clearstream | DEUTSCHE BÖRSE GROUP

# CBF Release May 2010

## Updated information for release on 31 May 2010

# CBF Release May 2010

May 2010

Document number: F-CON25

# Preface

Clearstream Banking[1] informed you in the 'Interim Release Information F-CON027' of 9 March 2010 of the planned improvements in the context of the May 2010 Release.

This 'Upgrade Information Sheet' comprehensively presents in detail the changes that will be introduced on 31 May 2010 in the following service areas:

- Clearing and Settlement Services
- Connectivity Services
- Custody Services
- Global Securities Financing Services

Please forward this document to all concerned departments in your company.

### Contacts

Please contact our Domestic Customer Service or Customer Service Connectivity should you require further information or have questions.

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|---|---|---|
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We would advise our customers at this point that telephone conversations with Clearstream Banking are recorded in some areas, as is customary in the finance industry. This is to ensure that the interests of both Clearstream Banking and its customers are protected against misunderstandings or faulty transmissions.

The areas in which telephone calls are recorded include Customer Service, the Treasury Dealing Room and the Back Office. The telephone lines affected are subject to constant maintenance to ensure perfect operation.

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1. In this Upgrade Information Clearstream Banking refers to Clearstream Banking AG, Frankfurt (CBF).
CBF is a company of Deutsche Börse Group.

# Preface

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# Content

# Content

# 1 Clearing and Settlement

## 1.1 CASCADE

### 1.1.1 Additional Foreign Currencies in CASCADE

The new foreign currencies are the Hong Kong Dollar, Hungarian Forint and the Singapore Dollar. Customers of CBF will be able to conduct transactions in these currencies in the future.

The additional approved currencies are displayed in the CASCADE online mask
under TRAN: KVAV FC: IW.

```
      TRAN: KVAV FC: IW SB:

  AUFTRAGSABWICKLUNG          WAEHRUNGSPARAMETER         VEROEFFENTLICHUNGEN

  AKTUELLE DEADLINE/WAEHRUNG FUER VALUTAGERECHTE GELDANSCHAFFUNGEN UND
  AUSZAHLUNGEN: www.clearstream.com

  WRG  WAEHRUNGSRAUM                    MATCH-TOLERANZGRENZE BEI GEGENWERT
  ---  -----------------------------------------------------------------
  AUD  Australien                                             30,00
  CAD  Kanada                                                 35,00
  CHF  Schweiz                                                25,00
  CZK  Tschechien                                            900,00
  DKK  Dänemark                                              175,00
  EUR  EWWU                                                   25,00
  GBP  Großbritannien                                         15,00
  HKD  Hongkong                                              280,00
  HUF  Ungarn                                               6.600
  JPY  Japan                                                3.500
  MXN  Mexiko                                                200,00
  NOK  Norwegen                                              180,00
  PLN  Polen                                                 100,00

  -- ID-KZ: XXXXXXXX -- PW:          ------ B79074MX -- 08/02/10 -- 13:59:09 --

  PF3:Rücksprung  PF4:Abbruch  PF6:Vor
```

Online mask with additional currency

```
TRAN: KVAV FC: IW SB:

 AUFTRAGSABWICKLUNG          WAEHRUNGSPARAMETER          VEROEFFENTLICHUNGEN

 AKTUELLE DEADLINE/WAEHRUNG FUER VALUTAGERECHTE GELDANSCHAFFUNGEN UND
 AUSZAHLUNGEN: www.clearstream.com

 WRG  WAEHRUNGSRAUM                  MATCH-TOLERANZGRENZE BEI GEGENWERT
 ---  --------------------------------------------------------------
 SEK  Schweden                                            200,00
 SGD  Singapur                                             50,00
 TRY  Türkei                                               35,00
 USD  USA                                                  25,00
 ZAR  Südafrika                                           120,00




 -- ID-KZ: XXXXXXXXXX -- PW:            ------ B79074MX -- 08/02/10 -- 14:00:10 --

 PF3:Rücksprung  PF4:Abbruch  PF7:Zurück
```

Online mask with additional currency

## 1.1.2 Global Bearer Certificates (GBC) - Plausibility Check at Field Level

The CASCADE input masks for the KVEE transaction with the function codes UT and RT for exchanging and re-exchanging "Global Bearer Certificates" securities have additional plausibility checks at field level.

