

### **Principles for opening and closing accounts for non-credit institutions under private law**

1. Under the conditions of TARGET, Eesti Pank can open and maintain accounts that are needed for using TARGET services for investment firms, and for entities that manage ancillary systems under the TARGET rules and that operate under the authority of TARGET, if the activities of the party applying to open the account or owning it (the applicant) meets the following principles:
  - the account is not used just for the purpose of depositing money;
  - the applicant meets the Eesti Pank conditions regulating holding an account and the TARGET conditions, and opening the account supports the provision of TARGET services;
  - the applicant is registered in Estonia and has a licence to operate from Finantsinspektsioon, and the head office or the location and place of operation of the management board or equivalent is in Estonia;
  - the applicant provides services to people in Estonia;
  - the business model of the applicant is understandable and its business activities are transparent and trustworthy;
  - the services provided will increase competition in the market, eliminate market inefficiencies, create new business opportunities, or support the development of the Estonian financial sector;
  - the costs to Eesti Pank of maintaining the account for the applicant are not disproportionately high;
  - maintaining the account for the applicant will not lead to risks that Eesti Pank cannot adequately manage;
  - the applicant has submitted all the data and documents that are needed for its activities to be assessed.
2. The following exceptions are permitted to the principles listed in Clause 1:
  - The investment firm not only meets all the conditions listed in Clause 1 but also has the role of account operator at Nasdaq CSD Estonia branch;
  - The entity managing the ancillary system may operate through a branch in Estonia provided that there is sufficient cooperation between Finantsinspektsioon or Eesti Pank and the institution supervising that entity.
3. After the account has been opened for the investment firm, Eesti Pank assesses at least once every twelve months whether the activities of the investment firm comply with all the principles listed in Clause 1, including those concerning its risks and its business model, by examining the reports submitted by the investment firm and the assessments of the relevant authorities.
4. Eesti Pank may refuse to open an account or may close an existing account if it finds that the non-credit institution under private law does not comply with or has ceased to comply with one or more of the principles listed in Clause 1.
5. An exemption from these principles may be considered if there are justified reasons for it and if the Executive Board of Eesti Pank approves the exemption.