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CBF Release

Information relating to the Release

23 November 2015

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October 2015
Document number: F-CON36

Foreword

In addition to the publication "CBF Release in November 2015: Advance announcement of changes" dated June 2015, the following provides comprehensive and detailed information about the changes to be implemented on Monday, 23 November 2015.

Please forward the document to all units concerned in your organisation.

Please refer to our Client Services for additional information or if you have any questions on the individual topics.

At this point, we would like to draw our customers' attention to the fact that telephone conversations with Clearstream Banking – as is customary in the financial industry– are recorded in some areas. This is intended to protect the interests of both Clearstream Banking and its customers in the case of misunderstandings or false communications.

The divisions in which telephone conversations are recorded include Client Services, the Treasury dealing room and the back office. The telephone lines concerned are subject to constant maintenance, to ensure fault-free operation.

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Contents

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1. Asset Services

1.1 Record Date Germany

As a result of the ‚'Aktienrechtsnovelle 2014' (Amendment of the Stock Corporation Act in 2014), the following sentence is planned to be incorporated in § 58 Absatz 4 of the Stock Corporation Act (Aktiengesetz, AktG):

"Der Anspruch ist am dritten auf den Hauptversammlungsbeschluss folgenden Geschäftstag fällig. In dem Hauptversammlungsbeschluss oder in der Satzung kann eine spätere Fälligkeit festgelegt werden."

This law change of AktG, which is the pre-condition for the introduction of the record date for income events in Germany, is planned for 2015 with effective date 1 January 2016, and covers dividend and participation rights' payments. The integration of fund payments is still in discussion in the related working groups; the record date for interest payments further depends on the coupon date.

The introduction of record date processing for non-income events, for which no law change is necessary, is also planned with effective date 1 January 2016. An exact description of the new event timelines is shown in the customers information mentioned below.

CBF will introduce the according changes in the November Release 2015.

Change of process[1]	Technical launch	Operational launch
Enhancements, market claims and transformations	23/11/2015	23/11/2015
New MT564 REPE process	23/11/2015	23/11/2015
Pre-advice German events with new timeline	23/11/2015	23/11/2015
Processing German events with new timeline	23/11/2015	01/01/2016[2]

The document "Customer Information Record Date Germany" at Clearstream Homepage contains a detailed description of the functional changes.

1.2 Enhancements for Corporate Action SWIFT messages (MT564, MT566)

The changes to the SWIFT MT564 and MT566 message formats described below are being made owing to ongoing adjustments by CBF Custody Services to the National Market Practice (NMPGs) and International Market Practice (SMPG), and include the following main points:

- Adjustments to the options (sequences E) of the MT564 for corporate actions, for which CBF requires instructions from its customers (TA280 with 22F::CAMV//CHOS), or customers can issue instructions (TA280 with 22F::CAMV//VOLU). These adjustments should therefore also be noted by the customer in future when issuing instructions using MT565;

- New insertion of the indicator 22F::DISF for information on the processing of fractional shares for TA280 CHOS events on the basis of interim securities;

- Linking of MT564 messages from different settlement processes (with varying corporate action references) that should be assigned to the same event;

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[1] Process description in the following chapters
[2] Ensured by respective information from issuers and Wertpapier-Mitteilungen (WM)

- Display of an additional sub-sequence E1 in the cash option of an MT564 income notification in case the underlying security is also derecognised along with the cash distribution;

SWIFT messages MT564/566/568 are optional services and can be ordered by the client via order forms number 83A/B.

The document "CBF SWIFT & Connectivity: Changes in November 2015" on the Clearstream website contains a detailed description of the functional changes.

2. Cross-Border Settlement

2.1 Use of TARGET2 opening days calendar for settlement of free of payment transactions against account 4490 (VP SECURITIES A/S)

As part of harmonisation at European level, VP SECURITIES A/S (VP) will apply the TARGET2 opening days calendar for free of payment (FOP) transactions, effective 23 November 2015. For delivery versus payment (DvP) transactions (in DKK) the VP calendar remains valid.

As a result of this change, FoP transactions against account 4490 will be processed on 24 December and 31 December 2015 for the first time.

DvP transactions (in DKK) will be forwarded to the following business day.

3. Global Securities Financing

3.1 Xemac

3.1.1. Mandatory Xemac version 5.7

A new Xemac® version 5.7 will be implemented with the Release on 23 November 2015. The participating banks have to install Xemac version 5.7 by this date. It will no longer be possible to access Xemac version 5.6. thereafter.

The software for Xemac version 5.7 will be available for download for premium users as of 2 November 2015 on the Clearstream website www.clearstream.com with the following URL:

https://www.clearstream.com/clearstream-en/products-and-services/global-securities-financing/global-liquidity-hub-csd-services/triparty-collateral-services--xemac-/xemac-technical-specifications/9738

The "Installation Manual" will be available online on the website. As of this Release, the standard language will be prompted during installation.

One of the key changes implemented through the new Xemac® Version 5.7 is to prepare for the forthcoming implementation of TARGET2-Securities (T2S) later in 2016.

A new MFI ID field will be introduced in the Xemac Client Reference to allow for the consideration of close links / own issues and apply the correct eligibility checks and haircuts according to the ECB Eligible Assets Database within the allocation process.

Additional enhancements are described below.

3.1.2.   Identification and processing of close link assets

In order to allow the identification of close link assets and application of the correct haircut for allocations in favour of the Eurosystem, Xemac will introduce the field MFI ID within the Client Reference.

Deutsche Bundesbank is planning to provide Clearstream with a list of MFI IDs and ISINs on daily basis. This list will indicate whether an ISIN is ineligible for the respective MFI ID or whether a higher (own use) haircut needs to be applied.

It is therefore required that for each Xemac Client Reference with existing claims based on contract definition type "NCB", the MFI ID field is correctly filled.

The application of the new process to apply the MFI ID ISIN check is planned for January 2016.

