

Resolution No. 59/1068/24
of the KDPW Supervisory Board of
6 September 2024

Acting in accordance with Article 50 subpara. 1 of the Law on Trading in financial instruments of 29 July 2005, as well as § 20, subpara.2 (6) of the KDPW Articles of Association, the KDPW Supervisory Board has resolved the following:

§ 1

The KDPW Rules, approved on the basis of Resolution No. 42/679/17 of the KDPW Supervisory Board of 26 September 2017 (as amended), shall be amended as follows:

1/ § 104 shall be amended as follows:

“§ 104

1. Direct participants shall be obliged to notify KDPW immediately of any legal measures that have been initiated against them with the aim of the liquidation, reorganisation or restructuring of that participant’s liabilities, resulting in the suspension or restriction of the ability to process settlement instructions, to which the participant was a party (“insolvent participant”). Such notification should be sent via email to the KDPW email address indicated in the KRS National Court Corporate Register.
2. Having received notification of the legal measures, referred to in subpara. 1, initiated against a direct participant, either from the direct participant, or by KDPW from other sources, KDPW shall:
 - 1) immediately prevent the introduction of settlement instructions to the depository system that indicate the insolvent participant as a settlement party,
 - 2) remove from the depository system those settlement instructions that indicate the insolvent participant as a settlement party, where these instructions have been introduced following the initiation of those legal measures against the participant and where they are not subject to execution on the date of the initiation of the measures, or they did not become irrevocable at the moment that KDPW received information on the initiation of the measures,
 - 3) shall perform settlement of transactions to which the insolvent participant is a party, on the basis of settlement instructions introduced to the depository system prior to the prevention of the ability to introduce them, and that have not been cancelled in accordance with point 2 or on the basis of settlement instructions referred to in subpara. 3,
 - 4) following the execution of the settlement described in point 3, KDPW shall transfer securities belonging to clients of the insolvent participant, from the registration accounts managed for that participant onto the registration accounts managed for a direct participant indicated by the Polish

Financial Supervision Authority, or in the event that no such indication has been made, then onto the registration accounts managed for a direct participant that has given consent to such a transfer.

3. The prevention of the ability to introduce to the depository system settlement instructions that indicate the insolvent participant as a settlement party shall not relate to settlement instructions introduced by KDPW_CCP or another participant holding the participation type described in § 24 subpara. 5 points 1 and 2:

1) in order to take measures to prevent the suspension of settlement of transactions that are subject to clearing by such a participant and arising as a result of settlement instructions that have been introduced to the depository system prior to the initiation of the legal measures described in subpara. 1 against the insolvent participant, or that the instructions have been introduced to the depository system following the initiation of these legal measures, however, they were subject to execution on the date the measures were initiated and became irrevocable prior to the receipt of information on the initiation of the legal measures by KDPW, or,

2) in order to execute the settlement instructions that were introduced to the security settlement system managed by such a participant ("settlement system") – on condition that it has applied to KDPW to enable this and has indicated that the insolvent participant at the moment that legal measures, described in subpara. 1 were initiated against that participant, the participant was a participant of the clearing system and that the settlement instructions that were to be introduced to the depository system are the result of settlement instructions that were introduced to the clearing system prior to legal measures being initiated against the insolvent participant, or, if they were introduced to the clearing system following the initiation of the legal measures – that they were subject to execution in this system on the date of their initiation and they become irrevocable at the moment the participant operating the clearing system was notified that legal measures were being initiated against the insolvent participant.

4. The participant holding the participation type described in § 24 subpara. 5 points 1 and 2 shall, together with the application to introduce settlement instructions, described in subpara. 3 point 2, to the depository system, shall apply to KDPW not later than one day following the date of the prevention of the ability of introducing settlement instructions to the depository system indicating the insolvent participant as a settlement party.

5. KDPW may indicate to the participant holding the participation type described in § 24 subpara. 5 points 1 and 2 a deadline for showing that the circumstances, described in subpara. 3 point 2, that shall be at least 2 days, as well as may demand from that participant more precise information on the details of the settlement instruction, described in subpara. 3 point 2 and limit the time that they may be introduced to the depository system.

6. The provisions of subpara. 2 point 4 – where these provisions relate to the transfer of securities belonging to clients of an insolvent participant, performed when the Polish Financial Supervision Authority has not issued an official decision on such a transfer – shall not apply in instances where, on account of the legal measures initiated against the insolvent participant:

1) these provisions would not be justified in particular owing to the intervention of another entity in the rights and obligations of the insolvent participant arising from the participant's participation in the depository system, or

2) the prevention of the ability to introduce settlement instructions to the depository system that indicate that participant as a settlement party is a temporary measure and the participant performs

significant responsibilities deriving from the participant's participation in the depository system and has maintained the status of system participant.

2/ In § 164, subpara. 5 shall be added as follows:

“The Chairman shall maintain a register of conflicts of interest, which shall contain event records of actual or potential conflicts of interest reported to the Chairman or identified by the Chairman. The register shall indicate the date of disclosure of such events, the name and surname of the member of the User Committee to whom the event relates, the circumstances giving rise to an actual or potential conflict of interest, as well as any action that was taken in connection with such a conflict.”.

§ 2

This Resolution shall enter into force two weeks after the date of its publication by the KDPW Management Board, following its approval by the Polish Financial Supervision Authority.

Chairman of the KDPW Supervisory Board

Tomasz Matczuk