



**EURONEXT SECURITIES**

Euronext Securities Oslo

Key information – for issuers and  
securities account holders

Norwegian and non-Norwegian securities – recording methods  
and risk factors

/ OSLO

# 1. About this document

**Section 1 to 2** of this document is relevant for **issuers** of Norwegian and non-Norwegian instruments and contain information about jurisdictions that are pre-cleared for primary recording in Euronext Securities Oslo (ES-OSL).

Please note that securities also may be recorded via a CSD link if recording requirements are met (please see Euronext Securities Oslo - CSD Link overview).

Any issuer shall forward their request to record a security in ES-OSL to an **issuer account operator**, regardless of the jurisdiction of the issuer/security.

**Section 3** of this document is relevant for **securities account holder in ES-OSL** with a holding in a security recorded in ES-OSL to enable them to identify the recording method through which a security is recorded, the characteristics and legal effects of each such recording method, and specific risks in respect of the different recording methods.

## 2. Securities issued by issuers in the EEA

- ES-OSL will accept primary recording of relevant instrument types from EEA jurisdictions as set out in the table below if recording requirements are met.
- ES-OSL has submitted passport notification in respect of the non-Norwegian EEA jurisdictions set out in the table below which are currently undergoing processing.
- New jurisdictions/instrument types will be evaluated by ES-OSL on a case by case basis and on demand, and will require the successful completion of the CSDR passporting procedure. The passporting procedure is expected to take around 6 months.

Issuer jurisdiction	Shares	Bonds	Warrants	Mutual Funds
Norway	Yes	Yes	Yes	Yes
Cyprus	Yes	Yes	-	-
Denmark	Yes	Yes	-	-
Finland	Yes	Yes	Yes	-
France	-	Yes	Yes	-
Germany	-	Yes	Yes	-
Iceland	Yes	Yes	-	-
Ireland	-	Yes	-	-
Luxembourg	Yes	Yes	Yes	-
Malta	Yes	Yes	-	-
Netherlands	Yes	Yes	Yes	-
Poland	-	Yes	-	-
Spain	-	Yes	-	-
Sweden	Yes	Yes	Yes	Yes

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### 3. Securities issued by issuers outside of the EEA

- ES-OSL will accept primary recording from non-EEA jurisdictions listed in the table below if recording requirements are met.
- New jurisdictions will be evaluated by ES-OSL on a case-by-case basis and on demand. Each application is subject to approval by ES-OSL. There is no passporting regime for non-EEA jurisdictions, however, local law requirements may apply.

Issuer jurisdiction	Shares	Bonds	Warrants	Mutual Funds
Bermuda	Yes	Yes	-	-
Cayman Islands	Yes	-	-	-
Marshall Islands	Yes	-	-	-
Singapore	Yes	-	-	-
Faroe Islands	Yes	-	-	-
United Kingdom	-	Yes	-	-

