

**RULES**  
**amending the Rules on Activities of Netting Systems, no. 704/2009**

*Article 1*

Article 16 of the Rules shall be amended to read as follows, together with its heading:

*Securities eligible as overdraft collateral*

Both deposits and the following securities denominated in Icelandic currency are eligible as overdraft collateral in a netting system:

1. Securities issued by the national Treasury;
2. HFF bonds issued by the Housing Financing Fund;
3. Certificates of deposit issued by the Central Bank of Iceland;
4. Participants' fixed-term deposits with the Central Bank of Iceland;
5. Covered bonds that satisfy the conditions laid down in Article 11 of the Rules on Central Bank of Iceland Facilities for Financial Undertakings, no. 553/2009. Securities used as collateral in accordance with this item may not exceed a combined 50% of each participant's total collateral in the netting System.

*Article 2*

Article 17 of the Rules shall be amended to read as follows, together with its heading:

*Eligibility requirements for securities used as collateral*

Securities provided as collateral must fulfil the following conditions:

1. The market value of the series is over 3 b.kr. and it is confirmed that this amount has been sold, with the exception of covered bonds; cf. Article 16, Item 5.
2. The securities shall be under market making on a regulated securities exchange or recognised information systems approved by the Central Bank.
3. The securities must be electronically registered in a central depository recognised by the Central Bank.

*Article 3*

These Rules are set in accordance with the authority contained in Article 38, cf. Article 4, of the Act on the Central Bank of Iceland, no. 36/2001, and shall enter into force at once.

Reykjavík, 2 July 2019  
Central Bank of Iceland

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