Clearstream will align to initially fill the MFI ID field for all Client References where a claim with Deutsche Bundesbank exists. However, the responsibility not to use ineligible close link assets remains with the customer or counterparty of the Eurosystem. For all new Client References which will be set up by customers in Xemac, the responsibility to maintain the MFI ID remains with the customer.

Due to potential differences in the evaluation of securities in reuse claims (e.g. prices, haircuts, accrued interests), it is highly recommended that customers who reuse collateral ensure that sufficient securities are available in the collateral pool for a smooth settlement of substitutions and GC Pooling transactions.

3.1.2.1. Detailed view Client Reference tab-page "Client Data"

In order to enable customers to enter their MFI IDs, a new field is introduced below between the fields "Client" and "Comment":

Figure 1: Detailed view of Client Reference tab page "Client Data"

Entries or modifications to existing values are possible during regular customer online business hours and will be effective immediately.

Upon successful entry of the MFI ID, it will be visible in the following detailed views and tabular views:

Type	Name	Position of new field / column
Client References		
Tabular view	Current Client References Historical Client References Status not Checked	Between columns "Client" and "Clearer ID".
Detailed View	Client References	Tab Page "Client Data" after field "Client".
Contract Conclusions		
Detailed view	Contract Conclusions	Tab Page "Xemac Partner" after field "Client". Display in section of collateral providers when contract definition type NCB is chosen.

Claims		
Tabular view	Claim amount	The information will be added for the collateral provider and collateral taker: "MFI ID" and "Counterparty MFI ID".
Detailed View	Claims	Tab Page "Xemac Partner" after field "Client" for the Collateral Provider. Display existing when contract definition type NCB is chosen.

Reports based on tabular views will be adapted accordingly.

3.1.3. Changes linked to T2S

3.1.3.1. Detailed view "Client Reference" tab page "Settlement Data"

Currently, the "Automatic Return" flag can be chosen by customers at four different timings ("After SDS1" / "At 14:00" / "At 16:00" and "End of Day"). It ensures that free securities positions with Settlement Location "CBL" are returned back to the Creation source account.

In preparation for the introduction of T2S and the decommissioning of the SDS batches, "Automatic Return" linked to SDS1 will no longer be supported as of 23 November 2015; hence the tick-box "After SDS1" in the detailed view of "Client References" (tab page "Settlement Data") in the choice selection of "Automatic Return" will be removed:

Figure 2: Detailed view of Client Reference tab page "Settlement Data"

3.1.3.2. Additional column – Link Reference

In order to establish the link between a primary instruction and the related reuse substitutions, which are potentially required, Xemac will provide for a new column.

This new column "Link Reference" will provide the unique reference consisting of the instruction number of the primary instruction. This column will be added in the following tabular views:

- Historical Allocation Instructions;
- Rejected Allocation Instructions;
- Allocation Instruct. without PKS.

Figure 3: Tabular view, Historical Allocation Instructions

3.1.4. Miscellaneous changes

3.1.4.1. Changes in the Historical Client References view

As of November 2015, the view will display historical Client References created due to changes and deletions providing an enhanced overview.

The columns "Creation Date" and "Deletion Date" will be removed and replaced by the following four columns:

Column Name
Valid from
Valid until
Version of Client Reference
Status of Client Reference

Figure 4: Tabular view, Historical Client References

3.1.4.2. Enhanced Pre-filter selection logic added to Historical Claims view

To facilitate efficient searches, the pre-filter option will be offered additionally to the Xemac view "Historical Claims".

Within this view, customers will have the choice of selecting one of the following three fields with a default setting of "No Filter":

The following sub-filter menus have been implemented:

Filter criterion	Available sub-filter
Client Reference	
	Own Client Reference
	Client
Counterparty	
	Number
	Name
System Claim No.	
	Number

3.2 Securities Lending

Due to the implementation of the Record Date in Germany for Income and Non Income Events, (see also "CBF Release November 2015: Announcement of enhancement") amendments in regards to securities lending are due and will be implemented, effective 23 November 2015. This enhancement impacts the report "Positions" in csv format.

In the electronically processed csv format additional data columns will be added as well as a name change for one column. Data fields with undelivered data will remain empty and no value reported. All general report formats remain unchanged.

Column **ex-date** will be inserted **after** column **value in EUR**,

Column **record date** be inserted **before** column **ca/date**,

Column **ca/ date** will be renamed into **entitlement date**,

Column **value date** will be inserted **before** column **event**,

All enhancements mentioned will be incorporated in the document "Electronic Reports in Securities Lending for Customers of Clearstream Banking AG, Frankfurt" and published on the Clearstream website prior to production launch.

4. Preparatory measures for TARGET2-Securities (T2S) Wave 3

In the "CBF Release in November 2015: Advance announcement of changes" (published on 5 June 2015), CBF already informed customers of measures in regards to content and structure to be implemented in preparation for T2S migration. Preparatory measures concerning the following topics have already been described in the afore-mentioned advance announcement:

- Changes in account master data (KUSTA);
- Changes in CASCADE;
- Changes in Settlement Reporting;
- Changes in Stock Exchange Settlement (LION);
- Enhancements related to Connectivity;
- Changes in the maturities of Danish bonds.

In addition to the measures published above, further explanations are provided below.

4.1 Changes in the account master data (KUSTA)

The following changes in KUSTA will become effective, 23 November 2015:
- Changes in the reports (see "CBF Release in November 2015: Advance announcement of changes" Chapter 4.1.1);
- Changes in the bank information (see "CBF Release in November 2015: Advance announcement of changes" Chapter 4.1.2);

During the implementation of the T2S Party BIC Concept, CBF provided the Single Points of Contact with a dedicated list of all the activated BIC11 for the activation dates. Information about the BIC11, as well as information on whether a CBF account master is relevant to T2S, will be available in the KUSTA data carrier as a result of the CBF Release in November 2015. Customers who have not yet purchased this product can request it using the "46 KUSTA Data Carrier" form.

