Stock Exchange Transactions Go OTC

Introduction Note

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Disclaimer

While Clearstream Banking's launch of Stock Exchange Transactions Go OTC (SET-GO) is still some time away, Clearstream Banking is committed to inform its customers as early as possible, accepting that the content of this document may have to be updated.

Hence, this Introduction Note represents the state of information available to Clearstream Banking at publication date. The description may be subject to modifications or enhancements at a later stage of the SET-GO project. In the event of modifications, Clearstream Banking will provide the respective updates in due time as further releases of this documentation.

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Contacts

For further information about Clearstream Banking's products and services, customers can visit the Clearstream website, contact Clearstream Banking Client Services or their Relationship Officer. Particular questions regarding the SET-GO project will be routed to the experts of the Stock Exchange Transactions Go OTC (SET-GO) project.

Customers will find the relevant contact details under Contacts & Client Services or can contact the SET-GO Customer Readiness team via email to T2S-Support@clearstream.com.

Foreword

The main objective of the Stock Exchange Transactions Go OTC (SET-GO) project is to use the standard OTC functionality also for non-cleared stock exchange instructions instead of keeping today's settlement functionality LION (Lieferfreigabe Online for non-cleared stock exchange instructions).

On the one hand, Clearstream Banking will ensure that it complies with regulatory requirements by offering real-time gross settlement (RTGS) also for non-cleared stock exchange instructions. This implies that the lifecycle management on the settlement platform Creation of Clearstream Banking S.A., Luxembourg (CBL) has to be upgraded for the processing of trades from German stock exchanges in the custody type non-collective safe-custody (NCSC).

On the other hand, Clearstream Banking fulfils requests from international market members for harmonised settlement of instructions for both OTC and stock exchange transactions. Also, the Creation and TARGET2-Securities (T2S) functionality currently offered for OTC instructions will only be made available for settlement of stock exchange transactions where this is not yet the case.

Lastly, modernisation is a driver to start consolidating matured systems after Clearstream Banking AG, Frankfurt (CBF) migrated to T2S. The LION system will be decommissioned, while its functionality will be offered via the Creation and T2S / CASCADE infrastructure.

This document provides customers with information about the SET-GO project. It includes a summary of changes, as well as a description of new and enhanced features that will be introduced by SET-GO in two phases:

- ICSD Migration (Phase 1) – 22 November 2021;
- CSD Migration (Phase 2) – 13 June 2022.

Changes are expected in the following business areas:

- Account static data;
- Lifecycle management;
- Connectivity;
- Corporate actions;
- Other value-added services available in CBF.

This document starts with the current timeline of implementation and summary of the key features. The initial version of this document will focus on the ICSD Migration (Phase 1), which will be delivered on 22 November 2021. Besides the topics listed above, the document shows the initial information on the CBF Guided Customer Simulation.

Contents

1. Implementation timeline

The introduction of the Stock Exchange Transactions Go OTC (SET-GO) project follows a two-phased approach. All functional modifications related to securities with the custody type NCSC will be introduced in November 2021 followed by a second implementation date for securities with the custody type CSC / NCSC-T to be activated in June 2022.

The cornerstones are defined as following:

ICSD Migration (Phase 1) – 22 November 2021

- Instruction and lifecycle management for stock exchange instructions in NCSC securities to be executed and reported via Creation only;
- "OTC-like" processing using automated ClearstreamXact connectivity channels (ISO 15022) and Xact Web Portal (GUI).

CSD Migration (Phase 2) – 13 June 2022

- Instruction and lifecycle management for stock exchange instructions in CSC / NCSC-T securities to be executed and reported via CASCADE / T2S;
- "OTC-like" processing using automated ICP and DCP connectivity channels and Xact Web Portal.

After the ICSD Migration (Phase 1) on 22 November 2021, instruction and lifecycle management for non-cleared stock exchange instructions in NCSC securities will be executed and reported via Creation. The entire processing will be "OTC-like", using ClearstreamXact connectivity.

On 13 June 2022, the CSD Migration (Phase 2) will be completed and set productive. The instruction and lifecycle management for non-cleared stock exchange instructions in CSC / NCSC-T securities will be executed and reported via CASCADE / T2S. The entire processing of stock exchanges will be "OTC-like" using automated ICP and DCP connectivity channels as well as Xact Web Portal.

The following figure shows the modernised instruction flow of stock exchange instructions after the implementation of the SET-GO project.
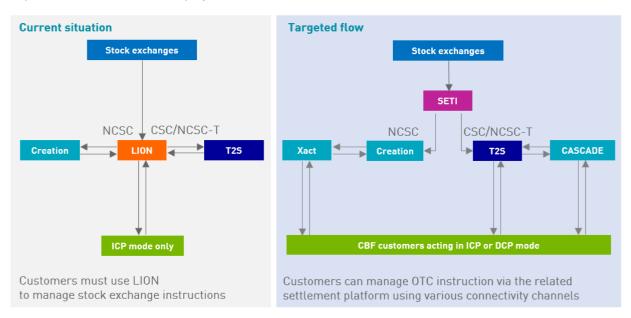

Figure 1: Modernised instruction flow at a glance

2. Summary of SET-GO implementation features

This summary provides an overview of the key implementation features for the SET-GO project of the ICSD Migration (Phase 1) and the CSD Migration (Phase 2). For detailed information on the ICSD Migration which will become productive on 22 November 2021, please refer to Chapter 3 ICSD Migration (Phase 1).

The goal of the SET-GO project, which is initiated by Clearstream Banking, is a harmonisation of stock exchange lifecycle and reporting with the OTC lifecycle and reporting with the following cornerstones:

- The real-time processing for stock exchange instructions offered via Creation will be applicable for securities in custody type NCSC. The instructions that Clearstream receives from the stock exchanges are immediately processed and subsequently the instructions will be presented to the Creation real-time lifecycle management.

- Modifications of stock exchange instructions will follow the same processes as modifications of OTC instructions, and will be triggered and reported via the same connectivity channels.

- In close cooperation with market members, NCSC securities tradable on a stock exchange location will become T2S eligible (NCSC-T) as far as possible.

- The implementation of the new online functionality in Xact Web Portal will allow the instruction management via a single infrastructure for stock exchange transactions executed in CSC, NCSC, and NCSC-T securities.

Currently, customers must use the CBF application LION to manage non-cleared stock exchange instructions. After Clearstream Banking has introduced the SET-GO project with the ICSD Migration (Phase 1) and the CSD Migration (Phase 2), customers will manage non-cleared stock exchange instructions in an "OTC-like" mode via the Creation or CASCADE / T2S settlement platform.

The trade details delivered by stock exchanges and their service providers will be transformed by a new component (Stock Exchange Transaction Interface, SETI) into OTC instructions and instructed into the relevant settlement systems Creation (for NCSC) or CASCADE / T2S (for CSC / NCSC-T).

As of 13 June 2022, the existing LION functionality will be decommissioned and the service will be offered via the different connectivity channels of Creation using ClearstreamXact and CASCADE / T2S, where applicable. Today's LION reporting functionality will no longer be offered. The reporting will be made available via the existing connectivity channels available for OTC instructions.

3. ICSD Migration (Phase 1)

This chapter provides information regarding future stock exchange instruction management for the SET-GO ICSD Migration (Phase 1). More information regarding the SET-GO CSD Migration (Phase 2) will be outlined in an updated version of this document, which will be enhanced in line with the development of the project.

With the go-live of the ICSD Migration (Phase 1) on 22 November 2021 the settlement and related reporting of non-cleared stock exchange (SE) instructions in non-collective safe custody (NCSC) securities will be offered via Creation. The aim of this phase is that the entire processing of stock exchange instructions in custody type NCSC will be processed in an "OTC-like" mode using the Xact automated connectivity channels (ISO 15022) and Xact Web Portal (online functionality, GUI). Whenever not explicitly explained in the upcoming chapters the lifecycle follows the standard Creation OTC process for Clearstream Banking internal instructions.

In the following "non-cleared stock exchange instructions in non-collective safe custody (NCSC) securities" will be referred to as "SE instructions (NCSC)".
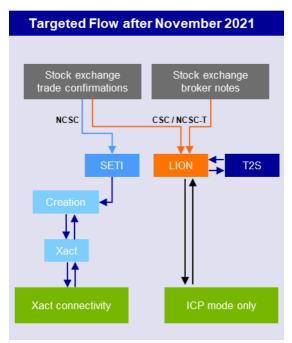

Figure 2: Targeted flow after ICSD Migration (Phase 1)

3.1 Key features

With the introduction of the SET-GO ICSD Migration (Phase 1), the instruction and lifecycle management for SE instructions in NCSC securities will be executed and reported via Creation, starting Monday, 22 November 2021 once the instructions have been migrated.

In general, there will be no change to CBF applications for the implementation of the ICSD Migration (Phase 1). As today, SE instructions in custody type CSC / NCSC-T will continue to be processed via LION until the CSD Migration (Phase 2) will be introduced on 13 June 2022.

The existing LION settlement reporting will remain unchanged, but information on pending SE instructions will no longer be provided in custody type NCSC. From 22 November 2021 to 13 June 2022, only SE instructions in securities with custody type NCSC-T will be displayed in LION, if the selection criteria "AKV" is used.

Consequently, the information for NCSC securities will no longer be reported in LION. Therefore, customers must use Xact Web Portal for the reporting of NCSC securities. The entire processing of SE instructions (NCSC) will be "OTC-like" using the Xact automated connectivity channels (ISO 15022) and Xact Web Portal (GUI). The targeted flow for NCSC stock exchange instructions covering trades entered via "Platzüberstreitender Effektenverkehr (PÜEV)" uses a new component for the creation and distribution of OTC settlement instructions called SETI (Stock Exchange Transaction Interface).

In the following chapters, customers find detailed information for the service offering under the SET-GO ICSD Migration (Phase 1).

- The following CBL OTC functionalities, which have been enhanced or modified for the implementation in November 2021:
  - Matching;
  - Transaction Linking;
  - Settlement Parties;
  - Partial Settlement;
  - Settlement Priority;
  - Creation Settlement Period;
  - Hold / Release functionality;
  - OTC Recycling Service;
  - Place of Clearing, Safekeeping, Settlement and Trade;
  - References;
  - Market and reverse claims; and
  - Transformation processing.

- The following CBL OTC functionality have been investigated and will remain unchanged:
  - Bilateral cancellation/ Recycling Period;
  - Liquidity management; and
  - Reporting times.

- The following functionality / data will no longer be provided as of 22 November 2021:
  - Reporting of certain additional trade details (such as price differences or accrued interest) via settlement instructions;
  - Broker notes (Makleraufgaben) with custody type NCSC; and
  - Cash settlement for non-cleared SE instructions with custody type "Streifband" and "Wertpapierrechnung".

Cash settlement services for price differences and broker commissions are not affected by the SET-GO project. For further information, please refer to Announcement D20027 "CBF Release Information: T2-T2S consolidation project".