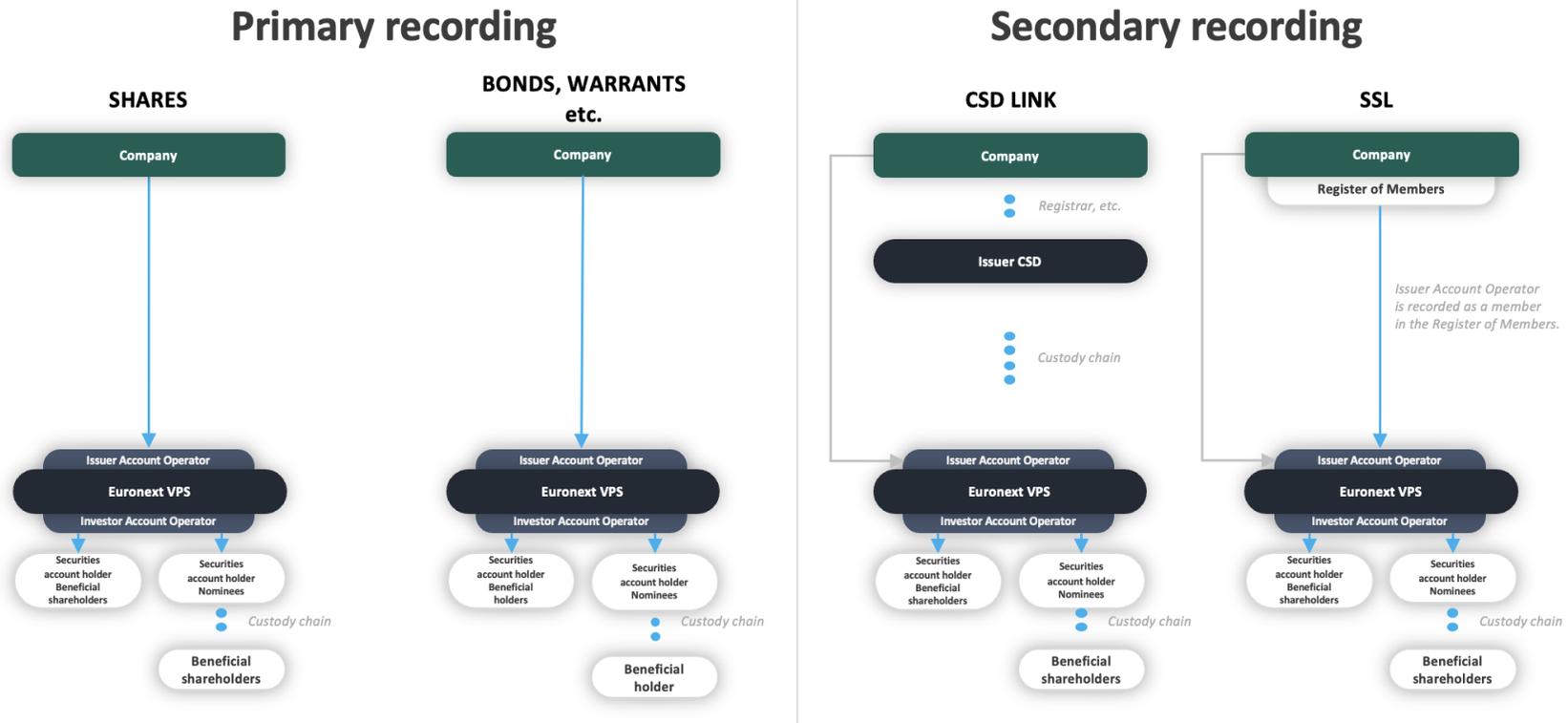
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# 4. KEY INFORMATION TO SECURITIES ACCOUNT HOLDERS – RECORDING METHODS

## CSDR article 34 (5)

According CSDR (regulation 909/2014) article 34 (5)) a CSD shall disclose to all clients information that allows them to assess risks associated with the services provided. Securities may be recorded in ES-OSL via different recording methods. The purpose of this section is to specify the different recording methods, the characteristics of each recording method, how to identify the recording method of a holding of a security account holder and certain specific risks specific to the different recording methods.

### Overview recording methods in ES-OSL



### Recording methods for securities recorded in Euronext Securities Oslo (ES-OSL)

**Shares** may be recorded in ES-OSL through one of the following recording methods:

- Primary recording – pursuant to the rules set out in ES-OSL’s rulebook chapter 2
- CSD link recording – pursuant to the rules set out in ES-OSL’s rulebook chapter 4
- SSL recording– pursuant to the rules set out in ES-OSL’s rulebook chapter 5 (please note however that this recording method will be disapplied as from 31 December 2022)

**Bonds** may be primarily (ES-OSL’s rulebook chapter 2) or secondarily recorded (ES-OSL’s rulebook chapter 4) in ES-OSL.

**Certificates and warrants** shall be primarily recorded in ES-OSL (pursuant to the rules set out in ES-OSL’s rulebook chapter 2).

**Funds** (UCITS, AIFs and ETFs) may be primarily (ES-OSL’s rulebook chapter 2) or secondarily recorded (ES-OSL’s rulebook chapter 4) in ES-OSL.

**Depository receipts** with shares as underlying instrument (DRs) shall be primarily recorded (ES-OSL’s rulebook chapter 2) in ES-OSL, with the issuer of the DR as the issuer.

A security recorded in ES-OSL is regardless of the method of recording in this document referred to as a '**book-entry security**'.