CBF will provide a test file of the KUSTA data carrier during the customer simulation starting on 26 October 2015. This data carrier contains information that was provided for testing purposes and will remain unchanged during the simulation.

The KUSTA data carrier for the customer simulation is available under https://www.clearstream.com/clearstream-en/products-and-services/connectivity--1-/cascade/testing-and-simulation

4.2 Changes in CASCADE

4.2.1 Establishment of T2S matching criteria

CBF will align existing matching logic for domestic instructions with the T2S matching logic. This change affects all instructions with either CBF acting as Issuer CSD or the settlement taking place between CBF customers only. Cross-border instructions with CBF acting as Investor CSD are unaffected by this change. The following adjustments will come into effect on 23 November 2015.

Adaptation of the EUR tolerance amount

The existing tolerance limit of EUR 25 for the settlement amount is being adapted in line with ECSDA standards. If the cash countervalue of at least one instruction is ≤ EUR 100,000, the tolerance limit is EUR 2. If the cash countervalue of both instructions is > EUR 100,000, the tolerance limit is EUR 25.

Matching of Party Level 2

The following matching logic applies to the current entry of settlement party information on Party Level 2, depending on the qualifiers chosen. The qualifiers:

- BIC and BLZ are optional matching criteria; they can be matched against the same value and against a blank field, but not against a different value.
- KTO, ACC, DSS and TXT are not relevant for matching; the value entered is not taken into account during matching.

On Party Level 2, this matching logic applies to both the delivering party and the receiving party in an instruction.

The establishment of the T2S matching criteria does in no way influence the enhancements concerning the entry of the settlement party information as introduced in the CBF Release in November 2014 (refer to "Information related to the CBF Release 17 November 2014".)

CBF advises customers to already check whether the counterparty data currently used is up-to-date. In addition, customers should agree with their counterparties whether matching on Party Level 2 is required in future and, if so, which matching code is to be used.

Matching of Common Trade Reference

The common trade reference (reference no.) will become an optional matching criterion; the common trade reference can be matched against the same value and against a blank field, but not against a different value. As the matching is case sensitive, CBF advises customers to solely enter letters in uppercase to avoid possible mismatches. In CASCADE Online (HOST / PC), it is only possible to enter letters in uppercase, whereas in Straight-Through-Processing, it is possible to enter letters in both upper and lowercase.

This reference should only contain a value if it has been agreed on with the counterparty.

Details of the Establishment of the T2S matching criteria

A detailed description of the establishment of the T2S matching criteria is available in "CBF Release in November 2015: Advance announcement of changes" section 4.2.1.

For further information for a counterparty on the processing of an instruction, CBF still offers the narrative field :70E. When using the narrative field, the details in Party Level 2 or in the common trade reference can be used according to their original purpose.

4.2.2 Activation of T2S-specific fields

Since the November 2014 Release, the CASCADE Online functionality has contained T2S-specific fields in which it not been possible to enter data. With the November 2015 Release, the entry for the fields "Partial Settlement Indicator" and "ISO transaction code" in instruction types AA01 / AA02 will be possible both online (HOST / PC) and in Straight-Through-Processing (STP). However, the processing of these fields will not take place before the migration weekend in Wave 3. This was already announced in "CBF Release in November 2015: Advance announcement of changes" section 4.2.2.

As an addition to the information given in the advance announcement, the table below lists all of the ISO transaction codes that customers can send via the online (HOST / PC) as well as the Straight-Through-Processing (STP) communication channels.

For some of the ISO transaction codes listed in the table below, processing via STP has already been possible. For these ISO transaction codes, the current processing remains. Newly added ISO transaction codes can be entered after the CBF Release in November 2015, however, these will have no impact on settlement until the migration in Wave 3.

ISO transaction codes	Description	Existing codes	New codes
BSBK	Buy sell back transaction		✔
CNCB[3]	Collateral delivery / receipt to a national central bank for central bank credit operations		✔
COLI	Collateral transaction, from the point of view of the collateral taker or its agent	✔	
COLO	Collateral transaction, from the point of view of the collateral giver or its agent	✔	

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[3] This code is dedicated to use by central banks.

ISO transaction codes	Description	Existing codes	New codes
ETFT	ETF creation or redemption		✔
FCTA	Factor update		✔
INSP	Movement of shares into or out of a pooled account		✔
MKDW	Decrease of positions held by an International Central Securities Depository (ICSD) at the common depository due to custody operations (repurchase, pre-release, proceeds of corporate event realigned)		✔
MKUP	Increase of positions held by an International Central Securities Depository (ICSD) at the common depository due to custody operations (repurchase, pre-release, proceeds of corporate event realigned)		✔
NETT	Netting of settlement instructions		✔
NSYN	Relates to the issue of medium and short term paper (CP, CD, MTN, notes etc.) under a program and without syndication arrangement.		✔
OWNE	Account transfer involving more than one instructing party (messages sender) and / or account servicer (messages receiver)	✔	
OWNI	Account transfer involving one instructing party (messages sender) at one account servicer (messages receiver)	✔	
PAIR	Pair-off: The transaction is paired off and netted against one or more previous transactions.		✔
PLAC	Placement / new issue of a financial instrument		✔
REDM	Redemption of funds (funds industry only)		✔
RELE	Release (into / from local) of depository receipt operation		✔
REPU	Repurchase agreement transaction		✔
RODE	Return of financial instruments resulting from a rejected delivery without matching operation		✔
RVPO	Reverse repurchase agreement transaction		✔
SBBK	Sell buy back transaction		✔
SECB	Securities borrowing operation	✔	
SECL	Securities lending operation	✔	
SUBS	Subscription to funds (funds industry only)		✔
SYND	Issue of financial instruments through a syndicate of underwriters and a lead manager		✔
TBAC	To Be Announced (TBA) closing trade		✔
TRAD	Settlement of a trade	✔	
TRPO	Tri-party repurchase agreement		✔
TRVO	Tri-party reverse repurchase agreement		✔
TURN	Turnaround: The same security is bought and sold to settle the same day, to or from different brokers.		✔