3.2 Account static data

From 22 November 2021, CBF uses by default the CBF-i account for the settlement of stock exchange instructions in NCSC securities that is already stored in the account master system (KUSTA). OTC instructions in a security that is not T2S eligible are settled via a CBF-i account as defined by the customer. In addition, CBF supports the individual allocation of CBF-i settlement accounts for the following business cases:

- Cash clearing of OTC transactions in a currency not supported on T2S;
- Corporate action with payment in a currency not supported on T2S;
- Corporate action in stocks resulting in a security not T2S eligible.

Customers have the option to allocate an already existing CBF-i account to each of the above business cases. For this, an own CBF-i account or an CBF-i account of an appointed correspondent bank can be used. If a third-party account is specified, this party must formally confirm the allocation.

Currently, the account used for foreign currency processing might differ from the CBF-i account used for settlement of SE instructions (NCSC). Customers can request a different CBF-i account for the settlement of stock exchange instructions in an "OTC-like" mode via Creation.

Customers being a member of a German Stock exchange are requested to maintain a CBF and CBF-i account ensuring a straight-through processing (STP) with the settlement platforms T2S and Creation. During the migration, pending instructions can only be recreated, if a settlement account is in place. If a customer did not open a CBF-i account so far, the customer is asked to provide the missing CBF-i account as soon as possible and no later than June 2021. Customers can either request the opening of a CBF-i account or appoint a third-party / settlement agent, if required. Please contact your responsible Relationship Officer for the account settings.

The SET-GO implementation approach defines that for the creation of the initial settlement instruction of a stock exchange instruction in custody type NCSC, the CBF account setting will apply. Once the instruction in an "OTC-like" mode has been accepted by Creation for further processing, the settings of the CBF-i account will be used. For example, the "Hold / Release" flag offered for the processing of market claims on Creation can be different compared to the settings for a processing on CASCADE / T2S. In addition, customers need to consider that the default OTC recycling period of 60 business days will apply, if there is no dedicated period defined for a CBF-i account. For more details, please refer to section OTC recycling service. Customers are requested to check, if there is a need to change the existing account settings for the introduction of SET-GO ICSD Migration (Phase 1).

Customers acting as a Reg-Über Zentrale (Head Office, that is being a Settlement Agent) need to consider that for any stock exchange settlement instruction in custody type NCSC which is set up for a Reg-Über-Filiale (Branch) the CBF-i account of the Head Office will always be used.

In general, the static data of the settlement account stored at CBF in KUSTA or the related CBF-i account stored at CBL in Account Master (AM) will be applicable for the processing of SE instructions. Customers acting as a Head Office need to consider that for any SE instruction in custody type NCSC their static data will be used. With the introduction of SET-GO ICSD Migration (Phase 1), the procedure for using the field Lieferfreigabe ("Positiv/Negativ-Verfahren") will change. In future, the setting defined for the settlement account will be applicable. This means that the respective data stored for a Branch is not taken into account. However, in the period between the introduction of the SET-GO ICSD Migration (Phase 1) and the go-live of the SET-GO CSD Migration (Phase 2) for SE instructions in custody type CSC / NCSC-T today's settings are still used.

If changes of the static data for the CBF or CBF-i account are required, the modification is requested by 6 August 2021 to be able to test the new settings as part of the customer simulation.

Customers who wish to make such an adjustment must send:

- A written request with the legally binding signatures of the account holders to Clearstream Banking AG, Account Administration Frankfurt (OSM), 60485 Frankfurt am Main; or
- A MT599 to CBF's SWIFT address DAKVDEFFXXX.

The request must name the CBF account master (four digits), the business case (NCSC stock exchange settlement) and the CBF-i account number. Requests issued via automated connectivity channels can only contain the adjustment of own CBF-i accounts.

3.3 Lifecycle management

Starting on 22 November 2021, SE instructions (NCSC) will follow the OTC instruction lifecycle of CBL internal instructions (41, 51 / 4F, 5F). Hence, the existing OTC functionality offered via Creation will be used also for SE instructions (NCSC). The following description outlines which dedicated fields of an existing LION instruction will be available for instruction management via Creation and provides information on Creation services available for SE instructions in an "OTC-like" mode.

For further information, please refer to section 4.2 of the CBL Customer Handbook.

As of 22 November 2021, instruction management for SE instructions (NCSC) is no longer handled in LION, but in Creation. For the description of the standard OTC settlement, please refer to the ClearstreamXact webpage.

At present, stock exchanges and their service provider will present the trade confirmations at around 22:00 on the trade date. Once the information has been received at CBF, SETI will start with the creation of the related delivery and receipt instructions. These instructions will be transmitted to the settlement platform afterwards. With the opening of the next processing cycle at Creation, the life cycle management for SE instructions (NCSC) will start.

SE instructions (NCSC) can be maintained by the customers only after the instruction has been successfully accepted by Creation, that is, a MT548 is sent. A MT548 is also presented in the case of a rejection, or the recycling of the SE instruction (NCSC). The instruction maintenance, that is, creation of a Transaction Linking, modification of the Hold / Release Indicator, Partial Settlement Indicator, Creation Settlement Period and Settlement Priority will be possible via ClearstreamXact connectivity.

As of November 2021, the new partial release request functionality will be offered.

Matching

The existing OTC matching service will be used also for SE instructions (NCSC). Creation does not support already matched instructions. Therefore, the stock exchange trade confirmation will be provided via SETI as unmatched instructions to Creation and will then be matched via the existing Creation settlement procedures. SETI creates a common reference (Common ID) ensuring that no cross-matching with other CBL internal OTC instructions will occur.

For stock exchange instructions, all information regarding the buy and sell is always provided by the stock exchange location or the responsible service provider to CBF. Therefore, no allegements are generated even though the SE instruction (NCSC) will be initially created for matching at Creation.

Transaction linking

The existing CBL transaction linking service, which is offered already today in Creation via the fields "pool id" and "pool owner" will be available also for SE instructions (NCSC).

SE instructions (NCSC) will be instructed without links. Customers can link SE instructions (NCSC) on their demand. SE instructions (NCSC) can also be linked to OTC instructions.

For further information, please refer to section 3.11 of the CBL Customer Handbook.

Settlement Parties

SE instructions (NCSC) will always be generated with two settlement Party Levels:

- REAG / DEAG contains the CBF-i account dedicated for settlement of SE instructions (NCSC);
- BUYR / SELL contains the buyer and seller information as delivered by the stock exchange.

Example	Explanation
DEAG/CEDE/64444 SELL/DAKV/4444	If the party that is delivered by the stock exchange as BUYR / SELL is configured as a settlement participant / agent, REAG / DEAG is filled with the CBF-i account of the party itself.
REAG/CEDE/65555 BUYR/DAKV/1234	If the party that is delivered by the stock exchange as BUYR / SELL is not configured as a settlement participant (that is Reg-Über-Filiale (Branch)), REAG / DEAG is filled with the CBF-i account of the settlement agent.

Partial Settlement

In February 2021, the OTC Partial Settlement functionality has been introduced for Creation. For more details, please refer to Announcement A20021 "Settlement Discipline Regime: Adaptation of settlement functionalities" and A21055 "Partial release functionality and settlement changes".

This service will also be applicable for SE instructions (NCSC).

All SE instructions (NCSC) will be created with the flag "partial settlement allowed" using the value "PART". This initial setup is independent from the static data of customers.

Settlement participants / agents can modify the Partial Settlement Indicator (PSI) on their demand.

Settlement Priority

SE instructions (NCSC) will be generated for the settlement on Creation with the value "High (0001)". Settlement participants / agents can modify the settlement priority on their demand.

Creation Settlement Period

SE instructions (NCSC) will be flagged for the execution in mandatory settlement period of Creation.

In Creation, the deadlines for the settlement periods are as following:

- Mandatory period at 16:00 or 18:00 depending on the settlement currency;
- Optional (extended) period at 20:00.

Initially, instructions created via SETI will be flagged for the mandatory settlement period. Settlement participants / agents can modify the settlement period only from "Mandatory only" to "Mandatory and optional" on their demand. However, a reversal of this change (that is, from "Mandatory and optional" to "Mandatory only") will not be possible.

Hold / Release functionality

The service level defined for today's LION SE instructions in CBF's account static data (KUSTA field Lieferfreigaben: ("Positiv-/ Negativ-Verfahren")) will be updated. In future, the delivery leg in a SE instruction (NCSC) will be generated with the hold indicator as defined in the CBF account settings for SE settlement of the settlement participants / agent.

- Positive procedure: Deliveries of SE instructions are initially created as "on hold", that is, "PREA" is used as function.
- Negative procedure: Deliveries of SE instructions are initially created as "released", that is, "NEWM" is used as function.

In future, the receipt leg of SE instructions (NCSC) will always be generated with hold indicator "released". This is independent from the account settings of the customer.

The hold indicator of delivery as well as receipt SE instructions (NCSC) can be modified via MT530 or Xact Web Portal.

Multi Hold and Release functionality

On 22 November 2021, a Multi Hold and Release functionality will be introduced for CBL internal instructions (41, 51 / 4F, 5F) via Xact Web Portal. This service will also be applicable for SE instructions (NCSC).

Instructions can be modified by the owner of the CBF-i settlement account[1].

With the launch in November 2021, customers can modify the party hold flag of pending instructions one by one or various instructions if the option "All" is used. By using "All" Xact functionality will select a maximum of 25 instructions for Multi Hold and Release processing.

The new functionality supports the selection criteria required for the maintenance of SE instructions (NCSC). For more details, please refer to Appendix 1.

Bilateral cancellation / recycling period

The existing OTC service for bilateral cancellation offered by Creation will be applicable for SE instructions (NCSC). A pending instruction is cancelled only if both parties agree.

In contrast to T2S, at present Creation does not delete a pending matched instruction after 60 business days. With the SET-GO ICSD Migration (Phase 1), this cancellation period will be applicable for market claims resulting of SE instructions (NCSC). Hence, a system-wise cancellation will be executed for such market claims after 60 business days.

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[1] That is, a Reg-Über Filiale cannot use the Multi Hold and Release functionality.

OTC recycling service

The existing Creation recycling service for OTC instructions will be applicable. That is, if the validation fails because the security code (ISIN) is not recognised in the system, SE instructions (NCSC) will be accepted and represented for settlement once the ISIN has been set up.

Even though the number of recycling days for OTC instruction can be defined in the CBF-i account settings, there will be a default recycling period of 60 business days for SE instructions (NCSC).

If an instruction is forwarded to the recycling service, the customer will be informed that the instruction is "incomplete" by an MT548 "accepted". If the instruction cannot be reinstructed by the system during the recycling period, the customer will be informed about rejection of the instruction.

For further information, please refer to section 3.16 of the CBL Customer Handbook.

