



## INFORMATION ON DIFFERENT LEVELS OF SEGREGATION AND RESPECTIVE PROTECTION OF CLIENTS SECURITIES UNDER ARTICLE 38 (6) of CENTRAL SECURITIES DEPOSITORIES REGULATION

### INTRODUCTION

In accordance with the central securities depositories regulation (CSDR, EU regulation 909/2014) the central securities depositories and their participants shall disclose to their clients the levels of protection related to different levels of segregation of securities that they hold for clients with a Central Securities Depository (CSD).

This document includes a description of the main legal implications of the specific levels of segregation offered and information on the principles of insolvency laws.

This document is not intended to be legal or other advice and should not be relied upon as such. Clients should seek their own legal advice if any guidance is required on the matters discussed in this document.

Irrespective of the level of segregation of securities, Estonian law provides that:

- in SEB's books and records securities belonging to the client are always segregated from SEB's own securities and securities of SEB's other clients;
- any securities belonging to the clients of SEB shall not be used to settle claims against SEB or the CSD by their creditors. The same level of protection shall also apply to cases when SEB or the CSD is recognized insolvent in due course of law;
- securities that belong to a client will not be used in transactions, including securities financing transactions that are made by SEB for its own account or for other SEB's clients account, unless the Client has given its prior consent to such transactions.

### OWNER ACCOUNT

This type of account provides for the highest degree of segregation, where securities of a client will be held at the CSD level in an account that is registered in the name of the client and is used for holding securities owned only by this client (individual client segregation).

Please see information about applicable prices to owner accounts in [SEB's pricelist](#).

This level of segregation ensures that:

- securities are segregated from the securities of other clients of SEB or any other entities at the SEB and CSD level;
- The record of the securities belonging to the client is maintained at the CSD level.

The ownership of securities held in an owner account shall not be affected by insolvency proceedings of SEB or the CSD. Furthermore, such segregation level allows speedier insolvency resolution of the affected securities accounts since:

- records of securities ownership are maintained at the level of CSD and can be quickly retrieved from the CSD;
- the right to administer the owner account can be transferred from the insolvent account operator to another account operator as provided by the law.

## OMNIBUS ACCOUNT

In case of an omnibus account, the securities at the CSD level are held in an account registered in the name of SEB, which is used for holding securities of multiple clients of SEB (omnibus client segregation).

The possibility to hold securities on omnibus account is subject to additional conditions and costs as determined by SEB.

This level of segregation ensures that:

- securities of the clients are held separately from those owned by SEB, the CSD and any other CSD participants or their clients;
- the records at the level of lower tier accounts maintained by SEB indicates each client and determine the securities held in omnibus account for each client.

The ownership of securities held in an omnibus account shall not be affected by insolvency proceedings of SEB or the CSD. However, since the exact number of securities belonging to a particular client is determined at the lower tier accounts maintained by SEB, in case of unlikely event of insolvency proceedings of SEB, insolvency resolution of the affected accounts might not be as fast as in case of an owner account (described above).