Instructions with an ISO Transaction Code not among the ones listed in the table above will be rejected in future. In CASCADE Online (HOST / PC), one of the following error messages will be displayed in case of an invalid entry:

Value	Beschreibung (deutsch)	Description (English)
KV6270F	Eingegebener Wert bei ISO TRANSACTION CODE nicht erlaubt	The value entered for ISO TRANSACTION CODE is not allowed[4]
KV6288F	Dieser ISO TRANSACTION CODE ist nicht erlaubt	This ISO TRANSACTION CODE is not allowed[5]

In Straight-Through-Processing channels, the customer will receive the rejection as an MT548 Rejection with the value and an English description as shown in the table above in the :70D::REAS field, for example:

Message Fields and Contents
(…)
:25D::IPRC//REJT
:16R:REAS
:24B::REJT//NARR
:70D::REAS//KV6288F This ISO TRANSACTION CODE is not allowed
:16S:REAS
(…)

In Straight-Through-Processing, the ISO transaction code entered in the instruction will be transferred via a narrative field using the new flag "/ISTR". The current content of field :22F "Type of Settlement Transaction" in "Mandatory Sequence E Settlement Details" is not affected by this.

Entering an ISO transaction code aaaa will be displayed in the different messages as follows:

- In MT548 messages:

Message Fields and Contents
(…)
:22F::SETR//TRAD
:70E::SPRO///ISTR aaaa
(…)

- In MT54X Settlement Confirmations and MT578 Allegements:

Message Fields and Contents
(…)
:22F::SETR//   Filled according to current logic
:70E::DECL///ISTR aaaa
(…)

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[4] Check if the ISO transaction code contains a valid value
[5] Check if the ISO transaction code may be used

- In MT536 and MT537 messages:

Message Fields and Contents
(...)
:22F::SETR//   Filled according to current logic
:70E::TRDE///ISTR aaaa
(...)

4.2.3 Processing OTC Instructions on Third Party accounts

Third Party accounts will not be migrated to T2S as part of the T2S migration Wave 3, and will only be available in CASCADE. This means that no securities' instructions can be entered on these accounts in future, as settlement will no longer be possible. In line with this, the use of the 7-digit Third Party branch accounts as part of the processing is no longer necessary. As part of the preparation for T2S, these Third Party branch sub-accounts will therefore be blocked and then deleted. The Third Party branch main accounts (account numbers -000) will remain. Customers affected by this measure were already informed in March 2015. This also means that positions from Third Party branch accounts need to be transferred to other independent accounts (not Third Party Accounts).

Customers still holding positions on Third Party branch accounts therefore need to move the positions to other accounts **before** the upcoming Release in November 2015. After the Release in November 2015, customers will no longer be able to access potential positions themselves.

In order to ensure that these accounts do not hold any positions at the time of migration in Wave 3, no OTC instructions from or to Third Party accounts will be possible after the November 2015 Release.

Stock Exchange settlement is not affected by this change.

4.2.4 Settlement of domestic instructions from securities issued by SIX SIS in CHF

The settlement of non-EUR transactions in the domestic market will be harmonised as a result of the November 2015 Release. Details on the future cash settlement of all payment delivery instructions (Delivery versus Payment – DvP / Receive versus Payment - RvP transactions) in non-EUR, through Clearstream's Creation platform, are described in section 4.2.9 of "CBF Release in November 2015: Advance announcement of changes".

Please note that with this change, the conditions in Creation for the settlement of Swiss francs are valid as described in the Creation Link Guide.

This change only affects the processing of non-EUR domestic instructions, namely between two CBF customers. The settlement of Eurex Clearing AG instructions with Swiss participants in securities issued by SIX SIS in CHF is not affected by this change.

In preparation for the November 2015 Release, customers are kindly asked to cancel pending instructions in securities issued by SIX SIS in CHF on the Friday before the Release change. Remaining pending instructions will be cancelled by CBF with the Release change. Customers will be informed about the cancellation with an MT548 IPRC//CAND CAND//CANI.

New instructions with securities issued by SIX SIS in CHF can be re-entered on Saturday 21 November, after 06:00.

4.2.5 New fields for the instruction of securities' transfers CASCADE RS

In keeping with the T2S Corporate Action Standards (CASG), as well as and amongst others, the introduction of the Record Date on 1 January 2016 (see also section 1.1), securities transfers RS (AA01, sub-order type P) will also be considered in the market claim and transformation process. It is therefore necessary to consider the 'Schlusstag' / closing date (mandatory matching field) as well as the Ex/Opt-Out flag (optional matching fields) for the entry of orders.

This includes the online instructing, as illustrated in the transaction example below, as well as the instructing via MT540/MT541/MT542/MT543 (SWIFT, MQ, File Transfer) for settlement instruction indicator :22F::SETR//OWNE.

Extended transaction 'Securities transfer RS' for November 2015:

```
TRAN: KVEE FC: DV SB:

AUFTRAGSABWICKLUNG       DEPOTUEBERTRAG / ERFASSUNG         ERFASSUNGSSTATUS

PRIMANOTE: _____          AUFTNR: _____      VWA: GS

LAST     : _____  &&&&&&&&&&&&&&&&&&&&&&&&&&&&&& / &&&&&&&&&&
GUT      : _____  &&&&&&&&&&&&&&&&&&&&&&&&&&&&&& / &&&&&&&&&&
WKN      : & _____


NOMINALE : _____   EINHEIT   :     DISPO-PRIORITAET   : _
SET-DAY  : &&.&&.&&&&            PARTY HOLD (J/N): & RUECKUEBERTRAG (J/N): &
AUFTR-REF: _____   REFERENZ-NR: _____

BELEGSCHAFT-SP: &                SP-DATUM   : _____

SCHLUSSTAG    : &&.&&.&&&&      EX-TRD    : &&&&   OPT-OUT: &



-- ID-KZ: 7907260001 -- PW:          ------ B79074K8 -- 24/01/13 -- 13:40:47 --

&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
```