For online entries of exchange and re-exchange, entries must be made for certain securities from the British market for Stamp Duty. You can obtain details from www.clearstream.com from Publications & Downloads/CASCADE Market Guide/Exchange and Re-exchange of Global Bearer Certificates Guide.

**When an EXCHANGE instruction is entered for securities** which are encoded in WSS with LGL/LGS 271/ 001, a check is carried out in the "LIEFERUNG-VON NAME" (DELIVERY FROM NAME) field of the CREST code of the counterparty (depending on the respective GBC market or GBC depository).

The entries for the counterparty (CREST account no.) must be made in a special format for instruction type 07.

**Encoding of the ISIN in WSS with LGL/LGS 271/001**

The instruction must be entered with the value "CRST/". Afterwards, entry is only possible up to 5 places (alphanumeric). All other entries will be rejected with an error message according to the ISIN entered.

**Encoding of the ISIN in WSS without LGL/LGS 271/001**

The instruction also relates to Global Bearer Certificates. The instruction must be entered without the value "CRST/". Instead of this the field "LIEFERUNG-VON NAME" (DELIVERY-FROM-NAME) is tested. The corresponding field " LIEFERUNG-VON NAME" (DELIVERY-FROM-NAME) must include the value "BIC/" and the associated 8 digit BIC. A check is made that the first 6 places only contain capital letters and the last 2 places only capitals or numerals. All other inputs will be rejected with the error message "FOR THIS ISIN ONLY BIC OF COUNTERPARTY POSSIBLE".

```
TRAN: KVEE FC: UT SB:

 AUFTRAGSABWICKLUNG      UMTAUSCH / ERFASSUNG          ERFASSUNGSSTATUS

 PRIMANOTE: ____        AUFTNR: _____            VWA:

 LAST-KTO : 7961 000
 GUT-KTO  : ____ ___
 WKN      : I _____

 NOMINALE : _____     EINHEIT:      ST-ART:

 TRADE-DATE: _____       EXT.SET-DAY: _____
 CBF-LAG   :

 KUNDENREFERENZ: ___ - _____ __ - _____

 LIEFERUNG-VON NAME: CRST/XXXXX_____
 TEXT: _____

 -- ID-KZ: 7999260001 -- PW:        ------ B79074MX -- 22/03/10 -- 13:23:17 --

 PF3:Verarbeitung  PF4:Abbruch
```

Online mask with example for Instr. type 07 Exchange with highlighted counterparty field

In the same way a check is also performed in the "DELIVERY TO NAME" field when a RE-EXCHANGE instruction is entered.

**When a RE-EXCHANGE instruction is entered** for securities which are encoded in WSS with LGL/LGS 271/001, a check is carried out in the "LIEFERUNG-AN NAME" (DELIVERY TO NAME) field of the CREST code of the counterparty (depending on the respective GBC market or GBC depository).

For instruction type 09, the entries for the counterparty (CREST account no.) must be made after the inputting "CRST/" in the field "LIEFERUNG-AN NAME" (DELIVERY TO NAME).

### Encoding of the ISIN in WSS with LGL/LGS 271/001

The instruction must be entered with the value "CRST/". Afterwards, entry is only possible up to 5 places (alphanumeric). All other entries will be rejected with an error message according to the entered ISIN.

