

# Project UNO - Unified for New Opportunities

## Kick-off Summary Session

17.03.2025

# Project UNO - Summary Session conducted via MS Teams

## Organisational items

1

Please join in time. Your cameras and mics will be automatically turned off when joining.

2

Please be informed that **the session will be recorded**. The recording will be published on the Project UNO webpage, which will be activated in due course.

3

This session will be conducted in English. All materials will be provided in English, and the slides will be shared after the session.

4

Questions can be raised in the chat in both English and German throughout the session. Please always state your name / institution when raising a question. Clearstream will address the most frequently asked questions in the last 15 minutes of the meeting.

5

All questions will be collected by Clearstream and made available in a FAQ document in due course.

**We would like to thank you for your cooperation.**

### Dial-in details:

We recommend joining our session with **Microsoft Teams** using the link from the invitation.



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# Agenda

## What you can expect from today's Kick-off Summary Session

- 1 Opening the Session, Organisational Points (Krasimira Rayanova)
- 2 Introduction and Project Overview (Krasimira Rayanova)
- 3 High-level Impact on Key Products & Services (Subject Matter Experts)
- 4 Migration Approach (Julien Dernoncourt)
- 5 High-level Timeline & Communication Plan (Ana Andrijevikj)
- 6 Misc and Q&A

# Project UNO - Unified for New Opportunities

## Introduction

### PROJECT BACKGROUND

- **CSDR Refit** will allow a CSD to delegate **banking-type ancillary services<sup>1</sup>** to another CSD
- The update of the regulation allows Clearstream Banking AG to reshape CBF business to core CSD services, centralize banking services to CBL and enhance T2S settlement with increased volumes

 The Project UNO has been launched with the aim to pave the way for T+1 settlement and enhance settlement in T2S with increased volumes

### KEY OBJECTIVES OF PROJECT UNO

Enhance T2S eligibility	<ul style="list-style-type: none"><li>▪ <b>Securities</b> in CBFi accounts<sup>2</sup> will be made <b>T2S eligible</b> on CBF accounts to the maximum extent possible</li></ul>
CBF Services	<ul style="list-style-type: none"><li>▪ <b>CBF</b> will provide core CSD services and will return its banking license</li><li>▪ <b>CBL</b> will provide <b>banking-type ancillary services<sup>1</sup></b> including accepting non-recordkeeping, safekeeping and settlement EUR cash deposits</li></ul>
Reduce complexities	<ul style="list-style-type: none"><li>▪ Settlement will be organized via T2S, CBF direct links to domestic markets (US / CH) will be replaced by relayed CBL link</li><li>▪ <b>CBF operational complexity</b> will be reduced as banking services will be leveraged from T2S (Euro) and CBL (non-Euro)</li></ul>
Decommission CBFi business	<ul style="list-style-type: none"><li>▪ <b>CBFi business</b> will be <b>decommissioned</b> (CBFi accounts will be replaced by CBL accounts)</li><li>▪ CBF will maintain a distinctive value proposition by providing <b>access to T2S-in markets and global domestic T2S-out markets (via CBL)</b></li></ul>







# Project UNO - Unified for New Opportunities

## Project Overview – Clients Benefits



The Project UNO delivers client benefits while reducing regulatory and operational complexity, increasing efficiency and operational savings

KEY BENEFITS	TARGET SET-UP
 Expand T2S eligibility, settlement efficiency, and use of central bank money	<ul style="list-style-type: none"><li>CBF will become the consolidated place for <b>settlement in T2S</b> maximizing the <b>use of central bank money</b> for its clients and providing a <b>more efficient settlement services</b></li><li>CBF will continue to <b>actively contribute to further enhance T2S value proposition</b> (e.g. change requests submitted to improve partial settlement in T2S network)</li></ul>
 Enhance CBF value proposition	<ul style="list-style-type: none"><li>CBF will maintain a distinctive value proposition by continuing to offer access <b>to global domestic (T2S out) markets through CBL ICSD network</b></li><li>Clients will be able to gain <b>net interest income (NII)</b> for EUR denominated assets</li></ul>
 CBF focus on core CSD services	<ul style="list-style-type: none"><li>CBF will focus on <b>core CSD services</b> recordkeeping, safekeeping and settlement</li><li>CBF will designate CBL for the provision of banking-type ancillary services<sup>1</sup> to support settlement of the non-EUR cash leg (as enabled by CSDR Refit). Euro will be organized via T2S</li></ul>
 Streamline regulatory / operational set-up and increase efficiency	<ul style="list-style-type: none"><li><b>Streamlined</b> regulatory/operational <b>set-up</b> and <b>reduced risk</b> profile</li><li><b>Increased operational efficiency</b> and operational savings</li><li><b>Simplification</b> of existing set-up results in <b>improved separability</b> between CBF and CBL</li></ul>