From a Norwegian law perspective:

- For securities recorded via the primary recording method the 'book-entry security' is the security originally issued by the issuer.
- For securities recorded via CSD link the 'book-entry security' is recorded based on the holding of the security originally issued by the issuer in a CSD other than ES-OSL, held by ES-OSL's custodian in a security account held with either Clearstream Banking s.a. or Euroclear Bank SA/NV.
- For securities recorded via SSL the 'book-entry security' is recorded based on the holding of the security originally issued by the issuer, held by ES-OSL's custodian (the issuer account operator of the relevant security) in the issuer's shareholder's register.

#### **Transferability**

The transferability of a book-entry security is generally not affected by the manner through which it is recorded in ES-OSL, whereupon, to the extent a book-entry security is traded on a marketplace (such as Oslo Børs, Euronext Expand or Euronext Growth), marketplace transactions are executed in the same manner regardless of the method of recording in ES-OSL.

***Corporate Actions, voting and exercise of minority rights etc.***

For ***primarily recorded securities***, the securities account holder will have security holder rights (such as shareholder's rights) directly toward the issuer. ES-OSL/account operators may assist in the processing of corporate action processing.

For ***secondarily recorded securities*** the securities account holder's rights in respect of the security are indirect and are exercised via ES-OSL/the issuer account operator and in accordance with ES-OSL/issuer account operator's service offering for the relevant book-entry security.

For most standard corporate action processes the normal procedure in practice for processing of a corporate action is done in the same manner regardless of whether a security is primarily or secondarily recorded, such as in respect of receipt of dividends, subscription rights. Formally, however, the instruction is for primarily recorded securities directed against the issuer, whilst as for secondarily recorded securities it is directed against the immediate intermediary, i.e., ES-OSL.

The rights of a security holder holding secondarily recorded securities may, however, in comparison with the rights of a security holder holding primarily recorded securities, be limited, in particular in respect of the exercise of minority rights and other rights specifically awarded to holders that are regarded as the security holder (e.g., shareholder) pursuant to the local laws of the issuer. On a day-to-day basis this will normally not affect a security account holder, and in the event it is desirable to exercise specific rights under the corporate or similar law of a security, it is necessary to be a *holder* pursuant to local laws (e.g. the 'shareholder') in order to exercise specific rights (such as to file a claim against the company or its officers for breach of minority rights or similar). The same may apply for the exercise of shareholder rights in respect of forced sales under local laws and other similar situations.

***Holding structures in respect of secondarily recorded securities***

For secondarily recorded securities the securities are held in holding structures. Securities holdings shall to the extent available be held on segregated accounts throughout the holding chain, whereupon there is a minimum of counterparty risk in the holding chain. Positions and transactions are reconciled on an ongoing basis between the parties involved in the holding chain.

CSD link-instruments are held via another CSD (Euroclear Bank SA/NV ('EB') and Clearstream Banking s.a. ('CBL') with either DNB Bank ASA or Nordea Bank abp (nuf) as ES-OSL's intermediary. Where EB and CBL is not the issuer CSD of the security the holding structure may include additional intermediaries/CSDs, depending on where the security is originally issued and other factors such as dual listings etc.

SSL-instruments are held via ES-OSL's issuer account operators/custodians in the ownership register of the issuer.

All recording methods applied are standard in the international market for holding of securities.

***Risk factors in respect of secondarily recorded securities***

Notwithstanding that the holding structures as set out above are in accordance with international standard practices, **there are risks** in respect of secondarily recorded securities that the **securities account holder in ES-OSL** should be aware of, cf. ES-OSL's rulebook chapter 4.4, and for which ES-OSL/account operator is not responsible for (unless otherwise follows from ES-OSL's rulebook chapter 2.5.13.1) such as in case of:

- the security account holder's inability to exercise minority rights etc as described above under Corporate Actions, voting and exercise of minority rights etc.;
- loss of rights or delay in distribution of rights due to technical, legal, practical or other comparable considerations in the holding structure;
- shortfall of securities and cash in the holding chain;
- the security account holder's temporary loss of disposition rights e.g., due to bankruptcy, public administration, insolvency, a suspension of payments, a scheme of arrangement affecting an intermediary (sub-custodian) that is part of the holding structure.

