



KDD

TECHNICAL REGULATIONS

KDD Central Securities Clearing Corporation

1. GENERAL PROVISIONS

Application of Regulations

Article 1

These regulations govern the following:

1. technical requirements that need to be met by users of KDD services in relation to their communications, software and hardware to enable effective provision of services;
2. the form and method of electronic transmission of data that KDD communicates to users during the provision of services or data that users communicate to KDD in relation to the use of their services.

Definition of Terms

Article 2

(1) Terms used hereinbelow shall have the following meaning:

1. **Rules** refer to the Operations Rules of KDD – the Central Securities Clearing Corporation, Ljubljana.
2. **CRVP application** is a software that supports the operations of the central registry information system.
3. **OE (order engine)** is a part of the CVRP application that processes orders entered into the central registry information system.
4. **Client** is a part of the CVRP application that acts as a user interface, enabling access to the OE.
5. **The interface for automatic order transmission** is a part of the CRVP application, enabling access to the OE through a web service or the SWIFT network.
6. **EIG (External Interface Guide)** is a guide for external interfaces.
7. **Order** is either a unilateral order or a delivery or rather a receipt part of a bilateral order.

2. TECHNICAL CONDITIONS FOR USE OF CENTRAL REGISTRY INFORMATION SYSTEM

Method of Service Provision

Article 3

- (1) KDD provides system members with access to the information system through the Client application and the interface for automatic transmission of orders, namely in a manner described in EIG.
- (2) System members are required to install the Client application on at least one workstation used by them for access to the information system. The installation of the Client application is provided by KDD through its intranet.
- (3) System members themselves should take care of a suitable application in their information system in order to be able to use the interface for the automatic transmission of orders.

Technical Conditions Relating to the Server Connection

Article 4

- (1) System members are required to ensure secure internet access for connection with the server managed by KDD.
- (2) KDD guarantees to system members with secure internet access for connection with the server managed by KDD that under normal operating conditions the time between the receipt of the order and the response regarding the receipt and the status of order processed in the information system shall, in at

least 95 % of cases, not exceed 5 seconds. The response time shall not include the time of transfer of order between the member's location and the information system nor the time of transfer or processing of order in other systems (TARGET2-Slovenija, T2S) when such transfers are required for the execution of the order.

(3) In case of failure of the primary access point, KDD guarantees to system members response times as set forth under Paragraph 2 hereinabove through an alternative access point in case the member ensures secure access through an alternative internet connection as stated under Paragraph 1 hereinabove.

Qualified Digital Certificate

Article 5

(1) System members and members-issuers may access the information system or the secure web portal only by using a qualified digital certificate. The qualified digital certificate is issued by an accredited certificate authority.

(2) System members or members-issuers must keep the private key of the qualified digital certificate safe (e.g. on a smart card, smart USB key) to minimize the risk of certificate abuse.

(3) The revocation of the qualified digital certificate of system member whose orders are posted by a person whose qualified digital certificate was revoked or rather a member-issuer on behalf of whom the person whose qualified digital certificate was revoked has access to the system, and KDD shall take effect:

1. if the certificate authority publishes revocation list of qualified digital certificates on its website: on the business day following the day when this revocation was published on the website;

2. in other cases: on the business day following the day when KDD receives notice from the system member or member-issuer on revocation of the qualified digital certificate.

3. ELECTRONIC TRANSMISSION OF DATA ON ORDERS

Form and Method of Electronic Transmission of Orders

Article 6

System members may post an order into the information system either by using the Client application or by using the interface for automatic transmission of orders, in both cases in the form specified in EIG.

Electronic Signing of Orders

Article 7

(1) An order posted by a member into the information system must be digitally signed in a form and manner specified in EIG using a private key from the qualified digital certificate of the person posting the order on behalf of a member.

