

SWIFT & Connectivity: Changes in February 2016

Further to our Announcement D15048 "[Authorisation for transmitting instructions via ISO 15022 message format MT565](#)" of 16 December 2015, Clearstream Banking¹ herewith provides you with details of the changes effective

Monday, 22 February 2016

With MT565, CBF offers its customers using the MT564 service for corporate actions the possibility to transmit instructions to CBF for optional corporate actions and general meetings in their CASCADE positions. CBF executes the instructions and any other necessary settlement procedures via the CASCADE platform. Customers receive a response via the MT567 Status and Processing Advice and the MT566 Corporate Action Confirmation for booking confirmations.

The aim of processing optimisations introduced on 22 February 2016 is to provide earlier information to CBF customers via MT567 on the status of their MT565 instructions (generally a few minutes after receipt of the MT565) and to provide qualified justification for the "PEND" or "REJECT" status in MT567 notifications. However, in order to achieve this optimisation, the MT565 instructions must be created in compliance with the format specifications described in the following chapters.

CBF customers wishing to transmit instructions via MT565 to DAKVDEFF from 22 February 2016 must have authorisation in place. For this, please complete application form "[84: KADI Corporate Action Instruction MT565](#)" and return it by 8 February 2016 to Client Services Connectivity.

The functionalities and notification formats described below relate to the submission of instructions via MT565 for CASCADE positions in German securities for the following optional corporate actions, which are announced and processed by KADI using event type TA280:

- TA280 EXRI for a rights issue resulting from TA210 RHD1
- TA280 EXOF for partial rights, established via TA211 BONU, DVSE, PINK, SOFF, SPLF
- TA280 DVOP for the cash line in a German dividend option, established via TA211 RHD1
- TA280 EXOF for interim securities established via TA232 DECR, MRGR, SPLR
- TA280 BIDS, BPUT, EXOF, TEND for offers, settled with or without interim securities.

For CBF customers, who continue to give instructions to the lead manager or exchange agent and make all necessary settlement steps in their holdings bilaterally with the lead manager or exchange agent, the functionalities currently offered by the CASCADE platform will remain available as previously (for example., the creation of securities transfers by CBF customers in favour of the lead manager or exchange agent).

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1. MT565 Corporate Action Instruction

CBF customers participating in an optional corporate action with their CASCADE position can transmit their instructions to CBF (DAKVDEFF) via MT565. CBF will execute the instructions and any other required settlement steps via the CASCADE platform or TARGET2.

For CBF to accept and successfully settle an MT565 instruction, the customer must get the MT564 from KADI Services (see registration form [83A KADI Corporate Action Messages for customers](#)) in order to have access to important information such as, for example, the Corporate Action ID or the number and code of the instructed option.

The MT565 must be transmitted separately for each primary account and sub-account. For instructions at primary account level, only authorised positions in the primary account will be taken into account, and not positions in the sub-accounts. An MT565 can be sent via the SWIFT network or MQSeries.

The following table describes the ISO 15022 message format expected by CBF for an MT565 Corporate Action Instruction transmitted to DAKVDEFF.

Day	Status	Field Name	Format	Description
Mandatory Sequence A General Information				
16R	M	Start of Block	GENL	
20C	M	CA Reference	:CORP//16x	Corporate Action reference from the CBF MT564
20C	M	Sender's Reference	:SEME//16x	Customer reference. This is included in the MT567 and MT566.
23G	M	Function of the Message	4!c	NEWM – new message CANC – cancellation request
22F	M	CA Event Indicator	:CAEV//4!c	Corporate action event indicator from the CBF MT564
98a	O	Preparation Date	:PREP//8!n :PREP//8!n6!n	
Repetitive Optional Subsequence A1 Linkages				
16R	M	Start of Block	LINK	
13A	O	Linked Message	:LINK//3!c	
20C	M	Reference	:4!c//16x	For an MT565 CANC, PREV + 20C::SEME of the MT565 instruction for cancellation is required.
16S	M	End of Block	LINK	
End of Subsequence A1 Linkages				
Mandatory Sequence B Underlying Securities				
16R	M	Start of Block	USECU	
35B	O	Identification of FI	[ISIN1!e12!c] [4*35x]	CBF expects the instructing ISIN to be provided in sequence D. Only if the ISIN is missing in field 35B in sequence D does CBF attempt processing with an ISIN provided here.
Mandatory Subsequence B2 Account Information				
16R	M	Start of Block	ACCTINFO	