In the event of reconciliation issues within the holding chain ES-OSL is under CSDR required to suspend the security from settlement as set out in ES-OSL's rulebook chapter 4.2 to 4.3, which may temporarily affect the security account holder's ability to dispose of the security, including to trade the security via an applicable marketplace.

In the table set out below certain characteristics in respect of a 'book-entry security' are set out depending on the method through which the security is recorded in ES-OSL, and certain risks in this regard.

**Table 1:** Characteristics of a book-entry security in ES-OSL based on the method through which it is recorded

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
1.	ISIN	The original ISIN of the share instrument issued by the issuer	Allocation of ISIN is dependent on the ISIN rules applicable for the relevant security.	The original ISIN of the share instrument issued by the issuer	The original ISIN of the share instrument issued by the issuer
2.	Holding structure <sup>1</sup>	Direct	Direct	Indirect	Indirect
3.	Book-entry security	The security issued by the issuer is equal to the book entry security.	The security issued by the issuer is equal to the book entry security.	Book-entry security recorded in ES-OSL based on holding in underlying security through custody chain via linked CSD.	Book-entry security recorded in ES-OSL based on holding in underlying security through ES-OSL's custodian's holding in the issuer's ownership register.
4.	Governing law - holding and settlement (property law regime) for the book-entry security recorded in ES-OSL <sup>2</sup>	Norwegian law	Norwegian law	Norwegian law	Norwegian law

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
4.1	- Holding <sup>3</sup>	Norwegian law	Norwegian law	Norwegian law	Norwegian law
4.2	- Creation and extinguishing of pledge and limited rights, and exercise of such rights	Norwegian law	Norwegian law	Norwegian law	Norwegian law
4.3	- Transfer of holding <sup>4</sup>	Norwegian law	Norwegian law	Norwegian law	Norwegian law
4.4	- Enforcement <sup>5</sup>	Norwegian law	Norwegian law	Norwegian law	Norwegian law
5.	Governing law - corporate law or similar law	The law of the issuer of the security.	The law of the relevant security <sup>6</sup> .	The law of the issuer of the security.	The law of the issuer of the security.
6.	Directly obliged party for rights emanating from and in respect of the security vis-à-vis security account holder	The issuer of the share (the company)	The issuer of the security	ES-OSL/issuer account operator passes on entitlements and receives instructions from security account holder (in accordance with ES-OSL rules chapter 4).	ES-OSL/issuer account operator passes on entitlements and receives instructions from security account holder (in accordance with ES-OSL rules chapter 5).

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
7.	Corporate actions etc.	Security account holder votes, receives entitlements, exercises rights directly towards issuer.  ES-OSL/issuer account operator may provide services on behalf of issuer.	Security account holder votes, receives entitlements, exercises rights directly towards issuer.  ES-OSL/issuer account operator may provide services on behalf of issuer.	Security account holder votes, receives entitlements, exercises rights via ES-OSL/issuer account operator (in accordance with ES-OSL rules chapter 4).	Security account holder votes, receives entitlements, exercises rights via ES-OSL/issuer account operator (in accordance with ES-OSL rules chapter 5).
7.1	- Voting rights vis-à-vis issuer <sup>7</sup>	Direct (security account holder exercises its voting rights directly towards the issuer)	As set out in the terms of the security	Indirect (via ES-OSL/issuer account operator) and in accordance with service offering	Indirect (via ES-OSL/issuer account operator) and in accordance with service offering
7.2	- Dividends	Direct (security account holder right to dividend is against the issuer).  ES-OSL/issuer account operator may provide services on behalf of issuer.	As set out in the terms of the security  ES-OSL/issuer account operator may provide services on behalf of issuer.	Indirect (via issuer account operator) and in accordance with service offering	Indirect (via issuer account operator) and in accordance with service offering
7.3	- Corporate action rights vis-à-vis issuer	Direct (security account holder receives entitlements from and exercises rights towards issuer) <sup>9</sup>	As set out in the terms of the security	Indirect (via issuer account operator) and in accordance with service offering	Indirect (via issuer account operator) and in accordance with service offering

