

SP /ZW/ 17/2024

Warszawa, 9 July 2024

To: KDPW Direct Participants
Issuers

Dear Madam or Sir,

Further to the letter of 3 October 2023 (ref. no. SCP/ZW/3/2023) announcing the modifications to the KDPW Group's IT systems planned for 2024, in which we informed you, among others, about modifications to granting access to applications in the Services Portal (<https://online.kdpw.pl>) relating to the introduction of a new role of permission administrator, we present below detailed information concerning these modifications. Information about the Services Portal can be found at: <https://www.kdpw.pl/pl/portal-uslug.html>.

First of all, it should be stressed that the modifications will affect those participants of KDPW services who hold the status of direct participant or issuer. In connection with the implementation of the modifications, in order to access services provided by KDPW, participants holding such status will be **required to appoint a permission administrator** responsible for managing the participant's access (in the case of direct participants for all types of activity and types of participation in which they operate in the depository system) to the KDPW web applications available in the Services Portal which the participant uses or will use in the future, in the role defined for the participant and in the groups of services established by KDPW. As part of application access management, the permission administrator will be authorised to grant permissions to other persons authorised by the participant to act in communication with KDPW, in the role of administrator in a particular service or user of the service, and to revoke such permissions by, respectively, granting or revoking their access to a particular application.

Three service groups will be established:

1/ group for direct participants, currently including the following services (applications):

- Issue Registration,
- General Meetings,
- Benefit Payment,
- Shareholder Identification,
- EMIR Trade Repository,
- SFTR Trade Repository,
- ARM Approved Reporting Mechanism,
- ISIN Issuance,
- Compensation Scheme,
- Issuers' Obligations,

2/ group for issuers (dedicated to all issuers except closed-end investment funds), currently including the following services (applications):

- General Meetings,
- Benefit Payment,
- Shareholder Identification,
- Corporate Bodies – Voting,
- Issuers' Obligations,

3/ group for issuers which are closed-end investment funds, whose permission administrator is appointed by the entity representing them, currently including the following services (applications):

- Benefit Payment,
- FIZ Participant Identification.

If further services are made available by KDPW in the future, these groups of services may be extended to include new applications, and the appointed permission administrator will automatically be authorised, on the basis of the rights previously granted, to manage access to such applications as well.

Participants using applications in each of the service groups listed above will be required to appoint at least one person as a permission administrator, separately for each application group, covering at least one application to which they should have access. Consequently, if an entity is, by virtue of its status in KDPW services, qualified for more than one group of services, it will be required to appoint a permission administrator separately for each of these groups. Where a participant holds, for example, both issuer status and direct participant status, it will be required to appoint at least two permission administrators, separately for each participation status. It is important to note that in the group of services assigned to direct participation, the permission administrator will handle all the functions performed by the participant in that participation type, i.e., the functions of a bank operating securities accounts and a brokerage house, as well as other functions performed in other types of participation in other KDPW services; consequently, in the case of a direct participant which is also a participant of other KDPW services, such as ARM, EMIR/SFTR Trade Repository, Compensation System, the permission administrator will manage the permissions of other persons to all these services.

A participant may appoint more than one administrator for each service group and may decide to have the same person act as both administrators, in which case the administrator will need to be granted separate permissions for separate participation statuses (e.g. as permission administrator for the issuer service group and as permission administrator for the direct participant service group).

As a result of the modifications to the access model, only the permission administrator will grant access assigned to the existing administrator role in a given service, and access for the existing role of user of a service will only be granted by the person in the new role of permission administrator or the existing role of service administrator. Consequently, access in the existing roles, i.e. the user role and the administrator role in a service, will no longer be granted by KDPW, and such access requests should not be forwarded (as is currently the case) to KDPW for approval. KDPW will merely accept from participants and grant access in the newly established permission administrator role.

The permission administrator is a new role in the KDPW access system, which means that participants holding a status that qualifies them for a particular service group will be required to nominate a person(s) to act in this role. This means that no existing permissions in the access system will be migrated to this new role; however, all existing user permissions and permissions of administrators of specific services existing in the system will be retained (subject to the information below).

Furthermore, the rules for accessing KDPW web applications will be modified for issuers which are closed-end investment funds. The new permissions model has been implemented in the FIZ Participant Identification application. However, at this time, each issuer which is an investment fund gets separate access to the Benefit Payment application, even if it acts through the same person who has been authorised to access this application on behalf of other funds managed and represented by the same investment fund management company. Under the new access rules, closed-end investment funds will access the Benefit Payment application in the same way as the new application – FIZ Participant Identification, i.e. through persons authorised by the investment fund management company to represent them, and such persons will get access to these applications enabling them to act on behalf of all funds managed and represented by that company. It should be noted that each of the persons authorised to use the KDPW applications will be given the permissions to act on behalf of all the funds managed by the company and such permissions cannot be limited to cover only some of the funds managed by the company. Furthermore, a group of investment funds managed and represented by the same company will designate a common permission administrator referred to above in the applications covered by the group of services attributed to closed-end investment funds in the participation type of issuer.

In connection with the above modifications concerning investment funds, the existing permissions of users and administrators of services acting on behalf of closed-end investment funds in the Benefit Payment application cannot be migrated to the new access model. In the existing model, the permissions of individuals only allow them to act on behalf of the fund which has granted those permissions. In the new model, permissions will be granted by the entity acting as the representative of the funds (investment fund management company, depositary, liquidator), which means that a person who gets access to the application will have the permission to act on behalf of all funds that are represented by the same entity. In view of the above, after the entry into force of the modifications, fund managers, including investment fund management companies, will be required, as a first step, to appoint a permission administrator acting in the group of managed investment funds, after which the permission administrator can give permissions to authorised persons for individual applications assigned to the group of services dedicated to closed-end investment funds.

In order to implement modifications to access handled by the permission administrator, the permission management system will be expanded to include the new permission administrator role. In addition, there will be a new *My Accounts* module dedicated to system users, where they can view their existing permissions and request new permissions. A new form for requesting the role of permission administrator will be made available.

The submission of a request for the assignment of permissions to permission administrator will require the requesting person to provide the LEI of the represented entity in the request form. The permissions of the permission administrator will be assigned to all the institution codes (assigned to the participant by KDPW as part of its participation in individual services) under which the participant holding the LEI code operates in the services assigned to the group of services. In the case of a group of services dedicated to a group of closed-end investment funds represented by the same investment fund management company, the person requesting the permissions of permission administrator will have to provide the LEI of that company in the access request.

The modifications introducing the permission administrator function and the modifications to the access of closed-end investment funds to the Benefit Payment application will be rolled out in September 2024. We will further inform you of the exact rollout date when we publish the amendments to the KDPW regulations introducing these modifications.

A permission administrator will have to be appointed at the latest in due time for the participant to change the persons authorised to act on its behalf in the KDPW applications.

Yours sincerely,

Maciej Trybuchowski
President & CEO

dr Paweł Górecki
Vice President