Day	Status	Field Name	Format	Description
97A	M	Safekeeping Account	:SAFE//35x	CASCADE account of the customer. For instruction to the primary account 4-digit or 8-digit with 4 zeros (for example 9999 or 99990000). For instruction to an 8-digit sub-account: 4-digit primary account + "0" + 3-digit sub-account with leading zeros (for example sub-account 001: 999900001; sub-account 100: 99990100)
16S	M	End of Block	ACCTINFO	

End of Subsequence B2 Account Information

16S	M	End of Block	USECU	
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End of Sequence B Underlying Securities

Optional Repetitive Sequence C Beneficial Owner Details

16R	M	Start of Block	BENODET	A customer MT565 instruction with this subsequence means STP of the instruction is not possible.
95a	M	Party	OWND or ALTE	
94C	O	Place	:4!c//2!a	
36B	M	Quantity of Financial Instrument	:OWND//4!c/15d	
22F	O	Certification Type Indicator	:CETI//[8c]/4!c	
70E	O	Declaration Details	:DECL//10*35x	
16S	M	End of Block	BENODET	

End of Sequence C Beneficial Owner Details

Mandatory Sequence D Corporate Action Instruction

16R	M	Start of Block	CAINST	
13A	M	CA Option Number	:CAON//3!c	Number of the option being instructed taken from the CBF MT564
22F	M	CA Option Code	:CAOP//4!c	Code of the option being instructed taken from the CBF MT564
35B	O	Identification of FI	[[ISIN1!e12!c][4*35x]	Instructed ISIN. This is the ISIN on which the KADI event type 280 is based. The OVER option represents an exception: here the new shares must be used for instructing. This can be found in the CBF MT564 CBF, E-Option OVER, E1-SECMOVE-CRED, 35B.
36a	M	Quantity of Securities Instructed	:4!c//4!c/15d or :4!c//4!c	Nominal instructed. CBF expects 36B::QINS or 36B::QREC (in the event of OVER option) to be used.
70E	O	Narrative		If CBF ignores optional text on an event included in their customers' MT565 instructions, customers will be informed of this in advance via a text message in the MT564. If on the other hand, optional text in the MT565 is taken into account when processing an optional corporate action, any optional text in

Day	Status	Field Name	Format	Description
				sequences D and E mean that the instruction cannot be handled on an STP basis.
16S	M	End of Block	CAINST	

End of Subsequence D Corporate Action Instruction

Optional Sequence E Additional Information

16R	M	Start of Block	ADDINFO	
70E	0	Narrative	:4!c// 10*35x	See the description on the previous page on 70E in sequence D.
95a	0	Party		See the description on the previous page on 70E in sequence D.
16S	M	End of Block	ADDINFO	

End of Sequence E Additional Information

2. MT567 Status and Processing Advice

CBF uses the ISO 15022 message format MT567 to return the status of an individual MT565 instruction to the sender BIC of the MT565. The status report via MT567 mainly derives from the validation of incoming MT565 instructions. Bookings resulting from the processing of an MT565 instruction are confirmed via MT566 and not via MT567.

If an MT565 NEWM instruction is successfully validated and STP is possible, the customer receives an MT567 IPRC//PACK. If STP is not possible (for example, optional text in the MT565 to be taken into account during processing) the customer receives an MT567 IPRC//PEND. For validation errors requiring a new instruction from the customer via a corrected MT565, or for an instruction after the market deadline, the customer receives an MT567 IPRC//REJT.