Liquidity management

As today, for non-cleared stock exchange instructions, the cash settlement will follow the procedures defined by the Creation settlement platform. That is, customers are requested to provide their liquidity on Creation for the settlement via the CBF-i account.

Input Day

SE instructions (NCSC) will be generated for the settlement on Creation with additional information of the stock exchange. The Input Day will be delivered as additional information with the identifier "IDAY" in Xact A2A message types.

3.4 Connectivity

All customers maintaining a CBF-i account for stock exchange instructions in custody type NCSC are requested to verify the existing ClearstreamXact connectivity setting. This is important for customers using their own settlement account and third-party management head offices. After the introduction of the SET-GO ICSD Migration (Phase 1), the entire settlement reporting will be available only via the ClearstreamXact functionality.

Customers are requested to check if:

- All users maintaining SE instructions via Xact Web Portal can access the functionality and that sufficient rights are granted. If Xact Web Portal has not been installed so far, customers are asked to request access by 30 July 2021 via the Clearstream Connectivity Help Desk.

- One or more report definitions via Xact A2A connectivity for SE instruction are set up. With the introduction of SET-GO ICSD Migration (Phase 1), the extended report definitions for stock exchange instructions will be active. Customers subscribing to "Stock Exchange instructions only" reports, will benefit from the updated Clearstream Banking fee schedule. For more details, please refer to Announcement C20053.

Via the LION online functionality information will be provided for SE instructions in custody type CSC / NCSC-T. For instructions in custody type NCSC, the LION screen will advise that users must access the Xact Web Portal.

The CBF implementation approach defines that any non-cleared SE instruction will be provided to the new Stock Exchange Transaction Interface (SETI). This hub will create the SE instructions and route the instructions to the respective settlement platform. In general, any instruction will be created with the technical sender BIC "DAKVDEFFLIO". This value will be used by Creation as well as by T2S as identifier for further processing and hence will be presented in the settlement instruction setup by SETI.

After 22 November 2021, the LION settlement reporting provided via the CBF connectivity channels will transmit information for instructions in custody type CSC / NCSC-T. The settlement reporting for instructions in custody type NCSC via Xact A2A is based on the enhanced ClearstreamXact service offering. Therefore, customers are requested to set up their report definition in ClearstreamXact. As stock exchange instructions will be processed in an "OTC-like" mode, the existing connectivity settings might not be sufficient for the real-time settlement procedures related to the CBL internal instruction types. CBF

recommends that customers check their current LION setup and consider the future Creation settlement procedures for the definition of the future ClearstreamXact reporting.

Reg-Über-Filialen (Branches) are not configured as a settlement participant and cannot request the access for the trading account via ClearstreamXact. The lifecycle of the SE instructions (NCSC) must be managed by the respective settlement agent of the Branch and can no longer be reported by the Branch itself. Therefore, the Reg-Über-Zentrale (Head Office) has to consider that the Branch(es) may require a reporting.

Regarding the modification of stock exchange instructions in custody type NCSC, customers can:

- Transmit an MT530 "Transaction Processing Command" via Xact A2A if the technical sender and the related BIC have been enabled in Clearstream Banking.

- Use Xact Web Portal to maintain the settlement instruction in two- or four-eyes mode if the necessary user rights are granted.

Allowing a seamless transformation from the LION functionality to a ClearstreamXact connectivity, customers are requested to check, which connectivity channel must be established by end of July 2021.

Customers not using the ClearstreamXact connectivity so far, are requested to contact the Clearstream Banking Connectivity team (connect@clearstream.com). This team supports the creation of the initial connectivity settings for A2A and U2A. Via ClearstreamXact the individual configuration of settlement reports and access management for users is maintained by a security administrator for the respective CBF-i settlement account. The security administrators at customer side will receive necessary access rights from Clearstream Banking.

General information on Xact A2A message types

- The fields and values defined by SET-GO will be introduced based on the latest version of the Xact via SWIFT User Guide.

- No "Settlement Allegments Messages (MT578)" will be generated for stock exchange instructions processed on Creation.

The adaptations of the SWIFT Release November 2021 are currently not considered within this document and will be published within an updated version after further investigation, if applicable.

Trade specific details

Stock exchanges and their service provider will deliver the trade confirmation to CBF for further processing. In general, all mandatory fields (for example, ISIN, nominal, counter value) of an OTC instruction are transmitted. In addition, dedicated information for a stock exchange trade is available that is relevant for the processing in customer systems or applications. However, some data is not essential for settlement via Creation. With the introduction of SET-GO the current LION instruction details have been revisited allowing a seamless creation of an OTC instruction which can be processed via Creation or T2S settlement platform. The following instruction details will still be reported even though they are not mandatory for OTC settlement:

- Deal Price as percentage or amount will be reported in the already existing MT537 ISO field :90a::DEAL;

- Input Day ("IDAY") will be reported as part of narrative in field "SPRO".

In future, the following instruction details are no longer offered as the content of the fields can have different values for buyer and seller:

- Accrued Interest and Days of Accrued Interests ("DAAC" and "ACRU");

- Free text as delivered by stock exchange ("FREE");

- Original Date ("ORDI") indicating the actual trade date;

- Party Capacity Indicator ("TRCA") defining the trading as principal or agent;

- Rate Difference ("RADI") currently used for reporting of "Maklerkursdifferenz";

- Reason Narrative related to LION dedicated information ("REAS"). A few values will not be supported in future, for example "Maklerüberweisung" ("MU") and "Maklererhebung" ("ME"). Please refer to Appendix 5 to find the comprehensive list of the values.

The fields and values defined by SET-GO will be introduced based on the latest version of the Xact via SWIFT User Guide.

Detailed enhancements on reporting message types

Because of extended information in following A2A message types CBF customers are asked to prepare their in-house systems for the processing of below message types and fields.

A2A message type	Message information extension
MT536[2]	• Settlement Priority ("PRIR") and Input Day ("IDAY") in narrative Sequence B1a2 field :70E::TRDE • Party Level 2 in field :95R::SELL/ or BUYR/ • Reporting of real countervalue ("Gegenwert") replaces "Ausmachender Betrag"
MT537[3]	• Settlement Priority ("PRIR") and Input Day ("IDAY") in narrative Sequence C2 field :70E::TRDE • Party Level 2 in field :95R::SELL/ or BUYR/ • Trade Reference ("LP") in field :20C::TRRF
MT544-MT547	• Settlement Priority ("PRIR") in structure Sequence B field :22F::PRIR • Party Level 2 in field :95R::SELL/ or BUYR/
MT548[3]	• Settlement Priority ("PRIR") and Input Day ("IDAY") in narrative Sequence B field :70E::SPRO • Party Level 2 in field :95R::SELL/ or BUYR/
MT566[3]	Market Claim / Reverse Claim: • Seller / Buyer information in field :95R::SELL/ or BUYR/ • Beneficiary data provided in field :95R::BENM/ (if applicable)

For examples of the settlement message types, please refer to Appendix 2 and for examples of the custody message types, please refer to Appendix 3.

For the description of the standard OTC settlement, please refer to the Xact Web Portal User Manual and Xact via SWIFT User Guide.

References

The usage of references allows customers to assign instructions to their business processes and to manage internal processing. The SET-GO relevant references are provided through the ISO 15022 reporting, as stated below for CBL internal instruction types (41, 51 / 4F, 5F):

Field	MT540-MT543	MT544-MT547	MT548	MT536	MT537
:20C::COMM	yes	yes	yes	yes	yes
:20C::CORP	n/a	if applicable	if applicable	if applicable	if applicable
:20C::SEME	yes	yes	yes	yes	yes
:20C::TRRF	n/a	yes	yes	yes	yes

Common Reference (:20C::COMM)

The field :20C::COMM "Common Reference" is used to ensure matching and avoid cross-matching for NCSC ISINs settled via Creation. References build by SETI start with "ST" plus the unique 14-digit number provided in both legs.

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[2] Messsage extension is valid for SE instructions (NCSC).

[3] Linked to stock exchange instruction (Settlement Transaction Type CEDE/SENO).

Corporate Action Event ID (:20C::CORP)

The field :20C::CORP "Corporate Action Event ID" results from KADI processing and shows the 3-digit KADI event type code + Space + BID from WSS.

Sender's Message Reference (:20C::SEME)

The field :20C::SEME "Sender's Message Reference" is a unique identifier, which is derived by the "Börsengeschäftsnummer" and created by SETI.

As of 22 November 2021, the transaction reference for SE instructions (NCSC) will be structured as follows:

Structure of SEME: 16 Digits															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SETI Qualifier	Leg type			WKN				Stock Exchange Code	Function of Date and Trade Number						
S	D (delivering) or R (receiving)	1	2	3	4	5	6	S = Stuttgart B = Berlin D = Düsseldorf H = Hamburg I = Hannover M = München G = TradeGate F = Frankfurt E = Xetra X = INVESTRO	7 digits filled with alphanumeric characters (0-9 A-Z), string to be calculated by an algorithm from combination of Input Date and Trade Number						
Sample															
S	D	5	8	1	0	0	5	E	K	Z	B	H	2	4	N

Figure 3: Structure of SEME (Updated)

The characters are defined as follows:

- o   1: Clearstream Qualifier "S";
- o   2: Leg Type D (Delivery) or R (Receive);
- o   3-8: WKN (alphanumeric)[4];
- o   9: Stock exchange code;
- o   10-16: Function of Date and Trade Number.

The calculation of "Function of Date and Trade Number" (character10-16) as well as an example can be found in Appendix 4.

Deal Reference (:20C::TRRF)

The field :20C::TRRF "Deal Reference" shows the reference of the stock exchange trade (Trade ID; "Börsengeschäftsnummer") provided by the stock exchange or their service provider.
Based on market members request, the string is defined as following:

- o   LP (identifier for stock exchange trades) plus;
- o   Input date (format YYMMDD) plus;
- o   Trade ID (seven-digit trade number).

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[4] Based on the current design, the WKN is presented alphanumeric. The change is also considered by the Stock Exchanges and their service providers.

Additional instruction detail information

In general, the instruction details will be reported using the standard OTC settlement. For further information, please refer to the Xact Web Portal User Manual and Xact via SWIFT User Guide.

In this section dedicated information will be outlined that is applicable for SE instructions (NCSC).

Party Level 2 (:95R::)

SE instructions (NCSC) will always be generated with two settlement Party Levels. In Party Level 2 the actual seller / buyer will be presented. Customers acting as a Reg-Über Zentrale (Head Office) will be notified about their Branch in this field. The buyer and seller information are delivered by the stock exchange.

Message type	Sequence	TAG	Format ":4!c/8c/34x"
MT536	B1a2a	:95R::BUYR or :95R::SELL	:95R::BUYR/DAKV/9999 or :95R::SELL/DAKV/9999
MT537	C2a		
MT544 - MT547	E1		
MT548	B1		
MT578	E1		
MT566 NON-INCOME	D1b		
MT566 INCOME	D2a	:95R::BENM	:95R::BENM/DAKV/9999

Place of Clearing (:94H::CLEA)

According to the SWIFT standard, no value is required to be set by CBF. Therefore, the field :94H::CLEA indicating the "Place of Clearing" will be empty with the launch of the ICSD Migration (Phase 1).