### Encoding of the ISIN in WSS without LGL/LGS 271/001

The instruction also relates to Global Bearer Certificates.The instruction must be entered without the value "CRST/". Instead of this the field "LIEFERUNG-AN NAME" (DELIVERY-TO-NAME) is tested. The corresponding field "LIEFERUNG-AN NAME" (DELIVERY-TO-NAME) must include the value "BIC/" and the associated 8 digit BIC. It will be checked that the first 6 places only contain capital letters and the last 2 places only capitals or numerals. All other inputs will be rejected with the error message ("FOR THIS ISIN ONLY BIC OF COUNTERPARTY POSSIBLE").

```
TRAN: KVEE FC: RT SB:

AUFTRAGSABWICKLUNG        RUECKTAUSCH / ERFASSUNG           ERFASSUNGSSTATUS

PRIMANOTE: ____          AUFTNR: _____                      VWA:
LAST-KTO : ____ ___
GUT-KTO  : 7961 000
WKN      : I _____


NOMINALE : _____    EINHEIT:        ST-ART:
SET-DAY  : 23.03.2010
TRADE-DATE: _____          EXT.SET-DAY: _____
CBF-LAG   :


KUNDENREFERENZ: ___ - _____ ___ - _____
LIEFERUNG-AN NAME : CRST/XXXXX_____
ADRESSE: _____
BEGUENSTIGTER NAME: _____
ADRESSE: _____
TEXT   : _____

-- ID-KZ: 7999260001 -- PW:            ------ B79074MX -- 22/03/10 -- 13:24:17 --

PF3:Verarbeitung  PF4:Abbruch
```

Online mask with example for Instr. type 09 Exchange with highlighted counterparty field

For the following instruction types, supplementary information can be entered in the "TEXT" field related to the fiscal treatment of the corresponding security entered in the prescribed field. The entry for stamp duty must also be made. For this purpose, the codeword "GBTX" must be entered in the field "Text".

```
TRAN: KVEE FC: UT SB:

AUFTRAGSABWICKLUNG        UMTAUSCH / ERFASSUNG              ERFASSUNGSSTATUS

PRIMANOTE: ____          AUFTNR: _____                      VWA:

LAST-KTO : 7961 000
GUT-KTO  : ____ ___
WKN      : I _____


NOMINALE : _____    EINHEIT:        ST-ART:

TRADE-DATE: _____          EXT.SET-DAY: _____
CBF-LAG   :

KUNDENREFERENZ: ___ - _____ ___ - _____


LIEFERUNG-VON NAME: _____
TEXT:/GBTX/_____


-- ID-KZ: 7999260001 -- PW:            ------ B79074MX -- 22/03/10 -- 13:00:00 --

PF3:Verarbeitung  PF4:Abbruch
```

Online mask with example for Instr. type 07 Exchange with highlighted text field

```
TRAN: KVEE FC: RT SB:

AUFTRAGSABWICKLUNG      RUECKTAUSCH / ERFASSUNG      ERFASSUNGSSTATUS

PRIMANOTE: ____          AUFTNR: _____          VWA:
LAST-KTO : ____ ___
GUT-KTO  : 7961 000
WKN      : I _____

NOMINALE : _____      EINHEIT:       ST-ART:
SET-DAY  : 23.03.2010
TRADE-DATE: _____          EXT.SET-DAY: _____
CBF-LAG  :

KUNDENREFERENZ: ___ - _____ ___ - _____
LIEFERUNG-AN NAME : _____
ADRESSE: _____
BEGUENSTIGTER NAME: _____
ADRESSE: _____
TEXT   : /GBTX/_____

-- ID-KZ: 7999260001 -- PW:          ------ B79074MX -- 22/03/10 -- 13:05:46 --

PF3:Verarbeitung  PF4:Abbruch
```

Online mask with example for Instr. type 09 Re-Exchange with highlighted text field

**Deletion of orders with order type 07 and 09:**

In the case of EXCHANGE instructions with order type 07, these orders are not deleted after successful assignment of the order. If an order is to be deleted or amended with order type 07, Customer Service (Tel. 11177) should be contacted or a Free Format MT599 report should be sent to the Department OSG / PSG.

For RE-EXCHANGE instructions with order type 09 there is no change, i.e. as previously these cannot be deleted.

The general requirements as outlined in the publication "Exchange and Re-Exchange of Global Bearer Certificates Guide" (available via the Clearstream Homepage) and the input masks in CASCADE remain unchanged.

