

OneClearstream migration to Spain (Iberclear) - customer impacts

As previously advised, Clearstream Banking¹ will migrate securities not migrated to Clearstream Banking AG (CBF) on the Official Transfer Date (OTD)) Friday 27 November 2020 December with effective migration date of Monday 18 January 2021 (OTD+35 Business Days (BD)) from BBVA, Madrid to CBF.

Scope of securities relevant for the migration and exceptions

Clearstream Banking¹ will use Clearstream Banking AG (CBF) as Investor-CSD to access Iberclear in T2S.

This will not apply to the following securities:

- All multi-listed securities with the home CSD outside of T2S that are settled via BBVA today will remain under CBL depositories 87 (Spain). For a complete list of multi-market securities and instruction specifications, please refer to the [Multi-Market Securities List](#) on the Clearstream website.
- LATIBEX securities
- Securities in default

Customers will be informed about the impacted securities subject to migration and the exceptions in due course. As usual, the final list will be provided on the Thursday before the migration.

Important reminder on the new procedure for counterparties

All Spanish ICPs are requested by Iberclear to use the Iberclear BIC11 (IBRCESMMXXX) in the Place of Settlement. For Spanish DCPs, the T2S standard applies and hence the BIC11 of the counterparty CSD (DAKVDEFFXXX) should be indicated in the Place of Settlement. In addition, Iberclear is asking ICPs to indicate the SAFE of the Delivering/Receiving Agent in their instructions, so that Iberclear can identify the target CSD in T2S. Please find more information in the table below.

Cross-border settlement between CSDs in T2S is only possible, if the corresponding technical configuration in T2S for cross-border links has been established by the CSDs linked to each other.

For T2S cross-border settlement in Spanish securities between non-Iberclear counterparties and Clearstream Banking, the T2S standard applies. This means that non-Spanish counterparties (that is, for example Monte Titoli participants) must instruct against DAKVDEFFXXX in the Place of Settlement.

Also, ICP counterparties should ask their domestic CSDs or agents for the proper formats to instruct against the CBL omnibus account in CBF. Some CSDs or agents may still have proprietary formats that differ from the format published in the above table.

The procedure for domestic counterparties listed in the table below for non-migrated securities remains unchanged.

¹ Clearstream Banking refers collectively to Clearstream Banking S.A., registered office at 42, avenue John F. Kennedy, L- 1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-9248, and Clearstream Banking AG (for Clearstream Banking AG customers using Creation Accounts), registered office at 61, Mergenthalerallee, 65760 Eschborn, Germany and registered in Register B of the Amtsgericht Frankfurt am Main, Germany under number HRB 7500.

Customers are requested to inform their local counterparties to use the following details for instructions that settle against Clearstream Banking:

	Migrated securities	Non-migrated securities (as today)
Place of settlement	IBRCESMMXXX	IBRCESMMXXX
Delivering/Receiving Agent (DEAG/REAG)	CEDELULLXXX	BBVAESMMXXX
SAFE ^a of the DEAG/REAG	Should be specified for Spain as required by Iberclear to identify CBF as CSD in T2S (DAKV7201102)	If instructed, it must be the valid SAC Iberclear: IBRCBBVAESMMXXX0000000 07T0EX0000004
Buyer/Seller	BIC11 of the CBL customer	CEDELULLXXX in favour of BIC11 of the CBL customer

- a. Although the safekeeping account of Party 1 (REAG/DEAG) is an optional matching field in T2S, if it is present on one instruction only it will only match with instructions instructed by this account.
As CBL does not forward its own SAC to the settlement parties, if the customer counterparty instructs the SAFE of REAG/DEAG it must match CBL's SAC in T2S exactly.

New depository details

The change of depository for the OTD+35 migrating securities will be effective as of settlement date Monday 18 January 2021.

For all T2S assets to be migrated to CBF, the following new depository code will apply:

Depository	Current CBL depository code	New CBL depository code
Iberclear	87	4E

New instruction format for ancillary transactions

Ancillary transactions (OAUX) are bilateral trades settling against a financial intermediary (that is, broker) which is a specific IC participant having an account at CCP level, which is directly linked with an account at Iberclear.

As a result of CBL's migration to CBF, the format for Ancillary transactions will change as follows.

Old format (pre-migration):

Options	Xact via SWIFT and Xact File Transfer
Option 1	:22F::SETR/TRAD :95P::DEAG or REAG //Counterparty's BIC11 :97A::SAFE//Account of the Financial Intermediary (broker) (35-digit)
Option 2	22F::SETR/TRAD :70E::SPRO//OAUX

New format (post-migration):

New format	Xact via SWIFT and Xact File Transfer
	:22F::SETR//TRAD :70E::DECL///SETR 801 (where 801 is the new Transfer reason used in CBF for OAUX)

Settlement timings

The following settlement deadlines will be applicable to customers:

Link	Current EUR AP deadline	New EUR AP deadline	Current FOP deadline	New FOP deadline
Iberclear via CBF	15:10 SD	15:55 SD	17:20 SD	17:55 SD

Migration impact on customers

Settlement cut-off time Friday 15 January 2021

In order to facilitate the start of the migration process on Friday, 15 January 2021 for securities in scope of this migration iteration, CBL has earlier end of day cut-off deadlines. The Clearstream Banking customer deadlines on above dates are as follows:

- Against payment in EUR: 12:00 CET instead of 15:10 CET;
- Free of payment: 12:00 CET instead of 17:25 CET.

Domestic instructions

Clearstream Banking will proceed with the migration of settled positions to the new depository, CBF, from 12:00 CET on 15 January 2021. No action is required from customers for all domestic instructions that settle before 12:00 CET.

Customer instructions for migrating securities:

- Received by Clearstream Banking after the cut-off time of 12:00; or
- That have been sent to Clearstream Banking before the early cut-off time at 12:00 but are not yet released to the domestic market, for example, due to lack of provisioning,

will be sent to the new depository CBF in the course of the migration and may match and settle on a "best efforts" basis.

All pending unmatched domestic instructions will be cancelled by CBL before the start of the migration at 12:00 CET.

For all pending matched domestic instructions, customers must contact their counterparties as early as possible to ensure that these instructions are cancelled by both counterparties by 12:00 CET, as the bilateral cancellation principle applies.

All instructions cancelled before migration must be reinstructed by customers and their counterparties (with the place of settlement IBRCESMMXXX for Spain if the counterparty is an ICP) after 14:00 CET.

Clearstream Banking will keep customers updated about the key milestones of the migration.

Important Note

As highlighted on the first page, customers should advise their counterparties that for new instructions sent to CBL after migration and in relation to the migrated securities, the counterparty details (SSI) will change and that ICP counterparties need to instruct against the place of settlement IBRCESMMXXX (see table above).

Internal and Bridge instructions

There is no impact on internal and Bridge instructions.

Further information

This is the current situation based on latest information, should there be any changes we will inform you accordingly.

For further information, customers may contact Clearstream Banking Client Services or their Relationship Officer.