1. In accordance with Article 54 (2a) CSDR as amended by CSDR Refit

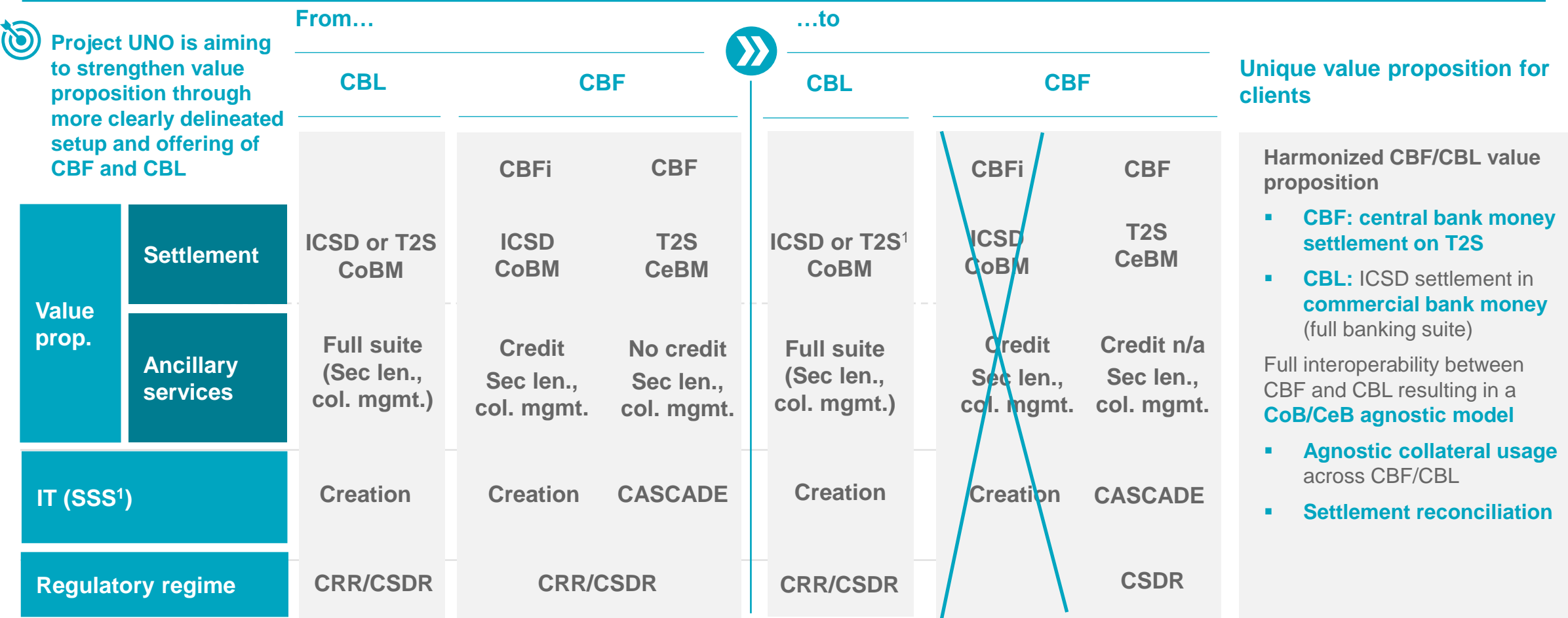
# Project UNO - Unified for New Opportunities