Place of Safekeeping (:94F::SAFE)

The Creation procedures will be reused for the generation of the settlement reporting. The depository information "Place of Safekeeping" is available as a transaction detail automatically filled by Creation for settlement reporting in field :94F::SAFE.

Place of Settlement (:95P::PSET)

The field :95P::PSET defines the "Place of Settlement" and is filled with BIC8 or BIC11 as defined by the settlement platform. The BIC CEDELULLXXX for NCSC ISINs settled via Creation will be reported.

Place of Trade (:94B::TRAD)

CBF provides in the settlement reporting the Market Identifier Codes (MIC) based on ISO 10383 using the field :94B::TRAD "Place of Trade". The definition of the MIC is published as hereafter: "This International Standard specifies a universal method of identifying exchanges, trading platforms, regulated or non-regulated markets and trade reporting facilities as sources of prices and related information in order to facilitate automated processing". This code is provided by the Stock Exchange or its service provider to comply with the CSDR reporting requirements.

The MIC will be reported in the settlement instruction:

- If the MIC is provided, the "Place of Trade" field will be reported as :94B::TRAD**//EXCH/** followed by the MIC in ISO standard 10383.

- If no MIC is provided, the "Place of Trade" field will be reported as :94B::TRAD**//EXCH**.

Customers needs to consider that the MIC does not represent the stock exchange for which the trade confirmation has been transmitted to CBF. Following the SEME concept developed for SETI, the value at position "9" defines the "Börsenplatz".

Settlement Transaction Identifier (:22F::SETR)

As any SE instruction (NCSC) created via SETI is labelled with the BIC "DAKVDEFFLIO", Creation can map these instructions, so that the existing value "SENO" can still be offered in the Xact Settlement Reporting.

As today, in field :22F::SETR "Settlement Transaction Identifier" the following value "SETR/CEDE/SENO" will always be presented.

Beneficial Ownership Indicator (:22F::BENE)

In general, for all instructions created via SETI, no information for the Beneficial Ownership Indicator is provided. The field :22F::BENE will not be populated in the respective Xact Settlement Reporting.

Settlement Transaction Condition Indicator (:22F::STCO)

In general, for all instructions created via SETI, the "Partial Settlement Indicator" is presented in Xact Settlement Reporting. The field :22F::STCO provides the values "PART" (Partial Settlement is allowed) or "NPAR" (No partial settlement allowed).

Securities Real-Time Gross Settlement Indicator (:22F::RTGS)

In general, for all instructions created via SETI, the field :22F::RTGS will initially be flagged for the mandatory settlement period, this is the value "NRGT". The description of the usage can be found in section Creation Settlement Period.

Transaction Details Narrative (:70E::TRDE)

In general, all instructions created via SETI are created with the priority "High (0001)". The Settlement priority is described in section Settlement Priority. In addition, the field "TRDE" is used to present the input day via the qualifier "IDAY". More information can be found in section Input Day.

Please note that the transaction detail narrative information is only provided in MT536 and MT537.

Settlement Instruction Processing Narrative (:70E::SPRO)

In general, all instructions created via SETI are created with the priority "High (0001)". The Settlement priority is described in section Settlement Priority. In addition, the field "TRDE" is used to present the input day via the qualifier "IDAY". More information can be found in section Input Day.

Please note that the transaction detail narrative information is only provided in MT54x settlement confirmation and MT548 status and processing advice.

Partial Settlement Indicator (:22F::PRTL)

Settlement participants / agents can modify the Partial Settlement Indicator (PSI) initially provided via SETI. Further details are outlined in section Partial Settlement.

The PSI can be changed:

- Via Xact Web Portal; or
- By using MT530 (Transaction Processing Command). The modification can be requested using the field :22F::PRTL with the values "PART" (Partial Settlement is allowed) or "NPAR" (No partial settlement allowed). Please refer to Appendix 2 Example MT530 PRTL.

Settlement Process Indicator (:22F::SETT)

In general, for all instructions created via SETI, the "Party Hold" is presented in Xact Settlement Reporting. The hold / release flag can be modified by the settlement participants / agents:

- Via Xact Web Portal that will be upgraded to support the Multi Hold and Release functionality;
- Using MT530 (Transaction Processing Command). The modification can be requested via the field :22F::SETT with the values "NPRE" to withhold the instruction from settlement (hold) or "YPRE" to present the instruction for settlement (release).

Reporting times

The currently existing Xact reporting intervals (for example, for MT537) will be applicable for SE instructions (NCSC) provided via SETI with the ICSD Migration (Phase 1).

3.5 Corporate actions

As of 22 November 2021, SE instructions (NCSC) will be created in an "OTC-like" mode on Creation. In addition, pending "LION" stock exchange instructions will be migrated and available as OTC instructions for further processing via Creation.

These steps will enable the transaction management that is the generation of market claims and transformations for corporate action for pending SE instructions (NCSC). As of 22 November 2021, the corporate action procedure related to pending CBL internal instructions with the instruction type 41, 51 and 4F, 5F will be applicable. Today's procedure for the corporate action management on stock on Creation will not be impacted.

The SET-GO Migration Approach defines that recreated instructions will show the trade and settlement date as contained in the instructions. Hence, if there is a corporate action in progress (claims and transformation detection period is ongoing), the Custody system will determine these instructions and will execute the necessary procedures. Currently, no corporate action procedure in securities is executed for pending SE instructions (NCSC), therefore customers are requested to check their internal processing and operational procedures.

The following matrix defines the occurrence and the associated corporate action application creating market claims and transformations. It considers the underlying instruction, the resulting instruction, and the corresponding likelihood. Based on this information, customers can classify from which Clearstream corporate action system (either KADI or Custody) the information is provided:

Figure 4: Corporate action matrix

Corporate action processing on flow

For SE instructions (NCSC) that are pending after the SET-GO ICSD Migration on 22 November 2021, the Creation corporate action procedure via Custody will be offered for the Clearstream internal instruction type (41, 51 / 4F, 5F). The related corporate action reporting (MT56x) will be enabled via ClearstreamXact.

The processing of corporate actions is based on the related event details and requires a consideration of the market-specific tax rules. Tax relief can be only obtained if the entitled party complies with the applicable substantive and procedural requirements.

For more details regarding the treatment of tax status related to SE instructions (NCSC) please refer to section "Taxation".

Transformation in securities

In light of the preparation for SET-GO ICSD Migration (Phase 1), in Custody the transformation procedure will be upgraded for SE instructions (NCSC). An extended settlement reporting will be offered for instructions resulting from transformations. That is, SE instructions (NCSC) will be included in the Xact settlement reporting. In addition, the SEME concept defined by SET-GO will be considered while creating the transformation instruction.

Resulting from non-income corporate action procedures (transformations) instructions can be generated for ISINs with custody type NCSC. The reinstruction will be processed after successful cancellation of the underlying pending instruction. That is, the new settlement instruction is only submitted, if the cancellation of the current pending instruction is confirmed by the settlement platform.

While creating the new instruction, the free-text information resulting for the SET-GO migration activities or other specific stock exchange trade details will be deleted. In addition, the instruction will be created with the message origin "DAKVDEFFLIO" and the settlement transaction type "CEDE/SENO" allowing customers the allocation to the related business type.

For the newly created instruction (NCSC), the unique reference of the underlying SE instruction (Sender's Message Reference, SEME) is copied and the second character of the reference is set with the next character after the original character following the alphabet. The cancellation of the underlying SE instruction will be executed based on the existing Custody procedures.

Example

Original instruction – SEME	Newly created instruction – SEME
SD581005EKZBH24N	SE581005EKZBH24N

If several non-income events will apply or correction is necessary for the reinstruction, for each newly created instruction the second character is always "incremented".

Different to the processing in CBF, in the event of a transformation, Custody does not transmit Corporate Action messages (MT56x). This procedure is in line with the SMPG standards. Instead, customers are informed via the Creation settlement reporting ("Statement of Transactions, MT536" or "Statement of Pending Transactions, MT537") if this report definition is set up via Xact Web Portal.

Market and reverse claim

The generation of market and reserve claims is based on the existing Custody procedures. The instruction details will be used for the newly created settlement instruction. Therefore, the partial settlement and the hold and release indicators will be copied.

In June 2021, the SWIFT tag for "Beneficiary of Money" will be introduced in "Corporate Action Confirmation (MT566)" transmitted via ClearstreamXact allowing a harmonised reporting that is similar to KADI. The settlement party details are retrieved from the underlying settlement instruction that was set up in Creation.

As of 22 November 2021, for SE instructions (NCSC) processed via Creation an automated deletion of market and reverse claims will be introduced. In line with the default cancellation period of 60 business days for SE instructions (NCSC), claims will be automatically cancelled by the system.

3.6 Other services

Makleraufgaben

As of 22 November 2021, LION will not report broker notes (Makleraufgaben) with custody type NCSC any longer. However, if a broker note results in "Aufgabenschließung" the respective SE instruction (NCSC) will be created. Hence, these instructions will be sent to Creation and processed / reported as SE instruction (NCSC). Customers are asked to get the reporting for broker notes directly from the stock exchange or their service provider.

Custody type Streifband (STR) / Wertpapierrechnung (WPR)

CBF will no longer support cash settlement for non-cleared SE instructions with custody type STR. Trade confirmations with custody type STR will be rejected. The rejection message is sent to the stock exchange location or its responsible service provider. These instructions must be settled outside of CBF.

Trade confirmations provided for international securities ("WPR") that cannot be processed via T2S will be sent to Creation for further processing. If the security cannot be set up within 60 business days as NCSC security, the instruction will be deleted. Todays dedicated cash settlement procedures will not be supported with the ICSD Migration (Phase 1). After the migration, if the security is supported in Creation, the settlement procedure for the CBL internal instruction types will apply.

LION will not provide any information for custody types that are not T2S eligible. If the values "WPR" or "STR" are entered on the LION screens an error will be displayed.

The specification to identify securities processed with the custody type "STR" and "WPR" can be found in the Appendix 6.

Taxation

As of 22 November 2021, SE instructions (NCSC) will not only report the settlement account, but also the buyer and seller details transmitted by the stock exchange location. Taxation will be based on the tax settings provided for the settlement account (DEAG / REAG).

Depending on the corporate action and / or the market, the tax information of the buyer / seller might be relevant to ensure proper taxation. Customers need to check the underlying entitlement compensation rules. More details for a market and the applicable transaction management principles as well as the related taxation is provided on the Clearstream website.