# 1.2 EUR cash settlement

## 1.2.1 Cash reports (daily cash statement, account information, cash transaction list, netting list)

In future, cash reports will be transmitted at 3.00 pm instead of at 6.00 pm as previously. If in exceptional cases the conclusion of the DD2 cash settlement is delayed beyond 3.00 pm, the transmission of the above cash reports will also take place later.

The following are contained in the transmission:

– Daily cash statements for both the DD1 and DD2 settlement. These contain up to 9 balances that are each determined with TARGET2.
– Account information per cash settlement account with the summarised transactions from all 8 prefinancing cycles
– A cash transaction list per CBF account with the summarised transactions from all 8 prefinancing cycles
– Netting lists will be created for each individual settlement balance (2 or more per DD cycle)

All cash transactions can also be viewed online in CASCADE via the transaction KNZI IN / ID.

## 1.2.2 Extension of the Cash Information Display under KNZI

The individual balances or the individual transactions can be accessed via this transaction that are settled with TARGET2 as per the ASI Procedure 3 within the DDI and DD2 cash settlement processes.

If a customer uses a netting function, i.e. if the balances for several CBF accounts are settled via TARGET2 in a total accumulated via his CBF account, the individual amounts per CBF account are indicated separately per CBF account.

To determine the amount actually credited or debited over all debit and credit balances, the selection criteria of the CASCADE Online display KNZI have been extended as follows:

– Selection of debit/or credit transactions (applicable for KNZI IN and ID)
– Selection per ISIN (only valid for KNZI ID)
– Instruction ID (each transaction under KNZI IN or KNZI ID is assigned a unique instruction ID, which can also be used for making a selection)

For CASCADE-PC users, this feature is planned for the CASCADE PC Release in November 2010 .



```
TRAN: KNZI FC: ID SB: ##01.06.2010

  KAPITALDIENSTE UND SONSTIGE GELDUMSÄTZE  I N F O R M A T I O N

        IK   KAPITALDIENSTE FÜR STD
        IN   GENETTETE INSTRUKTIONEN FÜR DD-VERARBEITUNG
        ID   DETAIL INSTRUKTIONEN FÜR DD-VERARBEITUNG

ZUSÄTZLICHE AUSWAHL
  GELDKONTO              : 7930 ___
  RTGS-KONTO            :                SOLL/HABEN (S/H/ )    :

  TAG DER GELDVERRECHNUNG: _____  ( BIS: _____ )
  VERARBEITUNGSLAUF     : ____          PAKET-NR            : __

  BUCHUNGSTEXT         : ___           LAUF-NR            : _____
  VALUTA               :              TERMINART          :
                                       HAUPTZAHLSTELLE (MPA) : ____
  STATUS               : ___          ISIN              : _____
  URSPRUNG             : _____      INSTRUKTIONS-ID    : _____

-- ID-KZ: 7930260001 - PW:           ------ B79305OI -- 01/06/10 -- 09:45:57 --

PF3:Rücksprung  PF4:Abbruch
```

In the corresponding list displays for the functions IN and ID, for the purposes of selection according to debit and credit, other fields have also been inserted in the header which contain detailed information about the respective balances for the corresponding selection. For KNZI / IK, the detailed information is also displayed in the header; selection by debit and credit is however not necessary in this case and is therefore not enabled.

Example of IN function for selection via account, trend and debit/credit = empty:

```
TRAN: KNZI FC: IN SB: 7930##01.06.2010#DD1

GENETTETE INSTRUKTIONEN FÜR DD-VERARBEITUNG  / I N F O R M A T I O N
 ANS. AUFTRÄGE: ____4                    ____1                    SEITE  1
 _____83.642,25 S _____67.995,29 H SALDO: _____15.646,96 S


K GELDVERR.  LAUF  RTGS-KONTO   KTS   WG. PAKET        BETRAG IN EUR ZA  C  VS
-----------------------------------------------------------------------------
 _ 01.06.2010 DD1  HABADEFFXXX 7930           9            3.788,21  S  N 350
 _ 01.06.2010 DD1  HABADEFFXXX 7930 3030      9           67.995,29  H  J 350
 _ 01.06.2010 DD1  HABADEFFXXX 7930 3031      9           13.250,18  S  N 350
 _ 01.06.2010 DD1  HABADEFFXXX 7930 3032      9           66.076,80  S  J 350
 _ 01.06.2010 DD1  HABADEFFXXX 7930 3033      9              527,06  S  N 350




-- ID-KZ: 7930000138 -- PW:            ------ B79305JA -- 01/06/10 -- 13:15:50 --

PF3:Rücksprung  PF4:Abbruch  PF7:Zurück  PF8:Vor
```