## Project Overview – Cornerstones of the envisaged target operating model

KEY ELEMENTS	CORNERSTONES OF THE ENVISAGED TOM <sup>1</sup>
<b>A</b> Banking services	<ul style="list-style-type: none"><li>▪ <b>CBF will operate as a CSD only</b> (no longer as a bank) and CBL will provide <b>banking services</b></li></ul>
<b>B</b> Account set-up	<ul style="list-style-type: none"><li>▪ <b>CBFi (6-series accounts)</b> accounts will <b>be decommissioned</b> and only CBF / CBL accounts will be maintained</li></ul>
<b>C</b> Settlement services	<ul style="list-style-type: none"><li>▪ <b>(1)</b> all <b>NCSC</b> securities traded on German stock exchanges, <b>(2)</b> all securities with settlement instructions in 2025 (i.e., during the year preceding the migration) and <b>(3)</b> all securities with CBFi holdings at the moment of the migration will be made eligible for settlement in <b>T2S<sup>2</sup></b></li><li>▪ <b>CBF-CBL link</b> will be enhanced to streamline the processing of instructions directed to <b>CBL and Euroclear Bank</b> and access to <b>T2S-out markets</b></li><li>▪ CBF will provide access to T2S-out markets via <b>CBL international network<sup>2</sup></b></li></ul>
<b>D</b> Asset servicing and tax services	<ul style="list-style-type: none"><li>▪ <b>One Clearstream Asset Servicing and Tax</b> will be activated for all migrated markets to the maximum extent possible (subject to market per market analysis)</li></ul>
<b>E</b> Credit, collateral management and securities lending	<ul style="list-style-type: none"><li>▪ <b>CBL will grant non-EUR</b> credit to support settlement against payment in non-EUR currencies</li></ul>

# Project UNO - Unified for New Opportunities

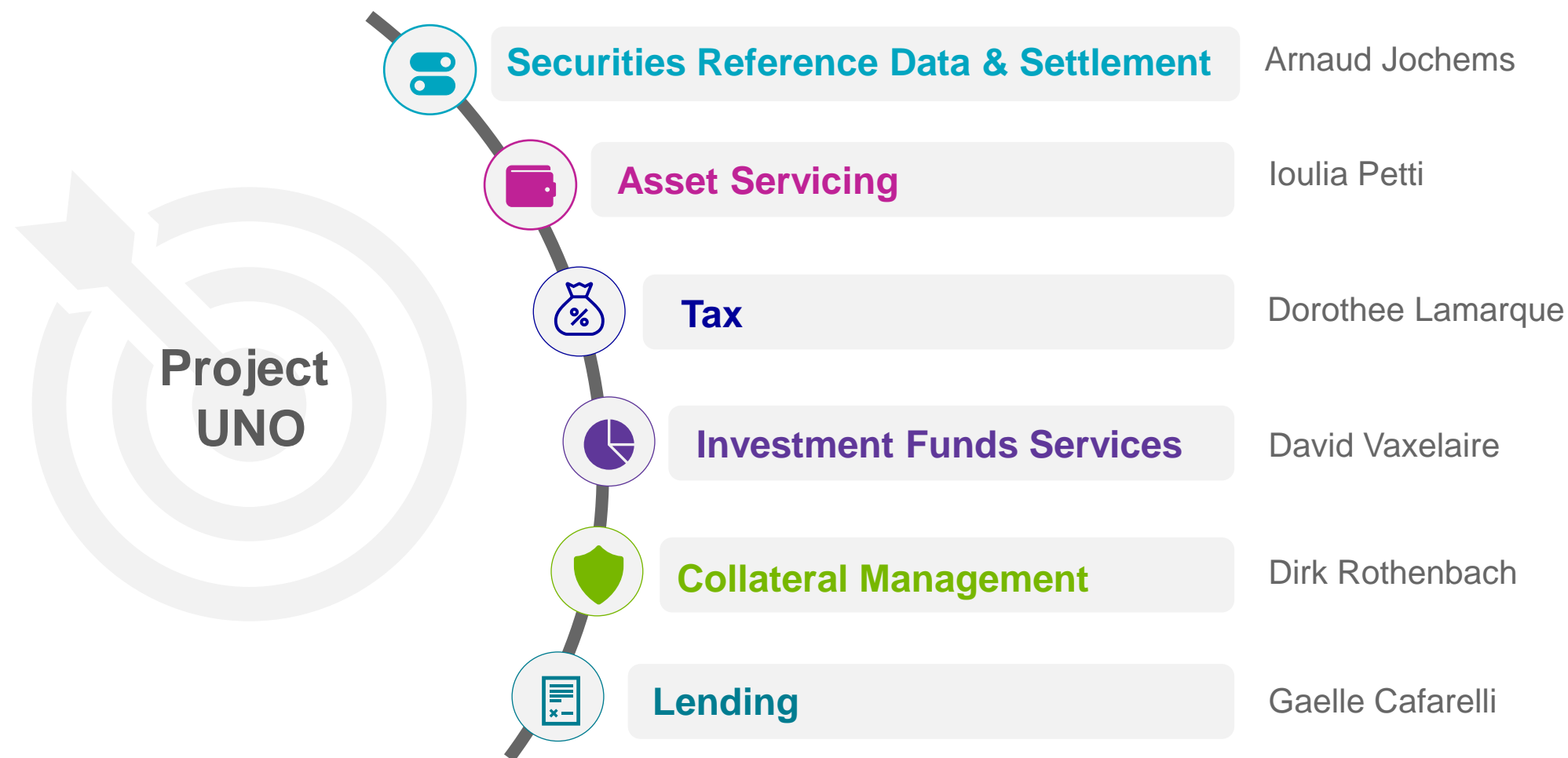
## Project Overview – Cornerstones of the envisaged target operating model