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
8.	Minority rights etc <sup>8</sup>	Direct (security account holder may exercise )	As set out in the terms of the security	May not be exercised via ES-OSL/ issuer account operator  Security account holder may exercise minority rights etc by exercising a cross border instruction prior to the exercise deadline.	May not be exercised via ES-OSL/ issuer account operator  Security account holder may exercise minority rights etc by exercising a cross border instruction prior to the exercise deadline.
9.	Cross border instructions <sup>9</sup>	NA	NA	Security account holder must instruct its investor account operator	Security account holder must instruct its investor account operator
10.	Information from issuer	Issuer provides information to security account holders according to corporate laws.	Issuer provides information to security account holders as set out in the terms of the security.	ES-OSL/issuer account operator provides information to security account holders in accordance with service offering	ES-OSL/issuer account operator provides information to security account holders in accordance with service offering
11.	Risk factors based on recording method	Security account holder's rights in respect of the security (shareholder rights) are exercised directly against the issuer and are governed by the local laws of the issuer.  To assess shareholder rights, a security account holder must assess	Security account holder's rights in respect of the security (e.g. shareholder rights) are exercised directly against the issuer and are governed by laws of the security.  To assess security holder rights a security account holder must assess	Security account holder's rights in respect of the security are indirect. Rights in respect of the security are exercised via ES-OSL/issuer account operator. Financial rights (rights to dividends) are passed on	Same as for CSD link recordings

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
		<p>the governing documents applicable for the share and local laws of the issuer.</p>	<p>the terms applicable for the security and the local laws of the issuer/the security.</p>	<p>via the issuer account operator (in NOK).</p> <p>Rights in respect of corporate actions (such as subscription of rights) must be exercised pursuant to instructions given by the issuer account operator in each specific case.</p> <p>Security account holder's ability to directly exercise minority rights etc will be limited (cf. footnote 8).</p> <p>To assess security holder rights, a security account holder must assess the governing documents applicable for the security and local laws of the issuer.</p> <p>The book-entry security is recorded based on a holding chain. Security account holder's rights may be affected by adverse events in the holding chain.</p> <p>Specific risk in respect of secondarily recorded securities are</p>	

#	Topic	Primary recording of shares (Norwegian and non-Norwegian shares)	Primary recording of other securities than shares, including bonds, warrants and certificates	CSD link recording of shares (non-Norwegian shares)	Shares recorded via SSL (non-Norwegian shares)
				set out in ES-OSL's rulebook chapter 4.4.	

### How to identify the recording method of securities held on a securities account

The security account holder may identify the recording method of a book-entry security which it holds in its securities account by accessing the lists of CSD link and SSL -instruments available at ES-OSL's web site (documents *ES-OSL SSL instruments* and *ES-OSL CSD-link instruments*).

The security account holder should also assess the corporate or similar law applicable to the relevant instrument.

**Table 2:** Jurisdiction specific overview of recording methods (as per February 2022)

	Issuer jurisdiction	Shares			Bonds		Warrants	Funds	
		Primary recording (PR)	CSD link	SSL	PR	CSD link	PR	PR	Secondary recording
1	Australia	-	Yes	-	Yes	-	-	-	-
2	Bermuda	Yes	Yes	Yes	Yes	-	-	-	-
3	Canada	-	Yes	-	Yes	-	-	-	-
4	Cayman Islands	Yes	Yes	Yes	Yes	-	-	-	-
5	Cyprus	Yes	-	Yes	Yes	-	-	-	-
6	Denmark	Yes	-	-	Yes	-	-	-	-
7	Faroe Islands	Yes	Yes	-	Yes	-	Yes	-	-
8	Finland	Yes	Yes	-	Yes	-	Yes	-	-
9	France	-	Yes	-	Yes	-	Yes	-	-
10	Germany	-	Yes	-	Yes	-	Yes	-	-
11	Iceland	Yes	-	-	Yes	-	-	-	-
12	Ireland	-	Yes	-	Yes	-	-	-	Yes
13	Jersey	-	Yes	-	Yes	-	-	-	-
14	Luxembourg	Yes*	Yes	Yes	Yes	-	Yes	-	Yes
15	Malta	Yes	-	Yes	Yes	-	-	-	-
16	Marshall Islands	Yes	-	Yes	Yes	-	-	-	-