The detailed information about specific transactions has been regrouped and extended under the Function ID. The information is presented on two pages and supplemented by the following fields:

- Reference (displayed for cash transactions that are manually entered by CBF)
- Netted account master data (shows the associated account master data where netting function is applied)
- ISIN
- Instruction ID (unique code for the detailed transaction under function ID)
- Instr.-ID netted (unique code for the associated, netted transaction under function IN)

Example of function ID (Page 1):

```
TRAN: KNZI FC: ID SB: 3030#000#01.06.2010#

 DETAIL INSTRUKTION FÜR DD-VERARBEITUNG  / I N F O R M A T I O N     SEITE 1

 TAG DER GELDVERRECHNUNG  : 01.06.2010
 VERARBEITUNGSLAUF        : DD1            PAKET-NR :  1

 RTGS-KONTO (SOLL)        : BIC DAKVDEFFA32
 RTGS-KONTO (HABEN)       : BIC HABADEFFXXX
 KONTO-SOLL              : 7750 000 CBF-GEGENKONTO
 KONTO-HABEN             : 3030 000 HANDELSBANK
 BETRAG                  :            4.000.905,02 EUR

 BUCHUNGSTEXT      : 300 ZINSEN
 REFERENZ          :
 VALUTA            : 03.03.2009         GENETTET KONTOSTAMM : 7930
 CUSTODY           : J                  ISIN                : DE1234567890
 T2-RELEVANT       : J                  INSTRUKTIONS-ID     :         123
 URSPRUNG          : KADI               INSTR-ID GENETTET   :          53
 STATUS            : 350 VERARBEITET

 -- ID-KZ: 3030000138 -- PW:          ------ B30305JA -- 01/06/10 -- 13:03:10 --

 PF3:Rücksprung  PF4:Abbruch  PF8:Vor
```

On page 2 of the detailed information the following new custody-related information is provided:
- – Final beneficiary (corresponds to the customer account to which the credit note or debit note refers)
- – Nominal
- – Processing type (indicates whether booking was performed in the context of a cancellation or regular processing)
- – BID (reference code)
- – Due date

```
TRAN: KNZI FC: ID SB: 3030#000#01.06.2010#

 DETAIL INSTRUKTION FÜR DD-VERARBEITUNG  /  I N F O R M A T I O N     SEITE 2

 ENGBEGÜNSTIGTER      : 3030 000

 NOMINALE             : 123456789012,34 EUR

 LAUF-NR/ORIG-LAUF-NR : 48105 / 48100
 TERMINART            : 110
 HAUPTZAHLSTELLE      : 2007
 ISIN                 : DE1234567890
 VERARBEITUNGSART     : 000 NORMALLAUF
 BID                  : 1234567890123
 TAG D.FÄLLIGKEIT     : 01.06.2010




 -- ID-KZ: 3030000138 -- PW:          ------ B30305JA -- 01/06/10 -- 13:03:10 --

 PF3:Rücksprung  PF4:Abbruch  PF7:ZURÜCK  PF8:Vor
```

## 1.2.3 Change with standing reservation orders on basic cash forecast with additional modification

Previously the fixed amount stated by the customer was not taken into account when placing a standing reservation order, for which a planned amount of EUR 0 was calculated. In future the EUR amount saved in the fixed amount field will be taken into account as the planned buffer.

These standing reservation orders offer the possibility of combining the liquidity requirement calculated in the cash forecast (=current buffer amount) with additional "safety margins" for automatically generated reservation orders. This reduces the risk of settlement problems due to insufficient provision of liquidity if there are more significant deviations from the cash forecast.

