HMRC - STSM131060 - CREST: Introduction: CREST Members/Participants

There are several different types of participant within CREST:-

a user is a firm that has the ability to exchange electronic messages with CREST. Most users are banks or stockbrokers. A user can communicate with CREST on behalf of any number of other participants who have delegated to him the power to do so. These other participants are described as being sponsored by the user.

a member is a firm or an individual that holds stock in CREST and is able to make and receive payments. Members include banks, stockbrokers, investing institutions, custodians, nominees and individuals. A member can segregate its holdings into any number of different member accounts or sub-accounts. The name of the member and the identification of the member accounts all appear on the registers of the securities they hold.

A CREST member will hold two accounts: a stock account and a cash memorandum account. The stock account records the quantity of shares held in each security by a member at any given time. The cash memorandum account records payments and receipts for sales and purchases of securities and shows the available credit the member has to facilitate share purchases.

a registrar maintains the legal register of securities settled in CREST and amends it in accordance with instructions received from CREST.

a payment bank makes and receives payments for the account of its clients in CREST. Only a small number of banks of the highest standing are payment banks in CREST.

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