	Issuer jurisdiction	Shares			Bonds		Warrants	Funds	
		Primary recording (PR)	CSD link	SSL	PR	CSD link	PR	PR	Secondary recording
17	Netherlands	Yes	Yes	Yes	Yes	-	Yes	-	-
18	Singapore	Yes	-	Yes	Yes	-	-	-	-
19	Spain	-	-	-	Yes	-	-	-	-
20	Sweden	Yes	Yes	-	Yes	-	Yes	Yes	Yes
21	Switzerland	-	Yes	-	-	-	Yes	-	-
22	United Kingdom	-	Yes	Yes	Yes	-	Yes	-	-
23	USA	Yes	Yes	-	Yes	Yes	-	-	-

'Yes' signifies that a security from the applicable jurisdiction is (as of the date of this overview) recorded in ES-OSL via the applicable recording method.

\* Please note that primary recording in Luxembourg will, due to Luxembourg law, be available as from around Q3-2

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- <sup>1</sup> Direct: The security account holder is the holder of the security on a top tier level and will vis-à-vis the issuer be regarded as the holder of the security (e.g., shareholder for shares). Indirect: the book-entry security recorded in ES-OSL is recorded based on that ES-OSL's custodian holds an amount of the security with a CSD or in the ownership register of the issuer corresponding to the total amount of book-entry securities recorded in ES-OSL. The security account holder will not vis-à-vis the issuer be the holder of the security (e.g., the shareholder) and will receive entitlements and exercise rights in respect of the security via ES-OSL/issuer account operator.
- <sup>2</sup> Legal protection for a registration in ES-OSL is determined by the Norwegian act of 15 March 2019 no. 6 (the 'CSD Act') chapter 7, as well as the rules set out in ES-OSL's rulebook. Recording of holdings, transfer of holdings and the recording of rights in ES-OSL are thus governed by Norwegian law. It is a requirement for the recording of financial instruments in ES-OSL that the issuer account operator controls that the recording in ES-OSL is compliant with Norwegian law, relevant non-Norwegian law and the ES-OSL's rulebook (ES-OSL's rulebook chapter 2.2.5.3).
- <sup>3</sup> The security is held in Norway and the property law aspects in respect of the holding, including who has legal disposition rights to the book entry security is governed by Norwegian law. Local laws shall not conflict with this.
- <sup>4</sup> To the extent an agreement on the transfer of or the attachment of limited rights to book-entry securities recorded in ES-OSL is governed by other laws than Norwegian law, such agreement shall recognise Norwegian law as the law governing the execution of the transfer or the creation of limited rights, as a condition for the recording of the transfer/creation of the limited right.
- <sup>5</sup> The enforcement of claims shall take place pursuant to Norwegian law (in particular Norwegian act of 26 June 1992 no. 86 (the 'enforcement act')).
- <sup>6</sup> For bonds, warrants, certificates and other contractual securities the law of the security is determined by the terms of the applicable security. Notwithstanding this, specific requirements may apply under the local laws of the issuer.
- <sup>7</sup> The exercise of voting rights in respect of secondarily recorded shares are limited to the services offered by ES-OSL/the issuer account operator, and may vary between securities, and certain security holder rights conferred to direct security holders, such as the ability to attend security holder meetings may be unavailable.
- <sup>8</sup> Minority rights etc. are rights such as rights (if any) to file suits against the issuer or officers of the issuer, to exercise specific rights pursuant to the corporate or similar law governing the security, such as rights upon forced sale and other rights conferred to the direct security holder set out pursuant to the local laws of the issuer or the security.
- <sup>9</sup> A cross border instruction is an instruction by the securities account holder instructing that a holding in a security (which is already recorded in ES-OSL) shall be transferred into or out of ES-OSL. In the event the holding is transferred out of ES-OSL, the holding will no longer be part of the recording in ES-OSL (and the specific holding may then no longer be traded on marketplaces relying on recording in ES-OSL), whereupon the holder will hold the holding via another CSD or in the owner register of the issuer.



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