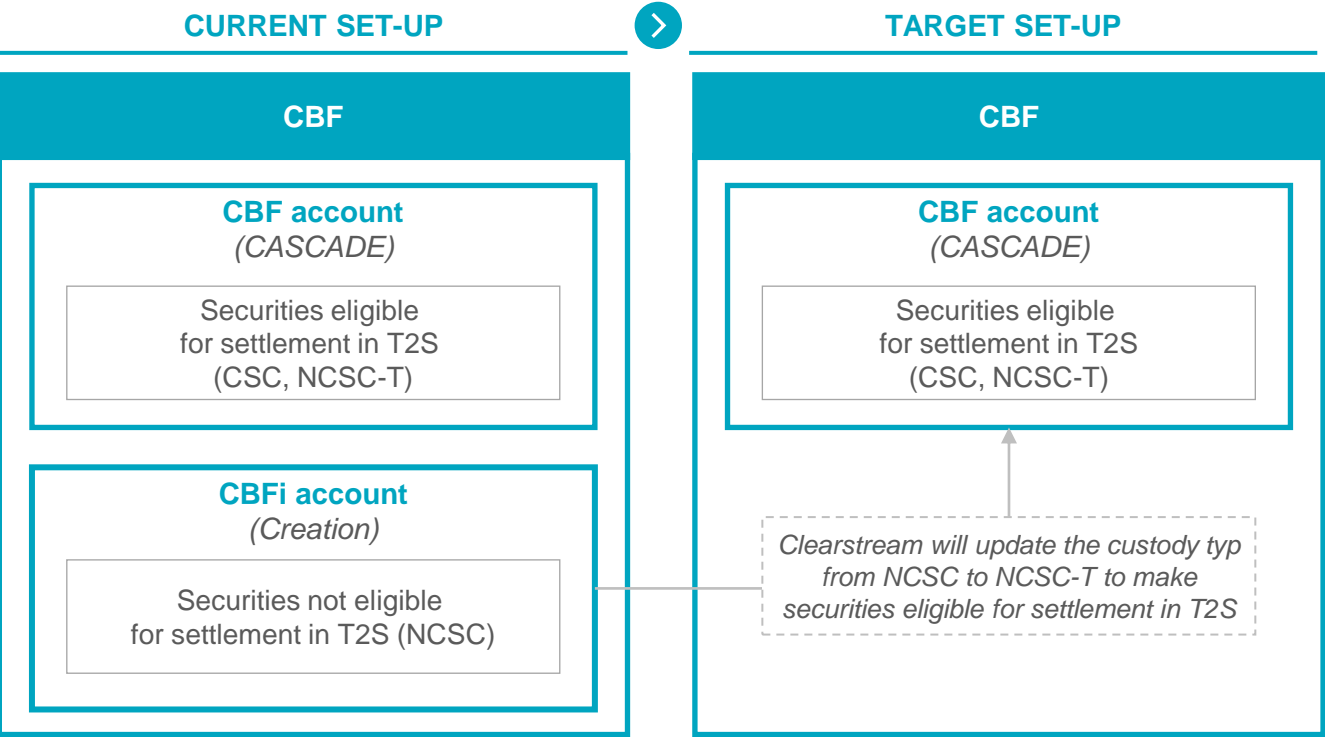
# Project UNO - Unified for New Opportunities

