

Selected responsibilities of the Supervision Department



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Supervision is exercised from the time of submission of an application by an applicant who wishes to sign a KDPW participation agreement until the agreement is terminated and the participant's accounts are closed. The detailed supervision responsibilities include among others:

- verification of the aggregation of individual holding balances derived from the securities registers kept by participants and the consistency of such aggregate balances presented in daily reports submitted by participants with the balances of corresponding entity accounts kept in KDPW;
- on-site checks at the offices of the participant – direct inspections which cover the following scope: broadly understood securities registers (internal regulations concerning the organisation of registers, the chart of accounts and the registration procedures, the registration system, registration reports, etc.), archiving registration evidence and registration data stored on electronic media, the security of registration systems and registration activities ensuring business continuity in case of a failure or a force majeure event, including compliance with relevant internal regulations.

Where any non-compliance with the KDPW participation requirements is identified, SD takes disciplinary measures, of which the most severe measures include motions to the KDPW S.A. Management Board to take disciplinary action.

- monitoring holding balances and trading in bonds issued by the State Treasury on the basis of monthly reports submitted by the participants according to the relevant Regulation of the Minister of Finance;

The Polish Financial Supervision Authority is notified of any irregularities identified in the course of an inspection or the monitoring to the extent of points 1, 2 and 3.

- reviewing applications of entities which wish to become KDPW system participants, giving opinions on applications for extension of the scope of participation to cover additional activities. An entity which applies for KDPW participation submits an application together with attached documents, which are checked for completeness and used as the basis for evaluation of the entity's compliance with the material and technical requirements (depending on the scope of the participation agreement to be signed or extension of an agreement applied for);
- analysing information described in § 55 subpara. 1 point 1 of the KDPW Rules, provided by a participant in its daily report, on the discrepancy between the balances on entity accounts managed in KDPW and the balances on the corresponding securities and omnibus securities accounts, where the balance on the entity accounts in KDPW is lower than the balance on the corresponding securities and omnibus securities accounts managed by the participant;
- preparing regular information which presents to the KDPW S.A. Management Board the ranking of KDPW participants who are KDPW_CCP cash market clearing members on the basis of statistics from the KDPW system concerning participants' correct performance of functions in the depository system, data provided by participants, and results of the checks of daily reports, as well as submitting individual information to this extent addressed to individual direct participants covered by the ranking.