# Application to Securities Lending and Borrowing

 No. \_\_ Date: \_\_ / \_\_ / \_\_\_\_

This application form authorizes the Participant to enter into a Securities Lending and Borrowing arrangement, acting as a Lender or Borrower. By signing the application, Participant is committed to execute Securities Lending and Borrowing transaction in line with AIX CSD Business Rules and Procedures, provisions of Global Master Securities Lending Agreement, warranties and undertakings written down below.

1. **APPLICANT INFORMATION:**

Participant’s Full Legal Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Participant’s authorized person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Applying to act as: **Lender (Lender Representative) [ ]  / Borrower (Borrower Representative)** **[ ]**

1. **DETAILS OF LENDING SECURITIES:** *(please specify securities that are proposed to be loaned)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Security (ticker)** | **Board (equity/debt)** | **ISIN** | **Quantity** | **Effective Date of Return** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. **COLLATERAL FOR BORROWING:** *(please specify collateral in the form of cash and its currency and/or securities)*

Cash collateral **[ ]**  / Non-Cash Collateral **[ ]**

1. **TECHNICAL CAPABILITES:**

Describe technical facilities and systems to manage account dedicated to securities lending activities:

|  |
| --- |
|  |

Describe internal controls of securities lending activities:

|  |
| --- |
|  |

Confirm sufficient solvency to carry out securities lending activities:

|  |
| --- |
|  |

**Warranties and Undertakings**

**By signing this Application, Participant whether acting as Lender or Borrower warrants and undertakes the following:**

Participant ensures compliance with all requirements prescribed by AIX CSD Business Rules and Procedures, provisions of securities lending and borrowing agreement and any other rules and provisions applicable to regulation of securities lending and borrowing.

Participant is properly authorised in accordance with the Rules and Procedures of AIX CSD, and it is not restricted by the terms of its jurisdiction, license or in any other manner from borrowing/lending Securities.

Participant has in place sufficient qualified staff including technical and organizational resources together with front office and/or back-office systems to meet all operational functionalities, requirements and controls.

Participant maintains solvency in accordance with the solvency standards approved by AIX CSD.

Participant has efficient risk management systems and procedures to prevent or resolve possible risks arisen during carrying out securities lending and borrowing activities.

Lender holds full legal and beneficial ownership of all Securities are subject to Lending and such Securities are free from all liens, charges and encumbrances.

Lender conducts proper and timely reconciliation on a daily basis in respect of Non-Cash Collateral received from Borrower in accordance with its Market Value.

Lender timely exercises return of excess Cash Collateral and interest, dividends and coupons arising from Non-Cash Collateral to Borrower.

Borrower holds full legal and beneficial ownership of all Securities that are subject to Non-Cash Collateral and such Collateral is free from all lines, charges, encumbrances and any other obstacles that restrict or may restrict its ownership rights.

Borrower maintains sufficient collateral given to Lender and replenish collateral, if it falls lower than 95% for cash collateral and 100% for securities collateral.

Borrower timely exercises return of interest, dividends and coupons arising from loaned securities to Lender.

***Name of authorised signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_***

**Supporting Documents:**

1. Risk-management procedure explaining the following: eligibility criteria for securities to be loaned/borrowed; daily market-to-market reconciliation of loaned securities, non-cash collateral and margin calls, where appropriate; exercise of voting rights in respect of loaned securities or non-cash collateral;

2. Organizational chart indicating human resources arrangements sufficient to carry out securities lending activities;

3. Interim financial statements and/or latest annual audited financial statements.