Impacted Clearstream products and services



# Securities Reference Data

## Envisaged target operating model: Settlement Services



### KEY CONSIDERATIONS

#### Current set-up

- Securities under **Collective Safe Custody (CSC)** and **Non-Collective Safe Custody to be settled in T2S (NCSC-T)** are held in CBF accounts and settle in CASCADE/T2S
- Securities under **Non-Collective Safe Custody (NCSC)** are held in custody in CBFi accounts and settle in Creation

#### Target set-up

- Securities in Non-Collective Safe Custody (NCSC) will be made eligible for settlement in T2S by changing the custody type from **NCSC to NCSC-T** and reflecting the holdings on the **CASCADE accounts**, including:
  - All NCSC securities traded on German stock exchanges**
  - All securities for which there has been settlement activity** (OTC or stock exchange) **in CBFi 6-series accounts in 2025** (i.e. year previous to the migration)
  - All securities with CBFi holdings** at the moment of the migration

# Settlement

## Enhancing our CBF-CBL link to make all UNO securities eligible

### Improved overall process

- Enhancement of the CBF-CBL link for T2S-CSD Out securities
- Faster matching
- Additional counterparty reach by allowing CBF clients to reach domestic counterparties (top 10 markets)



### Settlement reporting

- All External-CSD for T2S CSD-Out reporting improved (with CBL, EB and domestic counterparties)
- Applicable to EUR and non-EUR (and even for intra-CSD in non-EUR)
- Example: Shortage of cash from your counterparty outside T2S will be reported accordingly



### Partial settlement and Partial release

- Partial release on the CBF-CBL link via T2S CR 798
- Partial settlement on the CBF-CBL link (receipt only) via T2S CR 798



### Cash penalties for External-CSD settlement

- Cash penalties process to be enhanced on the CBF-CBL link to ensure correct allocation
- Ensuring cash penalties from domestic markets can be supported



# Settlement

## Two new optional services: SSA & Smart SSI

### Single Settlement Account (SSA) solution - optional offering

- Optional offering for **counterparty SSI**.
- One single account to be used by your counterparty outside T2S to reach you.



### SMart SSI solution (SMS) - optional offering

- Optional offering for **client SSI**.
- Simplify settlement in T2S with new SSI<sup>1</sup>.
- Leverage Project UNO to enhance the OneClearstream connectivity with adequate PSET for all scenarios