Additional fields (O – optional, M – mandatory):

Field	Description	O/M	Format/Validation
SCHLUSSTAG	New field for entering the closing date	M	Date field DD.MM.YYYY Date must be <= ISD (Intended Settlement Date).
OPT-OUT	New field for excluding a transaction from the market and reverse claim process	O	1-digit-format Possible values: J – Transaction excluded from market and reverse claim process Empty (default) – Transaction not excluded
EX-TRD	New field for flagging a transaction as ex trade	O	Possible values: XCPN Ex Flag from T2S Wave 3 on CCPN Cum Flag from T2S Wave 3 on SPEX Ex Flag as currently used

4.3 Changes in CASCADE RS

In preparation for the introduction of T2S, the delivery of CASCADE-RS settlement lists (position queries) will be postponed with the new CBF Release. In future, the respective data delivery will take place after 03:00. The delivered data displays the current positions at that time.

RS settlement lists (position queries) are requested via the online transaction KVCB.

4.4 Adaptations in settlement reporting

4.4.1 Settlement lists

In "CBF Release in November 2015: Advance announcement of changes", section 4.3.2 amongst others, CBF already announced that the following settlement lists would be produced and delivered only once at the end of the day from this Release onwards – currently planned for between 18:00 and 19:00:

- Settlement list (Regulierungsliste);
- Settlement list / Statistics (Regulierungsliste / Statistik);
- Foreign currency settlement list (Regulierungsliste Fremdwährung).

In practice, this means that settlement lists I - III will no longer be delivered. Empty files will also not be delivered. Only settlement lists IV and V will continue being produced under the designation settlement list (without numeration). Both files contain the same information. The changes in the layout are described in the advance announcement of the Release.

4.4.2 Amended times for distributing the MT564

Furthermore, section 4.3.7 of the "CBF Release in November 2015: Advance announcement of changes" provided information about the amended times for distributing the MT564 Corporate Action Notification.

Contrary to former announcements, the described changes are not going to be productive in the CBF Release in November 2015, but planned for the migration to T2S in Wave 3.

4.4.3 Enhancements for SE trades which are marked for deletion by CBF

SE trades which are marked for deletion by CBF (for example, based on custody events such as "Transformation into Cash") will now be reported within LIST OF TRANSACTIONS MARKED FOR DELETION within the sub category MARKED FOR CANCELLATION BY CBF.

4.5 Adaptations in the settlement of stock trades (LION)

4.5.1 Deactivation of the KVLI IK/IS functionality

The CASCADE Online Reporting for Stock Exchange transactions enables our customers to retrieve information on LION trades via the KVLI functionality. As both the KVLI IK (Information Kontrollsummen) and KVLI IS (Information Abstimmsummen) functionality are very rarely used, these are going to be decommissioned with the CBF Release in November 2015.

The KVLI IA (Information Aufgaben) and KVLI IB (Information Lieferpositionen) functionality are not affected by this change and will remain.

4.6 Connectivity

4.6.1 Additional fields in client connectivity

A detailed description of the additional fields can be found in "CBF Release in November 2015: Advance announcement of changes", accessible on the Clearstream website. (http://www.clearstream.com/blob/74782/ed97d379aaf304bb270c7b9e3a5d42e9/cbf-pre-release-information-november-2015-en-data.pdf).

4.6.2 Extended status information in MT548 and MT537

Section 4.5.2 of the "CBF Release in November 2015: Advance announcement of changes" already informed customers about the extended status reporting in the "Repetitive Subsequence A2 Status" sequence in the message type MT548 ("Business Validation Feedback and Lifecycle Information") and in the "Repetitive Subsequence C3 Status" sequence in the message type MT537 ("Statement of Pending Transactions (OTC/SE)").The change applies to the match-relevant instruction types AA01 / AA02 and AA10 and is used in the matching and processing information status messages of CASCADE resp. LION.

The instruction status will continue to be displayed in sequence 1. As in the past, information on the CASCADE instruction status is available in field :70D::REAS (for example with "MATS", "SETS" or "PROS"). For the product setup, no changes are foreseen in this Release. Similarly, the current reporting on the cancellation of instructions ("cancellation reporting") is not affected by this change. In addition, it is guaranteed that the previous message flow and the message configuration set by the customer will remain unaffected. In detail – compared to today (pre-November 2015 Release) – this means that despite the change of format with the introduction of another sequence, no additional messages will be delivered and none left out.

The tables below show a comparison of the current and future formats, as well as example messaging for each:

a) The instruction is not matched and the party hold status is displayed:
   Example for: first status message, change in the hold status or match error

Current situation: MT548			
Sequence 1:			
25D:	MTCH//NMAT		
24B:	NMAT//XXXX	XXXX=CMIS, match errors	
Sequence 2 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

Current situation: MT537			
Sequence 1:			
25D:	MTCH//NMAT		
24B:	NMAT//XXXX	XXXX = CMIS, match errors	
Sequence 2 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

Update with the November Release 2015: MT548			
Sequence 1:			
25D:	MTCH//NMAT		
24B:	NMAT//XXXX	XXXX=CMIS, match errors	
Sequence 2:			
25D:	SETT//PEND		
24B:	PEND//XXXX	XXXX = PREA, FUTU	
Sequence 3 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

Update with the November Release 2015: MT537			
Sequence 1:			
25D:	MTCH//NMAT		
24B:	NMAT//XXXX	XXXX = CMIS, match errors	
Sequence 2:			
25D:	SETT//PEND		
24B:	PEND//XXXX	XXXX = PREA, FUTU	
Sequence 3 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

The following example shows an MT548 for scenario a)

The status sequences are highlighted in blue:

Message Fields and Contents
{1:   F01XXXXDEFFBXXX1234123456}
{2:   I548DAKVDEFFADOMN}
{4:
:16R: GENL
:20C: :SEME//C5471032523819EO
:23G: INST
:98C: :PREP//20150407103252
:16R: LINK
:20C: :RELA//OTC-001-01
:16S: LINK
:16R: LINK
:20C: :TRRF//KT99990100000080
:16S: LINK
:16R: STAT
:25D: :MTCH//NMAT

Message Fields and Contents
:16R: REAS
:24B: :NMAT//CMIS
:70D: :REAS///SETS 001/MATS 001/PROS 413
:16S: REAS
:16S: STAT
:16R: STAT
:25D: :SETT//PEND
:16R: REAS
:24B: :PEND//PREA
:16S: REAS
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE0009757443
MEAG EURORENT A
:36B: :SETT//UNIT/100,
:19A: :SETT//EUR1001,
:97A: :SAFE//98760000
:22F: :SETR//PREA
:22H: :REDE//DELI
:22H: :PAYM//APMT
:22F: :RTGS//NRTG
:98A: :SETT//20150407
:98A: :TRAD//20150407
:16R: SETPRTY
:95Q: :SELL//UNKNOWN
:97A: :SAFE//9999
:16S: SETPRTY
:16R: SETPRTY
:95P: :DEAG//TESTBICFXXX
:97A: :SAFE//99990000
:16S: SETPRTY
:16R: SETPRTY
:95P: :PSET//DAKVDEFFXXX
:16S: SETPRTY
:16R: SETPRTY
:95P: :REAG//TESTDEFFXXX
:97A: :SAFE//44440000
:16S: SETPRTY
:16R: SETPRTY
:95Q: :RECU//UNKNOWN
:97A: :SAFE//4444
:16S: SETPRTY
:16R: SETPRTY
:95Q: :BUYR//UNKNOWN
:97A: :SAFE//4444
:16S: SETPRTY
:16S: SETTRAN
-}

b) Example: The instruction is matched and pending:

Current situation: MT548		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Current situation: MT537		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU, LACK, MONY
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Update with the November Release 2015: MT548		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Update with the November Release 2015: MT537		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU, LACK, MONY
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

The following example shows an MT548 for scenario b)

The status sequences are highlighted in blue:

Message Fields and Contents
{1:   F01XXXXDEFFBXXX1234123456}
{2:   I548DAKVDEFFADOMN}
{4:
:16R: GENL
:20C: :SEME//C547103740EC8BDO
:23G: INST
:98C: :PREP//20150407103740
:16R: LINK
:20C: :RELA//OTC-001-02
:16S: LINK
:16R: LINK
:20C: :TRRF//KT99990100000081
:16S: LINK
:16R: STAT
:25D: :SETT//PEND
:16R: REAS
:24B: :PEND//BOTH
:70D: :REAS///SETS 003/MATS 002/PROS 100
:16S: REAS
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE0009757443
MEAG EURORENT A
:36B: :SETT//UNIT/100,
:19A: :SETT//EUR1001,
:97A: :SAFE//98760000
:22F: :SETR//PREA
:22H: :REDE//DELI
:22H: :PAYM//APMT
:22F: :RTGS//NRTG

Message Fields and Contents
:98A: :SETT//20150407
:98A: :TRAD//20150407
:16R: SETPRTY
:95Q: :SELL//UNKNOWN
:97A: :SAFE//9999
:16S: SETPRTY
:16R: SETPRTY
:95Q: :DECU//UNKNOWN
:97A: :SAFE//9999
:16S: SETPRTY
:16R: SETPRTY
:95P: :DEAG//TESTBICFXXX
:97A: :SAFE//99990000
:16S: SETPRTY
:16R: SETPRTY
:95P: :PSET//DAKVDEFFXXX
:16S: SETPRTY
:16R: SETPRTY
:95P: :REAG//TESTDEFFXXX
:97A: :SAFE//44440000
:20C: :PROC//KT44440200000070
:16S: SETPRTY
:16R: SETPRTY
:95Q: :RECU//UNKNOWN
:97A: :SAFE//4444
:16S: SETPRTY
:16R: SETPRTY
:95Q: :BUYR//UNKNOWN
:97A: :SAFE//4444
:16S: SETPRTY
:16S: SETTRAN
-}

c)   The instruction was newly matched and information on the party hold is provided:

Current situation: MT548			
Sequence 1:			
25D:	MTCH//MACH		
24B:	-		
Sequence 2 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

Update with the November Release 2015: MT548			
Sequence 1:			
25D:	MTCH//MACH		
24B:	-		
Sequence 2:			
25D:	SETT//PEND		
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU	
Sequence 3 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

The following example shows an MT548 for scenario c)

The status sequences are highlighted in blue:

Message Fields and Contents
{1:   F01XXXXDEFFBXXX0000001046}
{2:   I548DAKVDEFFADOMN}
{4:
:16R: GENL
:20C: :SEME//C54M093417423410
:23G: INST
:98C: :PREP//20150422093417
:16R: LINK
:20C: :RELA//NONREF
:16S: LINK
:16R: LINK
:20C: :TRRF//KT99990200106100
:16S: LINK
:16R: STAT
:25D: :MTCH//MACH
:16S: STAT
:16R: STAT
:25D: :SETT//PEND
:16R: REAS
:24B: :PEND//FUTU
:70D: :REAS///SETS 000/MATS 002/PROS 100
:16S: REAS
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE000GSW1111
GSW IMMOBILIEN AG
:36B: :SETT//UNIT/463,
:97A: :SAFE//98760000
:22F: :SETR//TRAD
:22H: :REDE//RECE
:22H: :PAYM//FREE
:22F: :RTGS//NRTG
:98A: :SETT//20150422
:98A: :TRAD//20150422
:16R: SETPRTY
:95P: :DEAG//TESTBICFXXX

Message Fields and Contents
:97A: :SAFE//44440000
:20C: :PROC//KT44440185285910
:16S: SETPRTY
:16R: SETPRTY
:95P: :PSET//DAKVDEFFXXX
:16S: SETPRTY
:16R: SETPRTY
:95P: :REAG//TESTDEFFXXX
:97A: :SAFE//99990000
:16S: SETPRTY
:16S: SETTRAN
-}

4.6.3 Additional Information in the Narrative Field of MT548 and MT537

With the November 2015 Release, CBF will display the label /PRIR (Priority Indicator) in message types MT548 and MT537 in the 70D::REAS (Reason Narrative) field. This is where the priority of the instruction set by either the customer or by CBF is displayed.