Customers are requested to review the tax settings of the settlement account for the Head Office so that no tax relief is granted when the applicable substantive and procedural requirements are not met towards the entity shown in Party Level 2. This part level can contain information about a Branch or another entitled party.

The Head Office is obliged to notify Clearstream of the tax rate in such a form that the automated transaction management processing is able to handle the tax status correctly. In this context, the tax status of the Head Office is crucial. The tax status of the Branch respectively the entitled party is not taken into account.

CBF requires from the Head Office:

- Either a confirmation that the existing tax status stored in the settlement account data can remain unchanged;
- Or if necessary, a request to modify the current tax status of the settlement account allowing a proper taxation.

Both, the confirmation or modification request, have to be advised by 5 November 2021.

Account Transfer (CEDAR)

With the SET-GO ICSD Migration (Phase 1) on 22 November 2021 the Account Transfer (CEDAR) service for pending instructions can no longer be offered for pending SE instructions (NCSC).

Customers are asked to not request automated account transfer after 29 October 2021 until the SET-GO ICSD Migration (Phase 1) is completed on 26 November 2021.

MIS Reporting

At present, the MIS report differentiates between SE and OTC instructions. CBF and CBL acting as the responsible settlement entity create this report independently. After the SET-GO ICSD Migration (Phase 1), the differentiation for instructions in custody type NCSC will not be longer applicable, since stock exchange instructions are processed in an "OTC-like" mode.

MIS supports the selection of various reporting periods. SE instructions (NCSC) that achieved settlement:

- Until 19 November 2021 are reported as stock exchange transactions;
- With an ISD starting on 22 November 2021 are reported as OTC transactions.

Customers are advised to consider that there will be no recategorisation of transactions already reported.

3.7 Deployment activities

Clearstream will transform SE instructions in an "OTC-like" mode with the ICSD Migration (Phase 1) and the CSD Migration (Phase 2) during the T2S Release Deployment Weekends. The implementation approach for the ICSD Migration (Phase 1) defines that all pending SE instructions ("Restanten"[5]) in custody type NCSC will be cancelled as part of the end of day procedure and reinstructed after the necessary software modules has been activated. This procedure is to be seen as a "hard cut-off".

The instruction details as outlined in the Appendix 2 will be transferred to Creation and for any SE instruction that could be migrated successfully, a new "SEME" will be created as defined in 3.4 Connectivity. Allowing for a later reconciliation, migrated instructions will show a dedicated text in the instruction narrative.

While transforming the SE instructions, the system parameters on Creation will be considered. In general, all instructions with an ISD (Intended Settlement Date) above 400 calender days will be rejected by Creation. Any newly created instruction will follow the Creation business validation and presented for settlement, if applicable. Customers are requested to clean up instructions that cannot be migrated in due time supporting the migration timeline. Any instruction cancelled during the migration will be provided via the standard LION settlement reporting and in a dedicated migration reporting, if requested by the customer.

For any SE instruction that could be migrated successfully to Creation, the instruction lifecycle will restart. This means, the instructions are entered as new instructions and will receive new timestamps for the CSDR relevant fields "accepted" and "matched". The instruction history in Xact Web Portal will only show the Creation lifecycle information.

On the last business day (Friday) before the migration, stock exchange trades (Schlussnoten) concluded on that day will not be processed in LION. These trade confirmations will be processed via SETI and hence created at Creation during the migration weekend. With the reopening of the Xact connectivity channels customers will receive the settlement reporting, if defined.

Further information on the deployment weekends for the ICSD Migration (Phase 1) and the CSD Migration (Phase 2) will be provided via separate Customer Migration Guides. In addition, CBF will publish an announcement detailing the deployment activities and the associated indicative timeline.

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[5] All pending SE instructions awaiting settlement, as this step could not be (fully) achieved in Creation.

3.8 Customer simulation

Clearstream will offer a guided customer simulation for the changes induced by SET-GO for the ICSD Migration (Phase 1) and the CSD Migration (Phase 2). It is planned to execute the testing for both phases in two stages.

The first stage of customer simulation execution period for the ICSD Migration (Phase 1) started in mid-August 2021. After the deployment of the T2S Release 5.2 in the various testing environments, the second stage will be conducted as of October 2021.

During the simulation period for the ICSD Migration (Phase 1), customers will be able to receive settlement reporting for SE instructions via the different testing environments. For securities in custody type NCSC, the reporting will be offered via the Clearstream testing environment named "OCCT". As part of the regression testing, the reporting for securities in custody type CSC will be provided via the CBF Customer Simulation environment "IMS23". Customers acting in DCP mode can also receive the reporting via the T2S Pre-Production Environment (UTEST).

The test cases setup for securities in custody type NCSC are designed by CBF to support customers where specific environment requirements are necessary. Customers wishing to participate in the guided simulation have to register. A registration form was published. Based on the information provided in the registration form, CBF will create necessary settings in OCCT and IMS23.

For a successful participation in the customer simulation, account and connectivity settings must be available. Customers aiming for an end-to-end test must consider that the message flow towards OCCT via the SWIFT network requires the use of Test BICs as technical sender and receiver.

As a prerequisite, the Test BIC must be registered with the SWIFT network. Customer participating for the first time can already start to enable the technical setup. This is valid for Xact Web Portal access, RMA key exchange and connectivity testing.

During the customer simulation period the following scenarios for SE instructions (NCSC) will be covered:

- Migration procedure;
- Execution of predefined SE instructions (NCSC);
- End-to-end testing of stock exchange instructions using the XONTRO as well as the T7 (test) trading infrastructure; and
- Corporate action testing.

Besides the simulation of the settlement instruction flow allowing a verification of the Xact report definitions and instruction maintenance via A2A and Xact Web Portal, corporate action events will be offered. Such test cases are designed to show the harmonised processing for OTC and SE instructions using Custody. CBF will set up income and non-income events.

During the simulation period for the ICSD Migration (Phase 1), for CSC securities, no changes are envisaged in the current flow for SE instructions. Customers can continue entering stock exchange instructions in T7 testing environment. The settlement instructions will be processed in ICP and DCP mode as it is today.

Further information on the customer simulation for the ICSD Migration (Phase 1) and the CSD Migration (Phase 2) will be provided via separate Customer Simulation Guidelines.

Glossary

Acronym or abbreviation	Description
A2A	Application to Application
AKV	Custody type NCSC
AM	Account Master
BIC	Bank Identifier Code
CA	Corporate Actions
CBF	Clearstream Banking Frankfurt (CSD)
CBF-i	CBF International 6-series account
CBL	Clearstream Banking Luxembourg (ICSD)
CSC	Collective Safe Custody
CSD	Central Securities Depository
CSDR	CSD-Regulation
DCA	Dedicated Cash Account
DCP	Direct Connected Participant
DFoP	Deliver Free of Payment instruction
DvP	Deliver versus Payment instruction
EoD	End of Day
FoP	Free of Payment
GUI	Graphical User Interface
ICP	Indirect Connected Participant
ICSD	International Central Securities Depository
ISD	Intended Settlement Date
ISIN	International Securities Identification Number
KADI	Kapitaldienste
KUSTA	Customer Reference Data (Kundenstammdatensystem)
LMP	Local Market Partnership Model (CBF Investor CSD in a foreign CSD)
MIS	Management Information System
MT	Message Type
NCSC	Non-Collective Safe Custody in accordance with German Depositary Law
NCSC-T	Non-Collective Safe Custody ISINs eligible for settlement in T2S
OTC	Over the counter
PFOD	Payment Free of Delivery instruction
PÜEV	Platzüberschreitender Effektenverkehr
RFoP	Receive Free of Payment instruction
RTGS	Real-Time Gross Settlement
RvP	Receive versus Payment instruction
SE	Stock Exchange
SETI	Stock Exchange Transaction Interface
SET-GO	Stock Exchange Transactions Go OTC
SMPG	Securities Market Practice Group
STR	Streifbandverwahrung
SWIFT	Society for Worldwide Interbank Financial Telecommunication
T2S	TARGET2 Securities
U2A	User to Application
WKN	Wertpapierkennnnummer
WPR	Wertpapierrechnung

Appendix 1

Multi Hold and Release functionality

The following table lists the service offering at a glance:

Multi Hold and Release functionality	Description
Scope of instructions	The Multi Hold and Release functionality will be available for CBL internal instruction types (41, 51 / 4F, 5F) and settlement instructions executed via T2S. The functionality will be available for both the seller and buyer.
GUI Functionality	A filter and sort functionality will be available. Stock exchange instructions can be selected with the filter criterion "Instructing Party" and the value "DAKVDEFFLIO". Customers can modify one by one instruction or if the option "All" instructions is used then Xact will select a maximum of 25 instructions for Multi Hold and Release processing.
XLS Export	Customers will be able to create a documentation (XLS) that lists all instructions that are required to be released / set on hold. Once the instructions are selected, there will be an export functionality to store the results.
Validation Feature	The functionality can be used for a modification of instructions either in the hold or in the release status. Instructions that are already partially released cannot be processed. In addition, the Multi Release functionality cannot be used to instruct a partial release.
4-Eyes Principle	The 4-Eyes Principle will be applied on all modifications performed in the Multi Hold and Release functionality. Hold and release actions can be performed on pending instructions anytime but cannot be requested if a pending modification request is in place that requires the authorisation.
Audit Trail	An audit log will be provided for all modifications performed on the Multi Hold and Release functionality. If a modification request was not executed due to a concurrent update (because of change in the status, partial release request or settlement), this will be documented.

The following table depicts the selection criteria for the new Multi Hold and Release functionality.

Criteria	Filter	Comments
Business type	'='	• All instructions (default) • OTC instructions only • Stock exchange instructions only Stock exchange instructions only can be used to filter all SE instructions (NCSC).
Safe keeping account	'='	Can select up to 50 customer account numbers.
Financial instrument	'='	ISIN Code
Instruction type	'='	DELI, RECE
		APMT, FREE
Settlement currency	'=' and '<>'	Settlement currency of the instruction
Status of instruction	'=' and '<>'	PTYH - Party Hold
Transaction identification	'=' and '<>'	Reference value as available Trade ID in "TRRF" field.
Date section	'=', '<>', '<', '<=', '>', '>=', 'between'	Trade in dates section gives the possibility to input trade date.
Expected settlement date	'=', '<>', '<', '<=', '>', '>=', 'between'	Expected settlement date in dates section gives the possibility to input settlement date.
Counterparty	Dropdown menu	Available for Party Level 1 and 2
Input media channel	'='	SETI
Message type	'='	Message type is available in Other section to select different message types.
Settlement party	Dropdown menu	Available for Party Level 1 and 2.
Security transaction type	'=' and '<>'	CEDE/SENO – stock exchange instructions will have this flag

Based on the selection criteria, the number of instructions can exceed several thousands. If the number exceeds 2,000 lines, a warning message "You have exceeded the number of instructions. Use more specific query criteria" will be displayed. Customers can modify 25 instructions which are displayed by selecting 25 instructions one by one. If the customer clicks on "All", ClearstreamXact will select a maximum of 25 instructions for multi hold and release processing.