In the following cases, CBF sends the customers an MT567 IPRC//REJT.

REJECT Status and potential Reason Code		Description
Status	IPRC//REJT	<ul style="list-style-type: none"> No authorisation for the sender BIC, on the account cited in the MT565 under 97A::SAFE for instruction. The account cited in the MT565 under 97A::SAFE is not a customer account at CBF.
Reason Code	REJT//SAFE	
Status	IPRC//REJT	<ul style="list-style-type: none"> An MT565 with the same customer reference (20C::SEME) has already been transmitted by the same sender BIC.
Reason Code	REJT//NARR "MSG REJECTED. BIC AND SEME NOT UNIQUE"	
Status	IPRC//REJT	No event can be found for the Corporate Action Reference (20C::CORP) cited in the MT565 (for example 210 2015100600000 instead of 280 2015100600000, that is. the customer is instructing on TA210 RHD1 and not on TA280 EXRI).
Reason Code	REJT//EVNM	
Status	IPRC//REJT	<ul style="list-style-type: none"> The MT565 has no 35B:: field with the instructed ISIN. The MT565 includes an ISIN in 35B:: field. However the ISIN does not match the event data. This can happen if, for example, for a TA280 EXRI-Event the ISIN for the underlying of the event (TA210 RHD1) is provided by mistake, rather than the ISIN for the rights issue
Reason Code	REJT//DSEC	
Status	IPRC//REJT	In this case, CBF does not provide any service for the event. This will be notified in the CBF MT564 using code 22F::OPTF//NOSE in all options (E sequences).
Reason Code	REJT//NARR "NO SERVICE OFFERED BY THE ACCOUNT SERVICER"	
Status	IPRC//REJT	The MT565 is received by CBF more than 5 business days before the rights/exchange period begins.
Reason Code	REJT//NARR "INSTRUCTING OUTSIDE EXERCISE PERIOD"	
Status	IPRC//REJT	The MT565 was received by CBF after the market deadline (MT564, 98C::MKDT).
Reason Code	REJT//LATE	
Status	IPRC//REJT	The option number (13A::CAON) cited in the MT565 is unknown for the event, that is, there is no option (E sequence) in the CBF MT564 with this number.
Reason Code	REJT//OPNM	

REJECT Status and potential Reason Code		Description
Status	IPRC//REJT	The option code (22F::CAOP) cited in the MT565 is unknown for the event, that is, there is no option (E sequence) in the CBF MT564 with this code.
Reason Code	REJT//OPTY	
Status	IPRC//REJT	The option number (13A::CAON) and option code (22F::CAOP) do not match, that is, the number and code relate to different options (E sequences) in the CBF MT564.
Reason Code	REJT//NMTY	
Status	IPRC//REJT	The instruction nominal cited in the MT565 under 36a has more than 3 decimal places.
Reason Code	REJT//NARR "INSTRUCTION NOMINAL WITH MAXIMUM OF 3 DECIMAL PLACES IS PERMITTED".	
Status	IPRC//REJT	The Quantity Type Code cited in MT565 under 36B for the instruction nominal does not match the unit of the instructed ISIN (for example UNIT instead of FAMT).
Reason Code	REJT//DQUA	
Status	IPRC//REJT	The instruction nominal cited in MT565 under 36B::QINS leads to a booking nominal with more than 3 decimal places when the number of allocated units of the interim or final security is calculated.
Reason Code	REJT//NARR "WRONG DECIMALS OCCURRED. PLEASE CHECK"	

An MT567 IPRC//PEND may be sent by CBF for the following reasons.