Please find below an excerpt of an MT548 for further illustration:

```
:25D: :SETT//PEND
:16R:  :REAS
:24B: :PEND//PREA
:70D: :REAS///SETS 001/MATS 002/PROS 410/PRIR 4
:16S:  :REAS
```

5. CASCADE-PC

Clearstream Banking will start using CASCADE PC version 9.0 as from the Release on 23 November 2015. This new version must have already been installed by all participating entities at that moment.

Please note: Version 8.0a is to be used up to and including 20 November 2015.
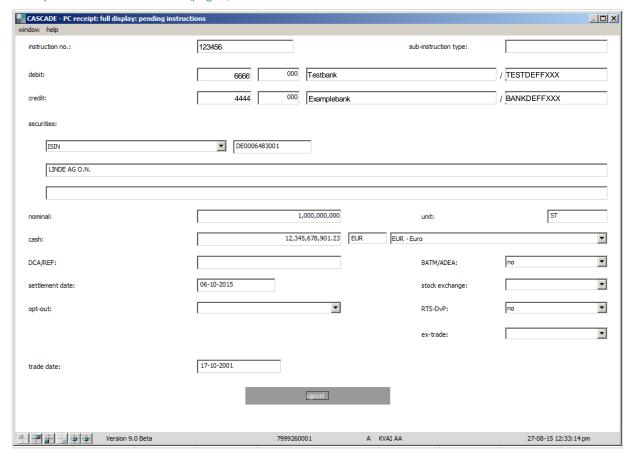
Currently planned for 9 November 2015 onwards, the software of CASCADE PC version 9.0 will be provided for download for registered users under the following link on the Clearstream website:

CASCADE-PC software download, user and installation handbooks:

- http://www.clearstream.com/
  Clearstream/ Products and Services / Connectivity / CASCADE / CASCADE Online
- Or directly via
  http://www.clearstream.com/cascadepc

In the following example screens, the fields marked in red are those that are affected by the extended matching logic as described in section 4.2.1 of "CBF Release in November 2015: Advance announcement of changes":

Example: Information KVAI-MI (page 1):

Example: Information KVAI-MI (page 2):

CASCADE - PC receipt: full display: further data

window help

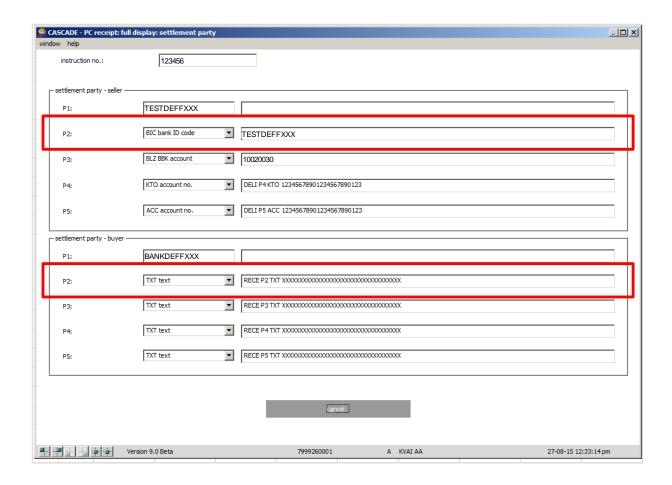| instruction no.: | 123456 | | |
counter-instruction-number:		accounting text:	
custody type:	collective safe custody	☐ issue start	
ref. no.:	CPC REFN 2033602		
price:	12,345.1234	USD	USD - US Dollar
T2S actor BIC:		T2S actor reference:	
priority:	normal	reason code:	
Miti reference:			
already matched:		partial settlement indicator:	
ISO transaction code:		instruction ref.:	
transfer reason:			
text:	SI:A/R:AC		

cancel

Version 9.0 Beta   7999260001   A   KVAI AA   27-08-15 12:33:14 pm

Example: Information KVAI-MI (page 3):

Example: Information KVAI-MI (page 4):

CASCADE - PC receipt: full display: status information		
window help		

instruction no.:   123456

matching status:

01	matching pending - no counter-instruction found

party hold status:

2	blocked by receiver

processing status:

100	processing open

cancel

Version 9.0 Beta   7999260001   A   KVAI AA   27-08-15 12:33:14 pm

Example: Information KVAI-MI (page 5):

| | CASCADE - PC receipt: full display: T2S status | | | | _ □ × |

window   help

| instruction no.: | 123456 |

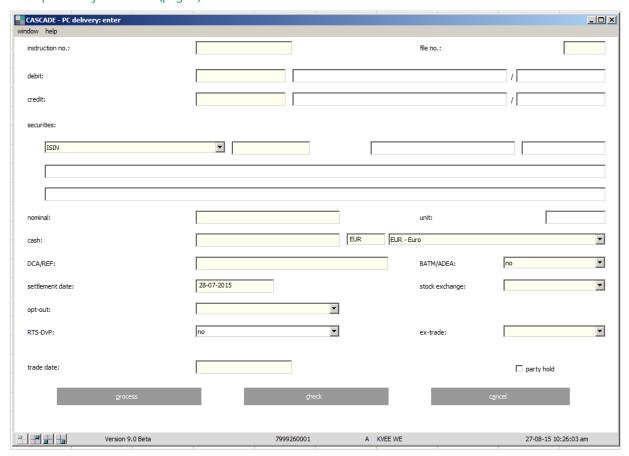| status	current status	description	submitted status	progress Status
party hold status:	2	blocked by receiver		
deletion status:	0	no deletion request		
priority:	4	standard priority		
partial settlement indicator:				
CSD hold status:	0	released for processing		
CSD valuehold status:	0	released for processing		
rule id:				
CoSD hold status:	0	released for processing		
Rule Id1:				
Rule Id2:				