Up to now the calculated liquidity requirement plus additional adjustment (fixed amount) was only taken into account up to the size of the fixed amount in the issue of a standing reserve order for which a liquidity requirement of 0 EUR was projected in the cash forecast.

In future the EUR amount entered in the field fixed amount will be treated as a general planned buffer, even if the cash forecast amount is positive and is higher than the additional adjustment.

The following table illustrates the new arrangement with an example

| Additional adjustment (fixed amount) | Cash Forecast | Current buffer amount | Required amount (OLD) | Required amount (NEW) |
|---|---|---|---|---|
| 100 | 120 | 0 | 0 | 100 |
| 100 | 30 | 0 | 70 | 100 |
| 100 | 0 | 0 | 100 | 100 |
| 100 | -20 | 20 | 20 + 100 = 120 | 20 + 100 = 120 |

Please take this amended calculation rule into account in your cash allocations and in the existing standing reservation orders.

## 1.2.4 Expanded Euro Cash Clearing Report (ECC) / MT 942

The Euro Cash Clearing Report (ECC) introduced in November 2009, which displays all cash transactions settled on the CBF page via TARGET2, is being supplemented with the following data:

- "Nominal" for Income Events and the associated compensation in TAG 86, subfield 1 "Nominal"
- "Counterparty" for compensations in TAG 61 subfield 9 "Counterparty"
- "Corporate Action Reference" in TAG 61 subfield 8 "CORP"

For dividend compensations for stocks assigned as collateral in Xemac (booking text code 425 - 427), instead of the "Trade Reference" the "Claim number" is supplied in TAG 61 subfield 7. Cash turnovers due to KADI events with entitlement date before CBF Release date will be delivered via the former MT942 format.

A complete description of the data format is provided in the Connectivity Handbook which can be accessed via our homepage (Publications & Downloads - Connectivity - CASCADE).

## 1.3 Monthly Movement Report

### 1.3.1 Additional Information in the Monthly Movement Report/Custody Account Ledger simplifies Research of Past History

Customers can research historic data faster, more easily and in a more specific fashion with the additional information provided in the monthly movement report/custody account ledger. This information includes the trade day and the settlement day which are documented for both OTC and stock exchange transactions. Information such as the trade day plays an important role especially in applying cross-border compensation rules for income payments.

At present the monthly movement report/custody account ledger shows information about the trade day for transactions from stock exchange trades, while for OTC transactions such information is displayed for the settlement day.

# 2 Connectivity Services

## 2.1 Sending of error messages for ISO15022 messages in English

For all ISO15022 messages generated in response to an error message ('MT548 Negatives Business Validation Feedback'), only English-language error messages will be sent in the text field 70D, regardless of the interface.

## 2.2 Other functions for reports from the area Registered Shares via format ISO 15022

### 2.2.1 Specification of reason for RS transfers of shares

For share transfers by MT542, CBF will offer the customer the option of entering a reason for the transfer from the May Release in ISO15022 format. The following values are permissible:

- **000 = STANDARD** (the shareholder is selling his shares)
- **001 = SECURITY-LOAN** (the shareholder is lending his shares)

The action is implemented when the customer enters the qualifier SETR with a three digit numerical code for the reason for the RS share transfer via the settlement indicator in the field :22F:: of the sequence E "Settlement Details" and the qualifier OWNI (for the transfer of registered shares) in the field :70E::DECL// of the sequence E "Settlement Details" (subsequence E1 "Settlement Parties"). Here one of the above values can be entered.