PENDING Status and potential Reason Code		Description
Status	IPRC//PEND	The MT565 includes information or format options not eligible for STP. Additional checks are required by CBF Operations.
Reason Code	PEND//NARR "YOUR INSTRUCTION IS UNDER VALIDATION"	
Status	IPRC//PEND	The MT565 is received by CBF before the rights/exchange period begins. However, the period begins within the next 5 business days.
Reason Code	PEND//NARR "UPCOMING EXERCISE PERIOD"	
Status	IPRC//PEND	The MT565 was received by CBF after the CBF instructions deadline or trading instructions deadline (MT564, 98C::RDDT) but before the market deadline (MT564, 98C::MKDT).
Reason Code	PEND//ADEA	
Status	IPRC//PEND	At the time of receipt and validation of the MT565 there is an insufficient position on the CASCADE primary account or sub-account cited in the MT565.
Reason Code	PEND//LACK	

Requests from the customer concerning the cancellation of a previous MT565 NEWM instruction in the ISO 15022 notification format MT565 CANC are processed by CBF Operations in exception handling and generally answered using an MT567 CPRC//PACK, MT567 CPRC//CAND or MT567 CPRC//REJT.

The following table describes the ISO 15022 notification format used by CBF for an MT567 "Status and Processing Advice" response to the sender BIC of the MT565.

Day	Status	Field name	Format	Description
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Mandatory Sequence A General Information

16R	M	Start of Block	GENL	
20C	M	CA Reference	:CORP//16x	CBF inputs the Corporate Action reference provided by the customer in the MT565 instruction here.
20C	M	Sender's Reference	:SEME//16x	A unique reference provided by CBF for this MT567 notification
23G	M	Function of the Message	4!c	CBF uses <ul style="list-style-type: none"> • CAST for responding to an MT565 CANC and • INST for responding to an MT565 NEWM
22F	M	CA Event Indicator	:CAEV//4!c	CBF inputs the Corporate Action Event Indicator provided by the customer in the MT565 instruction here.
98C	O	Preparation Date and Time	:PREP//8!n6! n	Date and time of the MT567 notification created by CBF

Mandatory Repetitive Subsequence A1 Linkages

16R	M	Start of Block	LINK	
13A	O	Linked Message	:LINK//565	The MT567 refers to an MT565.
20C	M	Related Message Reference	:RELA//16x	CBF inputs the 20C::SEME from the received MT565 instruction here.
16S	M	End of Block	LINK	

End of Subsequence A1 Linkages

Mandatory Repetitive Subsequence A2 Status

16R	M	Start of Block	STAT	
25D	M	Status Code	:4!c//4!c	As a qualifier CBF uses: <ul style="list-style-type: none"> • CPRC for the status of an MT565 CANC and • IPRC for the status of an MT565 NEWM The values used by CBF for the 4-digit status code are cited at the start of this chapter.

Optional Repetitive Subsequence A2a Reason

16R	M	Start of Block	REAS	
24B	M	Reason Code	:4!c//4!c	The values used by CBF for the Reason Code are cited at the start of this chapter.
70D	O	Reason Narrative	:REAS//6*35 x	CBF also uses optional text to provide the reason for a status if there is no qualified SWIFT code available.
16S	M	End of Block	REAS	

End of Subsequence A2a Reason

16S	M	End of Block	STAT	
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End of Subsequence A2 Status

16S	M	End of Block	GENL	
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End of Sequence A General Information

Optional Sequence B Corporate Action Details

16R	M	Start of Block	CADETL	
13A	O	CA Option Number	:CAON//3!c	CBF inputs the number of the instructed option

Day	Status	Field name	Format	Description
				provided by the customer in the MT565 instruction here.
22F	0	CA Option Code	:CAOP//4!c	CBF inputs the code of the instructed option provided by the customer in the MT565 instruction here.
97A	0	Safekeeping Account	:SAFE//35x	CBF inputs the CASCADE account cited by the customer in the MT565 instruction here.
35B	0	Identification of FI	[ISIN1!e12!c] [4*35x]	CBF inputs the instructed ISIN from the customer's MT565 instruction here.
36B	0	Quantity of Financial Instrument	:4!c//4!c/15d	CBF inputs the instructed nominal from the customer's MT565 instruction here with the qualifiers: <ul style="list-style-type: none"> • STAQ – Status Quantity • QREC – Quantity to Receive
19B	0	Gross Amount	:GRSS//3!a1 5d	With the OVER instruction, CBF inputs the cash amount here to be debited to the customer on the payment date (number of requested new shares x issue price).
19B	0	Net Cash Amount	:NETT//3!a15 d	With the OVER instruction, CBF inputs the cash amount here to be debited to the customer on the payment date (number of requested new shares x issue price).
16S	M	End of Block	CADETL	