cancel

Version 9.0 Beta   7999260001   A   KVAI AA   27-08-15 12:33:14 pm
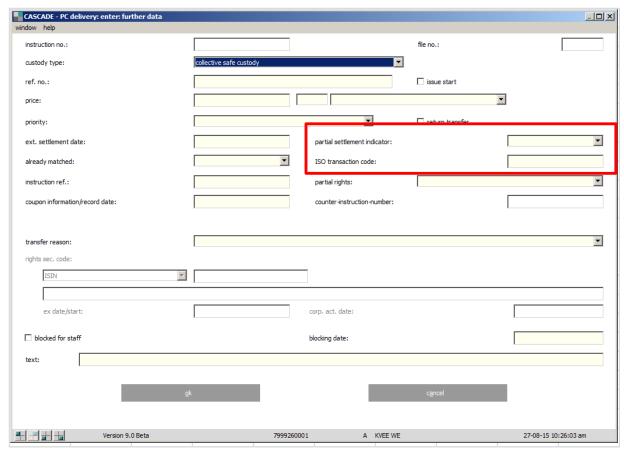
In the following example screens, the fields marked in red are those that will be newly unlocked for input as described in section 4.2.2 of "CBF Release in November 2015: Advance announcement of changes":
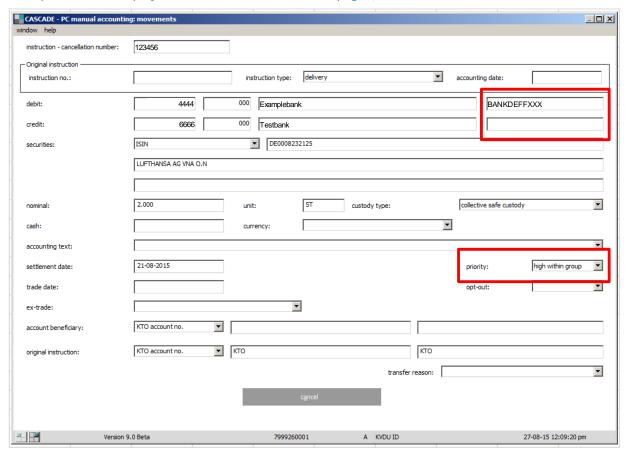
Example: Entry KVEE-WE (page 1):
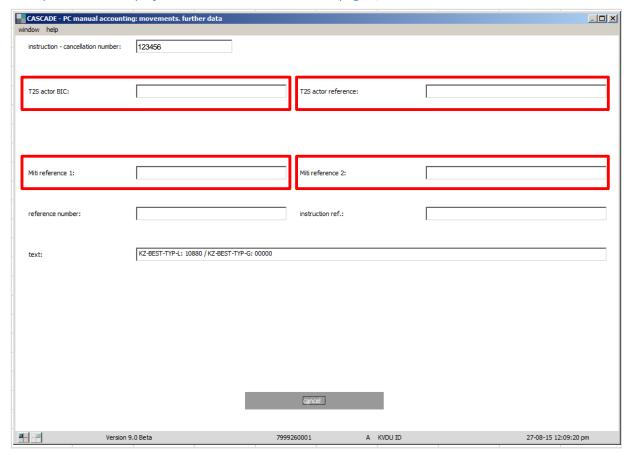
Example: Entry KVEE-WE (page 2):

In the following example screen, the new fields in the display of securities account turnover for instruction type AA10 are marked in red as described in section 4.3.1 of "CBF Release in November 2015: Advance announcement of changes":

Example: KVDU ID display of securities account turnover (page 1):

Example: KVDU ID display of securities account turnover (page 2):

CASCADE - PC manual accounting: movements. further data

window   help

instruction - cancellation number: 123456

T2S actor BIC:

T2S actor reference:

Miti reference 1:

Miti reference 2:

reference number:

instruction ref.:

text: KZ-BEST-TYP-L: 10880 / KZ-BEST-TYP-G: 00000

cancel

Version 9.0 Beta   7999260001   A   KVDU ID   27-08-15 12:09:20 pm

6. Customer simulation CBF Release in November 2015

The CBF simulation environment in IMS23 is continuously at our customers' disposal. Detailed information about the use of the testing environment can be found in the CASCADE Testing and Simulation Guide on the Clearstream website.

In general, from 26 October 2015 onwards, the T2S-relevant changes will also be able to be tested in the CASCADE simulation environment IMS23 as a result of the November 2015 Release.

In addition, from 26 October 2015 onwards, changes regarding the introduction of the Record Date in Germany can be tested. Details can be found on the Clearstream website (http://www.clearstream.com/clearstream-en/products-and-services/connectivity--1-/d15031/77800)

For further information, or questions about the CASCADE simulation environment IMS23, please contact the Testing Team:

E-Mail: cascade-testing@clearstream.com

Phone: +49 (0)69 211 11188

Fax: +49 (0)69 2116 11188

Please also note that the CASCADE simulation environment can generally be used with or without support from the Clearstream Testing Team.

Customers with at least two CBF main accounts are able to simulate the delivering as well as the receiving side by entering the relevant instructions for those accounts themselves. It is also possible for customers to test the CASCADE simulation environment independently in cooperation with other customers.

The CASCADE Testing Team will also happily support customers with, for example, the entering of instructions for the counterparty (delivery / receipt instruction) or with the creation of positions in specific securities. The number of instructions for the counterparty to be entered by the Testing Team is restricted to a maximum of 10 per customer. The same goes for the number of positions to be created for an ISIN. This procedure is to ensure a permanent and adequate service level.