Input will be limited to the Xact Web Portal opening hours. If a modification request is transmitted via A2A during the Creation closing days / maintenance windows, the instruction will be queued and forwarded once the backend is available.

The Multi Hold and Release functionality will use the modification functionality. Hence, only users having the right to modify an instruction are allowed to execute this functionality. In addition, the modification might be authorised by another user having the necessary right. Depending on the customer setup the two-eyes or four-eyes principle applies on all modifications performed in the multi hold and release window.

The audit log will show all modifications performed on the multi hold and release window. If a modification request was not executed due to a concurrent update (because of change in the status, partial release request or settlement), this will be documented in the audit trail.

Appendix 2

Settlement message type examples

Example MT530 RTGS

Message fields and contents	Comments
:16R: GENL :20C::SEME//R379920196006887 :23G::NEWM :97A::SAFE//67004 :16S::GENL :16R::REQD :20C::PREV//SD123456EKZBH24N :22F::RTGS//YRTG :16S::REQD :16R::ADDINFO :35B::ISIN US345370BY59 FORD MOTOR CO. 98/28 :36B::SETT//FAMT/35000, :16S::ADDINFO	Based on the SEME concept for stock exchange instructions Change to a real-time settlement (longer settlement period)

Example MT530 PRTL

Message fields and contents	Comments
:16R: GENL :20C::SEME//R379920196006887 :23G::NEWM :97A::SAFE//67004 :16S::GENL :16R::REQD :20C::PREV//SD123456EKZBH24N :22F::PRTL//NPAR :16S::REQD	Based on the SEME concept for stock exchange instructions Change to "Partial settlement is not allowed"

Message fields and contents	Comments
:16R::ADDINFO :35B::ISIN US345370BY59 FORD MOTOR CO. 98/28 :36B::SETT//FAMT/35000, :16S::ADDINFO	

Example MT530 SETT (release)

Message fields and contents	Comments
:16R: GENL :20C::SEME//R379920196006887 :23G::NEWM :97A::SAFE//67004 :16S::GENL :16R::REQD :20C::PREV//SD123456EKZBH24N :22F::SETT//YPRE :16S::REQD :16R::ADDINFO :35B::ISIN US345370BY59 FORD MOTOR CO. 98/28 :36B::SETT//FAMT/35000, :16S::ADDINFO	Based on the SEME concept for stock exchange instructions Change to "The instruction is to be presented for settlement"

Example MT530 PRIR

Message fields and contents	Comments
:16R: GENL :20C::SEME//R379920196006887 :23G::NEWM :97A::SAFE//67004 :16S::GENL :16R::REQD :20C::PREV//SD123456EKZBH24N :22F::PRIR//0002 :16S::REQD :16R::ADDINFO :35B::ISIN US345370BY59 FORD MOTOR CO. 98/28 :36B::SETT//FAMT/35000, :16S::ADDINFO	Based on the SEME concept for stock exchange instructions Initial instruction is set up with priority "0001" and can be modified to "0002"

Example MT536

MT536 example without REG-UEBER:

Message fields and contents	Comments
:16R: GENL :28E: 00001/ONLY :13A::STAT//431 :20C::SEME//1111222233 :23G: NEWM :98C::PREP//20200624120000 :69B::STAT//20200624103000/20200624120000 :22F::SFRE//INDA :22F::CODE//COMP :22F::STBA//SETT :97A::SAFE//64444 :17B::ACTI//Y	Based on the CBL concept of outbound messages :69B: used instead of :69A:

Message fields and contents	Comments
:17B::CONS//N	
:16S: GENL	
:16R: SUBSAFE	
:16R: FIN	
:35B: ISIN AU0000090755	
/XS/2 18906338	
SUB PENINSULA ENERGY (SUBSCRIPTION)	
:93B::FIOP//UNIT/12000,	
:93B::FICL//UNIT/11000,	
:16R: TRAN	
:16R: LINK	
:20C::RELA//SD125456EKZBH24N	"SEME" is reported in the "RELA" field
:16S: LINK	
:16R: LINK	
:20C::TRRF//LP2006221234568	"LP" + Input Date + Trade ID ("Börsengeschäftsnummer" received from stock exchange)
:16S: LINK	
:16R: LINK	
:20C::COMM//ST12345678901234	"ST" + 14 digits unique number provided in both legs
:16S: LINK	
:16R: TRANSDET	
:94F::SAFE//NCSD/CAETAU21XXX	Place of Safekeeping will be set up by Creation
:94B::TRAD//EXCH/FRAB	Place of Trade with MIC (or without MIC, that is, only :94B::TRAD//EXCH)
:36B::PSTA//UNIT/1000,	
:22F::TRAN//SETT	
:22H::REDE//DELI	
:22H::PAYM//FREE	
:22F::SETR/CEDE/SENO	Identification of stock exchange trades
:22F::STCO//PART	Initially, the instruction will be created allowing partial settlement
:98A::TRAD//20200624	Trade date from stock exchange instructions
:98A::ESET//20200624	ISD as provided by stock exchange, if not available calculated by CBF (T+2)
:98A::SETT//20200624	
:98C::ASTS//20200624093000	Acknowledgement timestamp
:98C::MTCH//20200624093100	Matching timestamp
:70E::TRDE/5F	CBL instruction internal type

Message fields and contents	Comments
INTERNAL	
R00004A1B2C3D4E	
PRIR 0001	Settlement priority; initially set up with high priority and can be modified by customers
IDAY 20200324	Input day
:16R: SETPRTY	
:95P::PSET//CEDELULLXXX	Stock exchange instructions will be flagged with "CEDELULLXXX"
:16S: SETPRTY	
:16R: SETPRTY	
:95R::DEAG/CEDE/64444	Party Level 1 (Settlement Party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::SELL/DAKV/4444	Party Level 2 (Seller)
:97A::SAFE//64444	
:16S: SETPRTY	
:16R: SETPRTY	
:95R::REAG/CEDE/65555	Party Level 1 (Settlement Party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::BUYR/DAKV/5555	Party Level 2 (Buyer)
:97A::SAFE//3456	
:16S: SETPRTY	
:16S: TRANSDET	
:16S: TRAN	
:16S: SUBSAFE	

MT536 excerpt with REG-UEBER:

Message fields and contents	Comments
:16R: SETPRTY :95R::DEAG/CEDE/64444 :16S: SETPRTY	Party Level 1 (Settlement Party)
:16R: SETPRTY :95R::SELL/DAKV/1234 :16S: SETPRTY	Party Level 2 (Seller)
:16R: SETPRTY :95R::REAG/CEDE/65555 :16S: SETPRTY	Party Level 1 (Settlement Party)
:16R: SETPRTY :95R::BUYR/DAKV/5678 :16S: SETPRTY	Party Level 2 (Buyer)

Example MT537

MT537 example without REG-UEBER:

Message fields and contents	Comments
:16R: GENL :28E: 00001/MORE :13A::STAT//425 :20C::SEME//1111171576 :23G: NEWM :98C::PREP//20191017093651 :98C::STAT//20200624120000 :22F::SFRE//INDA :22F::CODE//DELT :22H::STST//STAT :97A::SAFE//64444 :17B::ACTI//Y :16S: GENL :16R: TRANS :16R: LINK :13A::LINK//541 :20C::RELA//SR125456EKZBH24N :16S: LINK :16R: LINK :20C::TRRF//LP2006221234569 :16S: LINK :16R: LINK :20C::COMM//ST12345678901234 :16S: LINK :16R: TRANSDET :94F::SAFE//CUST/CUSTXXXXXX :94B::TRAD//EXCH/FRAB :35B: ISIN XS1075219763 /XS/107521976 TRY 8,75 EUROP.INVEST.BK (REGS/2123	Based on the CBL concept of outbound messages Instruction will be created as "NEWM" or "PREA", value is based on account settings "SEME" is reported in the "RELA" field "LP" + Input date + Trade ID ("Börsengeschäftsnummer" received from stock exchange) "ST" + 14 digits unique number provided in both legs Place of Trade with MIC (or without MIC, that is, only :94B::TRAD//EXCH)

Message fields and contents	Comments
) 14-2021	
:36B::PSTA//FAMT/1000,	
:19A::PSTA//TRY500,5	
:22F::TRAN//SETT	
:22H::REDE//DELI	
:22H::PAYM//APMT	
:22F::STCO//PART	Initially, the instruction will be created allowing partial settlement
:22F::RTGS//NRTG	Initially, instruction will be created for the mandatory settlement period
:22F::SETR/CEDE/SENO	Identification for stock exchange trades
:98A::SETT//20200624	
:98A::TRAD//20200622	
:98C::ASTS//20200624093000	Acknowledgement timestamp
:98C::MTCH//20200624093100	Matching timestamp
:70E::TRDE/51	CBL instruction internal type
INTERNAL	
R00004A1B2C3D4F	
PRIR 0001	Settlement priority; initial setup with high priority and can be modified by customers
IDAY 20200324	Input day
:16R: SETPRTY	
:95P::PSET//CEDELULLXXX	Stock exchange instruction will be flagged with "CEDELULLXXX"
:16S: SETPRTY	
:16R: SETPRTY	
:95R::DEAG/CEDE/64444	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::SELL/DAKV/4444	Party Level 2 (Seller)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::REAG/CEDE/65555	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::BUYR/DAKV/5555	Party Level 2 (Buyer)
:16S: SETPRTY	
:16S: TRANSDET	

Message fields and contents	Comments
:16R: STAT	
:25D::SETT//PEND	
:16R: REAS	
:24B::PEND//PREA	The Hold / Release concept defined for stock exchange instructions will apply
:16S: REAS	
:16S: STAT	
:16S: TRANS	
:16R: TRANS	
:16R: LINK	
:13A::LINK//543	
:20C::RELA//SD125456EKZBH24N	"SEME" created by SETI
:16S: LINK	
:16R: LINK	
:20C::TRRF//LP2006221234559	"LP" + Input date + Trade ID ("Börsengeschäftnummer" received from the stock exchange)
:16S: LINK	
:16R: LINK	
:20C::COMM//ST12345678901234	"ST" + 14-digit unique number provided in both legs
:16S: LINK	
:16R: TRANSDET	
:94F::SAFE//CUST/CUSTXXXXXX	
:94B::TRAD//EXCH/FRAB	Place of trade with MIC (or without MIC, that is, only :94B::TRAD//EXCH)
:35B: ISIN XS1342860167	
/XS/134286016	
MXN 4,75 EUROP.INVEST.BK (REGS) 16-2021	
:36B::PSTA//FAMT/1000,	
:19A::PSTA//MXN300,	
:22F::TRAN//SETT	
:22H::REDE//RECE	
:22H::PAYM//APMT	
:22F::STCO//PART	Initially, the instruction will be created allowing partial settlement
:22F::RTGS//NRTG	Initially, the instruction will be created for the mandatory settlement period
:22F::SETR/CEDE/SENO	Identification of stock exchange trades