(2) The form of the posting of orders under Paragraph 1 of the Rules shall not be given:

1. if the order is not posted in the form specified in Article 6 hereof;

2. if the electronic signature does not correspond to the public key of the qualified digital certificate of the person whose username was used to post the order;

3. if the person whose username was used to post the order was not authorized by a system member to post orders of such type; or

4. if the order is not electronically signed in compliance with Paragraph 1 hereof.

Processing and Form of Orders

Article 8

KDD shall process orders as per Article 6 hereof by using the OE application.

4. OTHER ELECTRONIC COMMUNICATION

Electronic Transmission of Data Related to Corporate Actions

Article 9

(1) A member-issuer or some other person shall submit data related to corporate actions through secure web portal and in a form defined in EIG.

(2) The person who shall access the secure web portal on behalf of the member-issuer shall be provided with such access by KDD on the business day following the day when the member-issuer files the application for such access. The member-issuer shall submit the application in the prescribed form and provide the public key of the qualified digital certificate in an electronic form.

(3) KDD may provide a member-issuer with data from the share register or register of other nominal securities it has issued in a manner specified under Paragraph 1 hereof.

Electronic Data Transmission to System Members

Article 10

(1) KDD shall provide system members with the data required by the latter for the operation of back office applications, namely via web services with contents and in a manner defined in EIG.

(2) System members shall access the data set forth under Paragraph 1 hereinabove using the qualified digital certificate issued to an application (information system, organizational unit) by an accredited certificate authority.

(3) A system member shall be provided with access from Paragraph 2 hereinabove on the business day following the day when the respective member files the application for assignment of applicable username. The system member shall submit the application in the prescribed form and provide the public key of the qualified digital certificate issued to an application (information system, organizational unit) in an electronic form.

(4) KDD shall provide system members with access to the web services set forth under Paragraph 1 hereinabove every business day and every settlement day between 7 a.m. and 7 p.m.

Electronic Transmission of Data between KDD and Other Information Systems

Article 11

Exchange of data between KDD and other information systems, including stock exchange trading systems or other trading platforms, shall be conducted as defined in EIG.

5. PROCEDURES IN THE EVENT OF SYSTEM FAILURE

Deadline for Recovery of the Information System

Article 12

(1) If the information system stops working due to a disruption of the hardware managed by KDD or due to a disruption or error in the CRVP application or any other reasons within the competence of KDD, the latter shall ensure that the system resume operation within two hours following disruptive events.

(2) If the recovery of the system as described under Paragraph 1 hereinabove requires an activation of the CRVP application at the secondary processing site in Koper and if traffic or other reasons beyond the powers of KDD prevent access from Ljubljana to Koper, the deadline set forth under Paragraph 1 hereinabove shall be extended for the time required for the transport of KDD personnel that will recover the system from Ljubljana to Koper.

(3) If the information system stops working due to failure in communications or due to other reasons that are beyond the powers of KDD, the latter shall resume operations of the system within two hours following the remedy of the cause of the system failure.

(4) If a system member cannot fulfil any of their obligations in due time due to the information system failure, KDD shall not be entitled to take any actions against the respective system member for at least the same period of time following the recovery of the system as is usually required for the fulfilment of the respective obligation.

Verification of Receipt of Notifications following System Recovery

Article 13

In the event of information system failure, system members shall, after the system resume operations, verify whether they have received a receipt of orders they posted up to the moment of system failure. Should system members not receive such notifications, they shall immediately inform KDD thereof and, in view of the response of KDD, re-post the respective orders if required.

Notifications in the Event of System Failure

Article 14

KDD shall duly notify the following parties of any information system failure and recovery thereof immediately once this is possible:

1. system members;
2. the stock exchange;
3. the agency;
4. the Bank of Slovenia.

6. FINAL PROVISIONS

Final Provisions

Article 15

(1) These regulations shall come into force on the fifteenth day following their publication on the KDD website, and shall apply from 6 February 2017 onwards.

(2) These regulations shall supersede the KDD Technical Regulations of 9 February 2005 (including later amendments). The regulations set forth in the previous sentence shall apply until the present regulations come into force.