CBF will then also report the reason for transfer in the corresponding Settlement Confirmation MT546 in the sequence E "Settlement Details" in the field :70E::DECL//SETR. The following values can then appear:

- **000 = STANDARD**
- **001 = SECURITY-LOAN**
- **002 = SECURITY-WITHDRAWAL** (can only be entered by CBF)
- **003 = AUTOMATICALLY GENERATED** (generated by system)

### 2.2.2 Additional field "Post Code" for RS message types

CBF will give the client the option of entering electronically both a postcode for the place as well as a post code for the P.O. box (already possible for online input). This means the following combinations can be entered:

- **POSTCODE (PLACE) + PLACE** or
- **POSTCODE (P.O. BOX) + P.O. BOX** or
- **POSTCODE (PLACE) + PLACE** and **POSTCODE (P.O. BOX) + P.O. BOX**

This is displayed via the field :13B::POST and :13B::PBOX of sequence C "Client Details" in the sub-sequence C1 "Address". In future, the field "Postal Code" will always contain the postal code of the domicile (Syntax:5 x) and the field "Post Box" in future will always contain the postal code of the PO box and the PO box (Syntax:5x++10x).). It is to be noted that the domicile is further to be indicated via the field :94D::CITY///.

Analogous to Cascade RS Online user shall consider the following rules for instructing via MT500:

- Entries for the fields POST and/or PBOX are reserved for German addresses only.
- The field POST is always related to an entry of the domicile in the field CITY and never corresponds to an entry of a post box.  The postal code for a post box shall be inserted into the field PBOX.
- The field CITY have always to be filled with a domicile, even if the address consists of a post box.

## 2.2.3  Special feature of the postal code for foreign addresses

As postal codes for foreign countries often do not fit into the format field of the application for CBF, in the case of RS orders with country codes than "DE" (for Germany), the fields:13B::POST// and :13B::PBOX// of the sequence C "Client Details" (subsequence C1 "Address") should no longer be filled. The domicile is further to be indicated via the field :94D::CITY///. Otherwise these orders will be rejected by CBF via MT548 with a corresponding error message.

## 2.2.4  Adjustments for checking the reason for entry in MT500

At present, it is possible in addition to entering the technically correct values for an MT500 with the designation "Registration" in the field :22F::RREA of the sequence B "Registration Details", namely:

- INCR          =increase of the share capital
- BONU          =capitalisation issue
- EXWA          =warrant exercise

to also enter incorrect values. The input of invalid values will in future be rejected by CBF and indicated via MT548 with a corresponding error message.

## 2.2.5  Other special characters for RS orders

In addition to the special character "@" from the May Release CBF will also allow the special character "_" for RS message types in the sequence C "Client Details" and the sub-sequence C1 "Address" in the field:94G::EMAI// (for e-mail address) . This is achieved via the masking "??6D" of the hexadecimal EBCDIC code.

## 2.2.6  Portfolio query for registered shares in ISO15022-compliant format

Portfolio queries for the portfolio assigned in registered shares is made available from the May Release of CBF in an ISO15022-compatible format. This option only existed in the ISO7775 format previously. In future, CBF will transmit the content of the MT571 by MT598 message via the interfaces File Transfer, SWIFT and IBM WebSphere MQ (MT598-571). In the process the entries from the MT571 will be inserted into the field :77E: of the MT598-571 in full.

If customers are interested in this new reporting functionality they can contact Customer Service as usual.

# 2.3  Change for registered shares messages via format ISO7775

## 2.3.1  Special feature of the postal code for foreign addresses

Postal codes for foreign countries often do not fit into the format field of the application for CBF. Therefore it is not allowed to fill the fields (LIMA-Etikett) A66 and A67 (PLZ Straße und PLZ Postfach) in ISO Etikett 77E anymore  regarding RS orders with country codes other than "DE". The domicile is further to be indicated via the field CITY. Otherwise these orders will be rejected by CBF with a corresponding error message.

## 2.4 Elimination of the MT548 "Receive Free Information" for transactions without matching requirement

As part of the process of message standardisation, the MT548 "Receive Free Information" for transactions with no matching obligation will no longer be provided. Currently transactions with a matching duty are already shown via 'Settlement Allegements' and 'Matching Information'. Settled transactions will therefore only be shown via 'Settlement Confirmation' or 'Clearing and Settlement Statement' in line with the market standard.

## 2.5 Standardisation of "UNMATCH Messages" via MT548

UNMATCH information (MT548 MTCH//NMAT) will only be generated on the basis of the matching process. Providing the status remains unchanged these transactions are not repeated when the settlement day is reached.