Message fields and contents	Comments
:98A::SETT//20200626	ISD as provided by stock exchange location, if not available calculated by CBF (T+2)
:98A::TRAD//20200624	Trade date as provided by the stock exchange location
:98C::ASTS//20200624093000	Acknowledgement timestamp
:98C::MTCH//20200624093100	Matching timestamp
:70E::TRDE/41	CBL instruction internal type
INTERNAL	
R00004A1B2C3D4G	
PRIR 0001	Settlement priority; initial setup with high priority and can be modified by customers
/IDAY 20200324	Input day
:16R: SETPRTY	
:95P::PSET//CEDELULLXXX	Place of Safekeeping will be set up by Creation
:16S: SETPRTY	
:16R: SETPRTY	
:95R::DEAG/CEDE/64444	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::SELL/DAKV/4444	Party Level 2 (Seller)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::REAG/CEDE/65555	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::BUYR/DAKV/5555	Party Level 2 (Buyer)
:16S: SETPRTY	
:16S: TRANSDET	
:16R: STAT	
:25D::SETT//PEND	
:16R: REAS	
:24B::PEND//PREA	The Hold / Release concept defined for stock exchange instructions will apply
:16S: REAS	
:16S: STAT	
:16S: TRANS	
:16R: TRANS	
:16R: LINK	

Message fields and contents	Comments
:13A::LINK//541	
:20C::RELA//SR122456EKZBH24N	"SEME" is reported in the "RELA" field
:16S: LINK	
:16R: LINK	
:20C::TRRF//LP2006221234549	"LP" + Input date + Trade ID ("Börsengeschäftsnummer" received from stock exchange)
:16S: LINK	
:16R: LINK	
:20C::COMM//ST12345678901234	"ST" + 14-digit unique number provide in both legs
:16S: LINK	
:16R: TRANSDET	
:94F::SAFE//CUST/CUSTXXXXXX	
:94B::TRAD//EXCH/FRAB	Place of trade MIC (or without MIC, that is, only :94B::TRAD//EXCH)
:35B: ISIN XS0768478868	
/XS/076847886	
GBP 3,75 EUROP.INVEST.BK (REGS/1926	
) 12-2027	
:36B::PSTA//FAMT/100,	
:19A::PSTA//GBP500,5	
:22F::TRAN//SETT	
:22H::REDE//RECE	
:22H::PAYM//APMT	
:22F::STCO//PART	Initially, the instruction will be created allowing partial settlement
:22F::RTGS//NRTG	Initially, the instruction will be created for the mandatory settlement period
:22F::SETR/CEDE/SENO	Identification for stock exchange trades
:98A::SETT//20200626	ISD as provided by stock exchange location, if not available calculated by CBF (T+2)
:98A::TRAD//20200624	Trade date as provided by the stock exchange location
:98C::ASTS//20200624093000	Acknowledgement timestamp
:98C::MTCH//20200624093100	Matching timestamp
:70E::TRDE/41	CBL instruction internal type
INTERNAL	
R00004A1B2C3D4H	
PRIR 0002	Settlement priority; initial setup with high priority and can be modified by customers
/IDAY 20200324	Input day

Message fields and contents	Comments
:16R: SETPRTY :95P::PSET//CEDELULLXXX :16S: SETPRTY :16R: SETPRTY :95R::DEAG/CEDE/64444 :16S: SETPRTY :16R: SETPRTY :95R::SELL/DAKV/4444 :16S: SETPRTY :16R: SETPRTY :95R::REAG/CEDE/65555 :16S: SETPRTY :16R: SETPRTY :95R::BUYR/DAKV/5555 :16S: SETPRTY :16S: TRANSDET :16R: STAT :25D::SETT//PEND :16R: REAS :24B::PEND// PREA :16S: REAS :16S: STAT :16S: TRANS (...)	Stock exchange instructions will be flagged with "CEDELULLXXX" Party Level 1 (Settlement party) Party Level 2 (Seller) Party Level 1 (Settlement party) Party Level 2 (Buyer) The Hold / Release concept defined for stock exchange instructions will apply

MT537 excerpt with REG-UEBER:

Message fields and contents	Comments
:16R: SETPRTY :95R::DEAG/CEDE/64444 :16S: SETPRTY	Party Level 1 (Settlement party)
:16R: SETPRTY :95R::SELL/DAKV/1234 :16S: SETPRTY	Party Level 2 (Seller)
:16R: SETPRTY :95R::REAG/CEDE/65555 :16S: SETPRTY	Party Level 1 (Settlement party)
:16R: SETPRTY :95R::BUYR/DAKV/5678 :16S: SETPRTY	Party Level 2 (Buyer)

Example MT547

MT547 example without REG-UEBER:

Message fields and contents	Comments
:16R: GENL	
:20C::SEME//1234567	Based on the CBL concept of outbound messages
:23G: NEWM	
:98C::PREP//20200624090659	
:16R: LINK	
:20C::RELA//SD123456EKZBH24N	"SEME" is reported in the "RELA" field
:16S: LINK	
:16R: LINK	
:20C::TRRF//LP2006221234567	"LP" + Input date + Trade ID ("Börsengeschäftsnummer" received from stock exchange)
:16S: LINK	
:16R: LINK	
:20C::COMM//ST12345678901234	"ST" + 14-digit unique number provided in both legs
:16S: LINK	
:16S: GENL	
:16R: TRADDET	
:94B::TRAD//EXCH/FRAB	Place of trade MIC (or without MIC, that is, only :94B::TRAD//EXCH)
:98A::ESET//20200624	ISD as provided by stock exchange location, if not available calculated by CBF (T+2)
:98A::TRAD//20200622	Trade date as provided by the stock exchange location
:90B::DEAL//ACTU/USD2,	"ACTU" in case of "UNIT", for "FAMT" :90A::DEAL//PRCT will be reported
:35B: ISIN US28531P1030	
/XS/185011224	
SHS ELECTROCORE ORD REG	
:22F::PRIR//0001	Settlement priority; initial setup with high priority and can be modified by customers
:70E::SPRO/IDAY 20200324	Input day
:16S: TRADDET	
:16R: FIAC	
:36B::ESTT//UNIT/100,	
:36B::PSTT//UNIT/100,	
:36B::RSTT//UNIT/13800,	
:19A::PSST//USD200,	
:19A::RSST//USD27600,	

Message fields and contents	Comments
:97A::SAFE//64444 :94F::SAFE//NCSD/DTCYUS33XXX :16S: FIAC :16R: SETDET :22F::SETR/CEDE/SENO :22F::RTGS//NRTG :22F::STCO//PART :16R: SETPRTY :95P::PSET//CEDELULLXXX :16S: SETPRTY :16R: SETPRTY :95R::DEAG/CEDE/64444 :16S: SETPRTY :16R: SETPRTY :95R::SELL/DAKV/4444 :16S: SETPRTY :16R: SETPRTY :95R::REAG/CEDE/65555 :16S: SETPRTY :16R: SETPRTY :95R::BUYR/DAKV/5555 :16S: SETPRTY :16R: AMT :19A::ESTT//USD200, :98A::VALU//20200624 :16S: AMT :16S: SETDET	Place of Safekeeping will be set up by Creation Identification of stock exchange trades Initially, the instruction will be created for the mandatory settlement period. Initially, instruction will be created allowing partial settlement Stock exchange instruction will be flagged with "CEDELULLXXX" Party Level 1 (Settlement Party) Party Level 2 (Seller) Party Level 1 (Settlement Party) Party Level 2 (Buyer)

Example MT548

MT548 example without REG-UEBER:

Message fields and contents	Comments
:16R: GENL	
:20C::SEME//1234567	Based on the CBL concept of outbound messages
:23G: INST	
:98C::PREP//20200518081710	
:16R: LINK	
:20C::RELA//SD123456EKZBH24N	"SEME" is reported in the "RELA" field
:16S: LINK	
:16R: LINK	
:20C::TRRF//LP2006221234539	"LP" + Input date + Trade ID ("Börsengeschäftsnummer" received from stock exchange)
:16S: LINK	
:16R: LINK	
:20C::COMM//ST12345678901234	"ST" + 14-digit unique number provided in both legs
:16S: LINK	
:16R: STAT	
:25D::MTCH//MACH	
:16S: STAT	
:16R: STAT	
:25D::SETT//PEND	
:16R: REAS	
:24B::PEND//BOTH	The Hold / Release concept defined for stock exchange instructions will apply
:16S: REAS	
:16S: STAT	
:16S: GENL	
:16R: SETTRAN	
:94F::SAFE//NCSD/DTCYUS33XXX	
:94B::TRAD//EXCH/FRAB	Place of trade with MIC (or without MIC, that is, only :94B::TRAD//EXCH)
:35B: ISIN US91324PDW95	
/XS/217805619	
USD 1,25 UNITEDHEALTH GRP 20-2026	
:36B::SETT//FAMT/500,	
:19A::SETT//USD800,	

Message fields and contents	Comments
:97A::SAFE//64444	
:22F::RTGS//NRTG	Initially, the instruction will be created for the mandatory settlement period
:22F::SETR/CEDE/SENO	Identification of stock exchange trades
:22F::STCO//PART	Initially, the instruction will be created allowing partial settlement
:22H::REDE//DELI	
:22H::PAYM//APMT	
:98A::TRAD//20200624	Trade date from stock exchange instruction
:98A::SETT//20200518	ISD as provided by stock exchange, if not available calculated by CBF (T+2)
:98C::ASTS//20200624093000	Acknowledgement timestamp
:98C::MTCH//20200624093100	Matching timestamp
:70E::SPRO/PRIR 0002	Settlement priority; initial setup with high priority and can be modified by customers
IDAY 20200324	Input day
:16R: SETPRTY	
:95P::PSET//CEDELULLXXX	Stock exchange instruction will be flagged with "CEDELULLXXX"
:16S: SETPRTY	
:16R: SETPRTY	
:95R::DEAG/CEDE/64444	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::SELL/DAKV/4444	Party Level 2 (Seller)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::REAG/CEDE/65555	Party Level 1 (Settlement party)
:16S: SETPRTY	
:16R: SETPRTY	
:95R::BUYR/DAKV/5555	Party Level 2 (Buyer)
:16S: SETPRTY	
:16S: SETTRAN	

Appendix 3

Custody message type examples (excerpts)

Excerpt MT564

:70E: Narrative part of income and non-income corporate action message for CSC LMP and NCSC securities:

Message fields and contents	Comments
(...) :70E::TXNR//MARKET CLAIM OF SE TRADE TR RELA0000127062 TR RELA T2SS0622248229F9A1 REF-OWNER-BICDAKVDEFFLIOXXX TRADE DAY20200602 COUNTERPART62160000 ACTUAL SETTLEMENT DATE20200604 (...)	CUM case for "MARKET CLAIM OF SE TRADE" else "REVERSE CLAIM OF SE TRADE" Trade reference number of underlying instruction T2S actor reference of underlying instruction Underlying instruction owner Trade date (YYYYMMDD) The counterparty account The intended settlement date (YYYYMMDD)

Excerpt MT566 Securities part of the Local Market Partner (L) concept

:70E: Narrative part of income corporate action message for CSC securities part of LMP:

Message fields and contents	Comments
(...) :70E::TXNR//MARKET CLAIM OF SE TRADE TR RELA0000127062 TR RELA T2SS0622248229F9A1 REF-OWNER-BICDAKVDEFFLIOXXX TRADE DAY20200602 COUNTERPART62160000 ACTUAL SETTLEMENT DATE20200604 (...)	CUM case for "MARKET CLAIM OF SE TRADE" else "REVERSE CLAIM OF SE TRADE" Trade reference number of underlying instruction T2S actor reference of underlying instruction Underlying instruction owner Trade date (YYYYMMDD) The counterparty account The intended settlement date (YYYYMMDD)

:70E: Narrative part for non-income corporate action message for CSC securities part of LMP:

Message fields and contents	Comments
(...)	
:70E::TXNR//MARKET CLAIM OF SE TRADE	CUM case for "MARKET CLAIM OF SE TRADE" else "REVERSE CLAIM OF SE TRADE"
TRADE REF0005209661	Transaction ID of resulting instruction
TRADE-REF T2SC071131754DFE4D	T2S actor reference of resulting instruction
REF-OWNER-BICDAKVDEFFLIOXXX	Instruction owner of resulting instruction
TR RELA0001001002	Trade reference number of underling instruction
TR RELA T2SS06N223924E0552	T2S actor reference of underlying instruction
REF-OWNER-BICDAKVDEFFLIOXXX	Underlying instruction owner
TRADE DAY RELA20200623	Trade date (YYYYMMDD)
COUNTERPART20130000	The counterparty account
ACTUAL SETTLEMENT DATE20200604	The intended settlement date (YYYYMMDD)
(...)	

Excerpt MT566 NCSC

:70E: Narrative part for income corporate action message for CSC securities part of LMP:

Message fields and contents	Comments
(...)	
:70E::TXNR//MARKET CLAIM OF SE TRADE	CUM case for "MARKET CLAIM OF SE TRADE" else "REVERSE CLAIM OF SE TRADE"
TR RELASD123456EKZBH24N	Trade reference number of underlying instruction ("SEME")
TR RELA T2SNONREF	"T2S NONREF" of underlying instruction
REF-OWNER-BICDAKVDEFFLIOXXX	Underlying instruction owner
TRADE DAY20200602	Trade date (YYYYMMDD)
COUNTERPART62160000	The counterparty account
ACTUAL SETTLEMENT DATE20200604	The intended settlement date (YYYYMMDD)
(...)	

:70E: Narrative part for non-income corporate action message for CSC securities part of LMP:

Message fields and contents	Comments
(...)	
:70E::TXNR//MARKET CLAIM OF SE TRADE	CUM case for "MARKET CLAIM OF SE TRADE" else "REVERSE CLAIM OF SE TRADE"
TRADE REFSD123456EKZBH24N	Transaction ID of resulting instruction ("SEME")
TR RELA T2SNONREF	"T2S NONREF" of resulting instruction
REF-OWNER-BICDAKVDEFFLIOXXX	Instruction owner of resulting instruction
TR RELASD123456EKZBH24N	Trade reference number of underling instruction
TR RELA T2SNONREF	"T2S NONREF" of underlying instruction
REF-OWNER-BICDAKVDEFFLIOXXX	Underlying instruction owner
TRADE DAY RELA20200623	Trade date (YYYYMMDD)
COUNTERPART20130000	The counterparty account
ACTUAL SETTLEMENT DATE20200604	The intended settlement date (YYYYMMDD)
(...)	

Appendix 4

Composition of Sender's Message Reference ("SEME")

This chapter defined the calculation of "Function of Date and Trade Number" (digit 10-16):

The input parameters for the calculation of digits 10-16 are:

- Input date in YYMMDD format

- Trade Number in *nnnnnnn* format (7-digit number)

Step 1: Transform input date in YYMMDD format into a number DATE

- Formula:

    o   DATE(YYMMDD) = (DD-1) + 31 * (MM-1) + 372 * (YY modulo 20)

Step 2: Generate a second number RESULT out of DATE and TRADE NUMBER

- Formula:

    RESULT = 10.000.000 * DATE + TRADE NUMBER

Step 3: Represent RESULT in base 36

— Represent RESULT in base 36 via 7 coefficients a_0 - a_6 so that:

    — RESULT = a_0 + a_1 *36 + a_2 *36^2 + a_3 *36^3 + ... + a_6 *36^6

    — Where each coefficient can take values between 0 and 35: a_n = 0, ..., 35

Step 4: Fill digits 10 – 16 according to the coefficients from the base 36 representation of RESULT:

Define mapping array to derive the character from coefficient a_n

— Character Set to be used:

    — 0-9 A-Z

    — Where 0-9 are represented as 0-9

    — Where 10, 11, 12, ... is represented as A, B, C, ...

    — Where 35 is represented as Z.

— Then digits 10 – 16 are mapped as follows (note that coefficient are mapped in backward order, i.e. coefficient a_0 is mapped in the last digit 16, then coefficient a_1 is mapped into digit 15, etc., until coefficient a_6 is mapped into digit 10:

    — Mapping logic: a_n =$\rightarrow$ Value(a_n)

    — Where Value = {0, 1, 2, 3, 4, 5, 6, 7, 8, 9, A, B, ..., Y, Z}

— Fill digits from coefficients a_n in backward order

    — a_0 $\rightarrow$ Value (a_0) mapped to digit 16

    — a_1 $\rightarrow$ Value (a_1) mapped to digit 15

    — a_2 $\rightarrow$ Value (a_3) mapped to digit 14

    — a_3 $\rightarrow$ Value (a_4) mapped to digit 13

    — a_4 $\rightarrow$ Value (a_5) mapped to digit 12

    — a_5 $\rightarrow$ Value (a_6) mapped to digit 11

    — a_6 $\rightarrow$ Value (a_7) mapped to digit 10

Calculation example:

- Trade Number = 1234567
- Input Date = 11.04.2032, that is, 320411 in YYMMDD format.

$\Rightarrow$ DATE(320411) = 10 + 3*31 + 12*372 = 10 + 93 + 4464 = 4567

$\Rightarrow$ RESULT = 45671234567

= 23 + 4 *36 + 2 *36^2 + 17 *36^3 + 11 *36^4 + 35 *36^5+20 *36^6

i.e. (a0, a1, a2, a3, a4, a5, a6) = (23, 4, 2, 17, 11, 35, 20)

With the array Value = {0, 1, 2, 3, 4, 5, 6, 7, 8, 9, A, B, ..., Y, Z}

We have

- Digit 16 = Value(a0 = 23) = N
- Digit 15 = Value(a1 = 4) = 4
- Digit 14 = Value(a2 = 2) = 2
- Digit 13 = Value(a3 = 17) = H
- Digit 12 = Value(a4 = 11) = B
- Digit 11 = Value(a5 = 35) = Z
- Digit 10 = Value(a6 = 20) = K

$\Rightarrow$ SEME = "SD581005EKZBH24N"

Appendix 5

List of Reason Code Narratives

With the introduction of SET-GO ICSD Migration (Phase 1) for SE instructions (NCSC), the below-mentioned "Reason Code Narratives" will not be supported in settlement instruction created by SETI and processed via Creation. These codes will be available in the CBF settlement reporting for securities in custody type CSC / NCSC-T until the go-live of SET-GO CSD Migration (Phase 2).

The following table provides a list of the currently used "Reason Code Narratives":

Code	Name of label
AS	AUFGABENSCHLIESSUNG
AU	AUFGABE
AW	AUFGABENWEITERGABE
DP	DISPOSITIONS-PRIOTITAET GEANDERT
FW	FREMDWAEHRUNG
KO	KOMPENSATION
LB	LOESCHUNG DURCH BEIDE KONTRAHENTEN
LC	LOESCHUNG DURCH CBF
LG	LOESCHUNG DURCH CBF VOM VORTAG
LI	LINKED
LK	LOESCHUNG DURCH KAEUFER
LT	LOESCHUNG DURCH BEIDE VOM VORTAG
LS	LOESCHUNG DURCH T2S
LV	LOESCHUNG DURCH VERKAEUFER
ME	MAKLER ERHEBT
MU	MAKLER UEBERWEIST
NT	NCSC-T ISIN (T2S SETTLEMENT)
OD	OHNE DECKUNG STUECKE
OG	GELD NICHT BEREITGESTELLT
PI	PARTIAL SETTLEMENT INDICATOR GEAENDERT
PP	TEILWEISE OFFEN
RC	ABGELEHNT WEGEN ISIN (MVCV205)
RJ	ABGELEHNT
RQ	BEANTRAGT
R3	REG S, KATEGORIE 3
SA	SONDPRO-AENDERUNG (CORP. ACTIONS)
SP	GATTUNGSSPERRE
ST	LIEFERPOSITION STORNIERT
SZ	ZUSATZRECHT EINGERICHTET
TB	TEILBELIEFERUNG
VE	EMISSIONS-VALUTA
VZ	VALUTA ZUG UM ZUG
XE	XETRA-GESCHAEFT
ZR	GESCHAEFT ALS ZUSATZRECHT EINGER.

Appendix 6

Streifband (STR) and Wertpapierrechnung (WPR)

WSS Value	Classification	Short text	Long text
00000020	STR	Streifbandverwahrung	Streifbandverwahrung
00000021	STR	Streifband.p. Erscheinen	Streifbandverwahrung per Erscheinen
00000022	STR	Streifb./Haussammelverw.	Haussammelverwahrung, kein Stückeausdruck, nur Globalurkunde(n)
00000023	STR	Schuldbuch/k. GS-Verw.	Schuldbucheintragung, keine GS-Verwahrung
00000024	STR	Depotmäßige Einbuchung	Nur depotmäßige Einbuchung (keine effektiven Stücke, keine Globalurkunden)
00000040	WPR	Wertpapierrechnung	Wertpapierrechnung (Stücke effektiv lieferbar)
00000049	WPR	Wertpapierrechnung/k.St.	Wertpapierrechnung (Stücke nicht effektiv lieferbar)
00000088	STR	Sonstiges (Indices etc.)	Sonstiges (Indices etc.)
00000091	STR	Haus-Sammelverwahrung	Haus-Sammelverwahrung
00000092	STR	Streifbandverwahrung	Streifbandverwahrung
00000093	WPR	Wertpapierrechnung	Wertpapierrechnung