note: if some or all the above-mentions arrangements and controls, are part of the firms' global IT assurance and information security management system for which the firm has already submitted the information to the NCA, then the firm should be invited to provide and highlight the bespoke controls implemented in relation to the use of DLT and DLT financial instruments.</p>			
<p>Other relevant information if applicable</p>			
<p><i>(e) Arrangements to record and protect members', participants', issuers' or clients' funds, collateral or DLT financial instruments in accordance with Article 7(5) of Regulation (EU) 2022/858</i></p>			
<p>Where applicable, a description of safekeeping arrangements in place to prevent the use of such assets on the operator's own account without prior consent of the member, participant, issuer or client concerned</p>			
<p>Information on record-keeping arrangements of, and on means of access to, such assets held by their DLT MI for their members, participants, issuers or clients</p>			

Description of segregation arrangements for funds, collateral or DLT financial instruments, and for means to access such assets, from those of the operator as well as from those of other members, participants, issuers and clients			
Other relevant information if applicable			
<i>(f) Investor protection measures, as referred to in Article 7(6) of Regulation (EU) 2022/858</i>			
Description of the measures established to fulfil the prudential requirements provided for in Regulation (EU) No 909/2014, Regulation (EU) 2019/2033, Directive 2014/65/EU or Directive (EU) 2019/2034, in order to cover the potential liabilities for damages to clients of the operator of the DLT MI as a result of any of the circumstances referred to in the first subparagraph of Article 7(6) of Regulation (EU) 2022/858			
Description of the arrangements ensuring investor protection and demonstration they are transparent and adequate			
Description of the mechanisms for handling client complaints			
Description of procedures for compensation or redress in case of investor loss or cessation of the business			
Other relevant information if applicable			
<i>(g) Transition strategy</i>			
Description of the transition strategy for reducing the activity of or transitioning out of, or ceasing to operate, a DLT MI as referred to in Article 7(7) of Regulation (EU) 2022/858			

If applicable and if any, description of the arrangements concluded to take over operations, as referred to in Articles 7(8) and 7(9) of Regulation (EU) 2022/858			
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Table 3

**Application for a permission to operate a DLT MTF or DLT TSS:
Exemption(s) to Directive 2014/65/EU and Regulation (EU) No 600/2014**

***Details that should be included in the request for exemption(s) in accordance with Article
4(2) and (3) of Regulation (EU) 2022/858***

According to Article 8(4)(h) of Regulation (EU) 2022/858 the application for a specific permission to operate a DLT MTF shall contain information on the exemptions that the applicant is requesting in accordance with Article 4 of that same Regulation, the justification for each exemption requested and any compensatory measures proposed and the means by which it intends to comply with the conditions attached to those exemptions.

Please refer to Article 4 of Regulation (EU) 2022/858 for the specific conditions attached to each exemption. According to Article 4(4) of Regulation (EU) 2022/858, the applicant shall demonstrate that each exemption requested is:

- proportionate to, and justified by, the use of distributed ledger technology; and
- limited to the DLT MTF and does not extend to any other multilateral trading facility operated by that applicant.

Applicants should provide the information to the NCAs as detailed in the table below.

Exemption requested		Short justification, compensatory measures proposed (if any) and means by which conditions attached to exemptions are complied with	Demonstration that the exemption is proportionate and justified by the use of the DLT	Demonstration that the exemption is limited to the DLT MTF and does not extend to any other MTF operated by the applicant	Unique reference number of the document, Title, Chapter or section or page where the information is provided or reason why the information is not provided.
Direct Retail Participation Article 53(3) and 19(2) of Directive 2014/65/EU	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	[Free text]
Transaction reporting Article 26 of Regulation (EU) No 600/2014	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	[Free text]

Table 4

**Application for permission to operate a DLT SS or DLT TSS:
Exemption(s) to Regulation (EU) No 909/2014**

Details that should be included in the request for exemption(s) in accordance with Article 5(2) to (9) of Regulation (EU) 2022/858

According to Article 9(4)(h) of Regulation (EU) 2022/858 the application for a specific permission to operate a DLT SS shall contain information on the exemptions that the applicant is requesting in accordance with Article 5 of that same Regulation, the justification for each exemption requested and any compensatory measures proposed and the means by which it intends to comply with the conditions attached to those exemptions.

Please refer to Article 5(2) to (9) of Regulation (EU) 2022/858 for the specific conditions attached to each exemption. According to article 5(10) of Regulation (EU) 2022/858 the applicant shall demonstrate that each exemption requested is:

- proportionate to, and justified by, the use of its distributed ledger technology; and
- limited to the DLT SS and does not extend to a securities settlement system that is operated by the same CSD.

Applicants should provide the information to the NCAs as detailed in the Table below.

Exemption	Requested	Short justification, compensatory measures proposed (if any) and means by which conditions attached to exemptions are complied with.	Demonstration that the exemption is proportionate to, and justified by, the use of DLT	Demonstration that the exemption is limited to the DLT SS for which specific permission is sought	Unique reference number of the document, Title, Chapter or section or page where the information is provided or reason why the information is not provided
Dematerialised form (Article 2(1)(4) of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	
Transfer orders (Article 2(1)(9) of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	
Securities accounts (Article 2(1)(28) of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	
Recording of securities in book-entry form (Article 3 of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	
Integrity of issue (Article 37 of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	
Segregation of assets (Article 38 of Regulation (EU) No 909/2014) Article 5(2) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	[Free text]	[Free text]	[free text/evidence that the general rule applies in other non-DLT MI]	

Measures to prevent settlement fails (Article 6 of Regulation (EU) No 909/2014) Article 5(3) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Measures to address settlement fails (Article 7 of Regulation (EU) No 909/2014) Article 5(3) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Outsourcing of a core service to a third party (Article 19 of Regulation (EU) No 909/2014) Article 5(4) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Admit as participants other natural and legal persons (Article 2(19) of Regulation (EU) No 909/2014) Article 5(5) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Requirements for participation (Article 33 of Regulation (EU) No 909/2014) Article 5(6) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Transparency (Article 34 of Regulation (EU) No 909/2014) Article 5(6) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	

Communication procedures with participants and other market infrastructures (Article 35 of Regulation (EU) No 909/2014) Article 5(6) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Settlement finality (Article 39 of Regulation (EU) No 909/2014) Article 5(7) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Cash settlement (Article 40 of Regulation (EU) No 909/2014) Article 5(8) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Standard link access (Article 50 of Regulation (EU) No 909/2014) Article 5(9) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Customised link access (Article 51 of Regulation (EU) No 909/2014) Article 5(9) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	
Access between a CSD and another market infrastructure (Article 53 of Regulation (EU) No 909/2014) Article 5(9) of Regulation (EU) 2022/858	<input type="checkbox"/> Yes/ <input type="checkbox"/> No	<i>[Free text]</i>	<i>[Free text]</i>	<i>[free text/evidence that the general rule applies in other non-DLT MI]</i>	



Commission de Surveillance du Secteur Financier

283, route d'Arlon

L-2991 Luxembourg (+352) 26 25 1-1

direction@cssf.lu

www.cssf.lu