## 2.6 Indication to the original instruction reference in the settlement confirmations for instruction types 16 and 18

Today in settlement confirmations for Vaults deposit and withdrawal deliveries the field :20C::RELA indicates the value NONREF. In the future the reference of a Vaults instruction (: 20C:: SEME) will be indicated in the appropriate settlement confirmation (MT544/MT546) in the field: 20C:: RELA. But settlement confirmations resulting from online instructions will show always the entry NONREF in the field :20C::RELA.

This change is valid only for settlement confirmation resulting from customer instructions and not for settlement confirmations, belonging to automatically provided instructions .

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# 3 Custody Services

## 3.1 Repayment of securities

For some securities in the product segment groups "WM-GD198B = 2000" (bonds and bond-type securities) and "WM-GD198B = 2800" (bonds with certificate-type structures) the assignment to the repayment event type is changing. The change is as a result the of publication of new instrument types by the security notices.

In future, final repayments of products in the following instrument types will be processed in event type 132 "Repayment of matured certificate" instead of under maturity type 130 "Total repayment" as previously:

2031 - "Bond with right to require purchase",

2821 - "Linked bonds with certificate-type structure"

2896 - "Linked bonds with certificate-type structure and minimum unit payment of 80 % of the applied capital (basis for issue price)"

## 3.2 MT564, MT566 for dividend from participation rights (Event type 126)

At present the notice of TA126 "Dividend Participation Rights" in the message types MT564 and MT566 with the qualifier:

22F: :CAEV/DVCA

In future the message will be issued with the qualifier:

22F: :CAEV//INTR

## 3.3 New requirements for tax certificates

In its role as a domestic securities depository within the meaning of § 1 sec. 3 DepotG (German Securities Deposit Act), the

CBF participates regularly in the payment of income from the securities held at CBF.

This results in legal, contractual and material duties and obligations in relation to the issue of tax certificates for CBF.

The requirements for the issue of tax certificates have changed in form and content. CBF will implement these changes due to the status of the law and the relevant publications that have resulted up to 18 December 2009.

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# 4 Global Securities Financing Services

## 4.1 Extended re-use functionality in Xemac

The scope of the re-use functionality in Xemac has been improved for the collateralisation of received GC pooling securities.

Securities that are received in the context of GC pooling (ECB Classic Basket) transactions can be collateralised on behalf of various counterparties.

The respective claim for which the securities are reused must be based on the contract definition type "Dt. Bbk" and the allocation type "Pledge". Another condition for the reuse of securities is the application of eligibility criteria as in GC Pooling.

For the respective claim in which re-use is to be performed, the "Re-use of transferred EGCP securities" should be activated accordingly.

To make optimum use of this improvement, clients should provide a sufficient number of eligible securities in the collateral pool so that the GC Pooling trades can can settle smoothly and re-use substitutions can be successfully performed.

## 4.2 Improved referencing of lending transactions in CASCADE reporting

In future, the referencing options for lending transactions will be improved in CASCADE Reporting. For securities lending transactions, reporting is at present generated by the CBF lending system. In future, the lending transaction number will also be displayed in the CASCADE Clearing and Settlement Statement (MT536) and the Settlement Confirmations (MT544 or MT546). This will make coordination between loan and settlement reporting easier.

As a security loan always has a unique transaction number for both the borrower and the lender, the following references are created in CASCADE Reporting:

- With openings borrower and lender respectively receive their own transaction number
- With returns borrower and lender respectively receive their own transaction number
- With security bookings in CASCADE (transfer between the 000 main account and the 680 CBF collateral account) only the borrower or pledgee is referenced.

In MT536 Clearing & Settlement Statement, the loan reference will in future be inserted in the sequence TRAN via another sequence LINK with field :20C::COMM.

Notional example:

    :16R:LINK
    :20C::COMM//12345678
    :16S:LINK

The sequence for referencing loan transactions is also included in the Settlement Confirmations (MT544 / 546). In this case the insertion in the sequence GENL is also via another sequence LINK with the field :20C::COMM.

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