

## CHAPTER I

### Scope and definitions

#### Article 1

##### Scope

This Regulation applies to nominee registration and the custody of financial instruments in nominee accounts in accordance with Act No. 108/2007 on securities transactions.

#### Article 2

##### Definitions

For the purposes of this Regulation the following terms shall have the meanings hereinafter assigned to them:

1. Nominee registration: The registration of financial instruments on an owners' list maintained by a custodian, where it is stated that the custodian is not the owner of the financial instruments.
2. Nominee account: The custodian's own account in which clients' financial instruments are registered.
3. Custodian: A financial undertaking authorised to hold

financial instruments owned by its clients.

4. Client: The person who receives the financial benefit from or bears the financial risk of a financial instrument and grants authorisation to the custodian to act in its own name and be registered as the owner of the financial instruments.

## CHAPTER II

### Licence for registration in a nominee account

#### Article 3

##### Application

A financial undertaking authorised to hold financial instruments owned by its clients may apply to the Financial Supervisory Authority for a licence to hold these in a nominee account and accept payment on behalf of its clients from individual issuers of financial instruments.

#### Article 4

##### Conditions of the licence

The activities provided for in this Regulation may only be carried out by financial undertakings which guarantee compliance with the following conditions on the issue of a licence:

1. that rules on disclosure of information to the Financial Supervisory Authority are complied with; and
2. the custodian will not exercise the voting rights attached to the financial instruments held in a nominee account.

## Article 5

### Conditions of licences granted to foreign financial undertakings

In addition to the information required pursuant to Article 4, an application by a foreign financial undertaking to act as a custodian shall be accompanied by:

1. a statement by a competent authority in the home state of the financial undertaking confirming that the applicant is authorised to act as a financial undertaking and is subject to the supervision of the authority concerned;
2. a statement by a competent authority or a lawyer in independent practice in the relevant jurisdiction confirming that under the law of the home state there is nothing to prevent the applicant from obtaining the information required by this Regulation.

In addition to the information required pursuant to paragraph 1, applicants from states outside the European Economic Area shall procure a written statement from a competent party confirming that there exists in their home state legislation on measures against money laundering and terrorist financing corresponding to the legislation in effect within the European Economic Area in this field. Statements pursuant to this Article shall be submitted in Icelandic or English. Otherwise, a translation by a certified translator shall accompany the statement.

### CHAPTER III

Nominee account

Article 6

Owners' approval

A client's financial instrument shall not be registered in a nominee account without the client's approval. The custodian shall inform the client of the legal effects of registering a financial instrument in a nominee account.

Article 7

Information on clients

The custodian shall have information available on clients requesting nominee registration of financial instruments. The custodian shall inform the client of the obligation to provide information to the Financial Supervisory Authority under this Regulation.

The custodian shall preserve information on nominee registrations and clients, including any changes to nominee accounts, for five years from the end of the business relationship.

## Article 8

### Record of clients and financial instruments

A custodian holding financial instruments in a nominee account shall maintain a record of the share of each individual client. The record shall always include the names and number of clients associated with the financial instrument registered in the nominee account, as well as the number of financial instruments covered by each nominee registration agreement. The record shall be prepared in such a way that there is no doubt regarding the ownership of financial instruments. The Financial