End of Sequence B Corporate Action Details

Optional Sequence C Additional Information

16R	M	Start of Block	ADDINFO	
70E	0	Additional Text	:ADTX//10*3 5x	Where necessary, CBF provides any additional information here which cannot be provided in the standard fields.
70E	0	Party Narrative	:PACO//10*3 5x	CBF provides information on the contact person or the responsible operations division here.
16S	M	End of Block	ADDINFO	

End of Sequence C Additional Information

3. MT566 Corporate Action Confirmation

Upon receipt of an MT565 customer instruction and successful validation, CASCADE orders are immediately generated for the next available processing run, based on the instructed option. Settlement of this booking will be confirmed via the MT566 Corporate Action Confirmation notification format. These MT566 confirmations are created per MT565 customer instruction and include the customer's reference from the MT565 instruction (20C::SEME from the MT565) in the Subsequence A1 Linkages in the Related Message Reference field (20C::RELA).

Subsequently the CASCADE orders generated immediately after validation and based on the event and the customer's chosen option are shown. Changes to the current process occur with the CASH option as part of a German dividend option and with the LAPS option as part of a rights offering.

KADI Event Type	Option	Direct Booking
TA280 EXRI (first event = TA210 RHD)	EXER	Blocking of the instructed nominal of rights on the customer's 850 sub-account
	BUYA	No immediate booking
	SLLE	Blocking of the instructed nominal of rights on a CBF internal settlement account
	OVER	Generation of a cash instruction for the subscription price payable with value date = payment date
	LAPS	Blocking of the instructed nominal of rights on a CBF internal settlement account
TA280 EXOF (first event = TA211 BONU, DVSE, PINK, SOFF, SPLF)	SECU	Debiting of the instructed customer account with the instructed nominal of partial rights. Crediting of the final security to the instructed customer account
	BUYA	No immediate booking
	SLLE	Blocking of the instructed nominal of partial rights on a CBF internal settlement account
TA280 DVOP (Erster Event = TA211 RHD)	SECU	Debiting of the instructed customer account with the instructed nominal of the cash line. Crediting of the securities line to the instructed customer account
	CASH	Blocking of the instructed nominal of cash line on the customer's 850 sub-account. The cash payment is then made via TA120 DVOP to the 850 sub-account.
	BUYA	No immediate booking
	SLLE	Blocking of the instructed nominal of cash line on a CBF internal settlement account
TA280 EXOF (first event = TA232 DECR, MRGR, SPLR)	SECU	Debiting of the instructed customer account with the instructed nominal of the interim security. Crediting of the final security to the instructed customer account
	SLLE	Blocking of the instructed nominal of the interim security on a CBF internal settlement account

KADI Event Type	Option	Direct Booking
TA280 BIDS, BPUT, EXOF, TEND	CASH	Debiting of the instructed customer account with the instructed nominal of the original security. Where settlement is via an interim security, crediting of the interim security to the instructed customer account
	SECU	Debiting of the instructed customer account with the instructed nominal of the original security. Where settlement is via an interim security, crediting of the interim security to the instructed customer account
	NOAC	No CASCADE booking

There are no changes to the current processes, which follow on from the initial bookings presented above, such as, for example, processing of a rights exercise after blocking the rights on sub-account 850, or the cash distribution (TA124 EXOF) based on a booked interim security as part of a cash redemption offer (TA280 BIDS). The relevant MT566 reporting also remains unchanged.