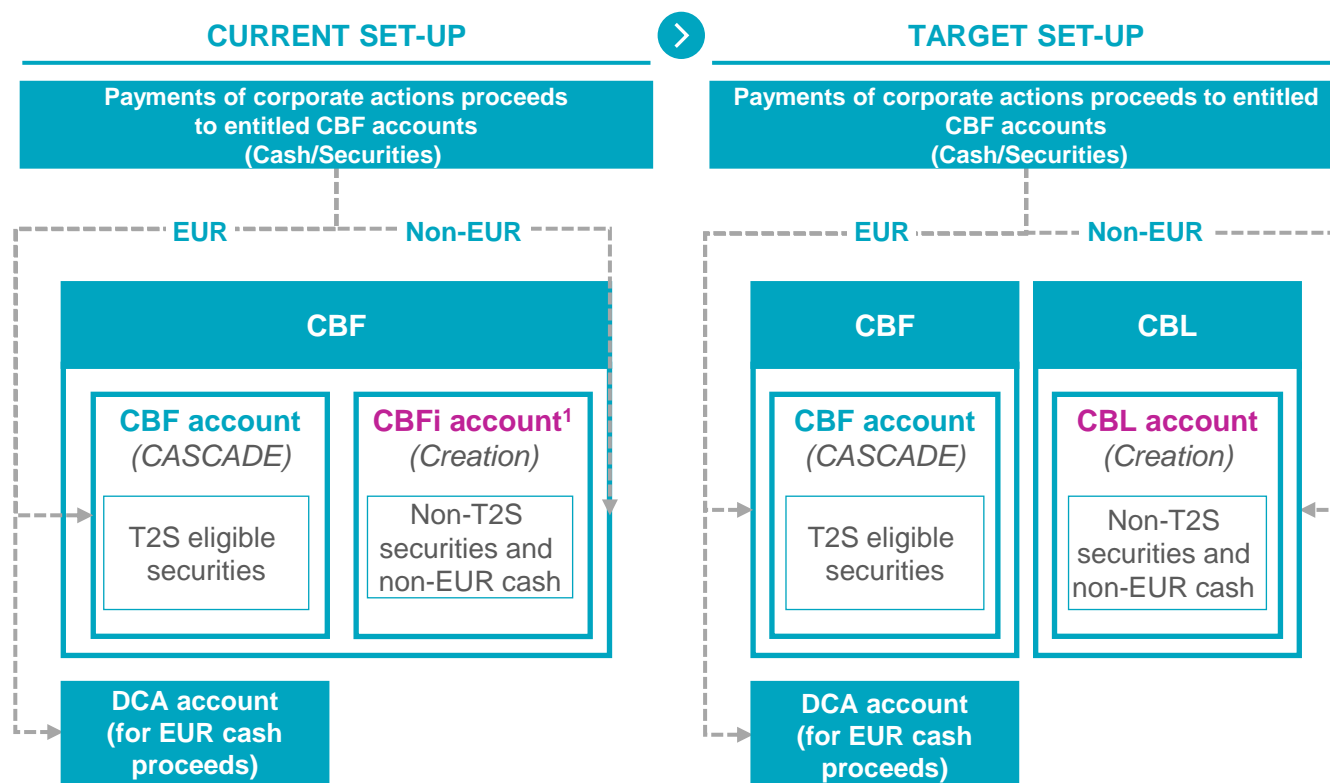
### Key remarks on these new services

- Services might be available only to ICP clients using OneClearstream connectivity (A2A).
- SMS service aligns with SMPG standards and adapts messages to T2S formats.
- Outbound reporting will use adjusted SSI.
- Conceptual phase: subject to changes and feasibility. Date to be confirmed.



# Asset Servicing

## Envisaged target operating model: Asset Servicing



### KEY CONSIDERATIONS

One Clearstream Asset Servicing (OneCAS) will be provided on all CBF accounts for all T2S-eligible securities

T2S eligible proceeds will be paid in CBF, non-T2S eligible proceeds will be paid in CBL

- All T2S eligible proceeds (**EUR cash, T2S-eligible securities**) will be debited/credited on the CBF accounts (DCA accounts at the respective NCB e.g. Bundesbank).
- All non-T2S eligible proceeds (**non-EUR cash, non-T2S eligible securities**) will be debited/credited on the CBL accounts linked to CBF accounts.

# Asset Servicing

## OneClearstream Asset Servicing service level for all securities

### Changes

- OneClearstream service level for all securities on the CBF accounts (incl. USA (CAN) and CH)
- For USA (CAN) & CH, the current CBF links and the KADI services will be decommissioned and replaced by the OneClearstream service via CBF-CBL link
- No changes expected to the asset servicing service level for the securities already under OneClearstream
- Decommissioning of CBFi accounts and use of CBF accounts for the payments of the T2S eligible proceeds and of CBL accounts for the payment of the non-T2S eligible proceeds (being cash or/and securities)



### Processing Impacts

- OneClearstream harmonised processing in line with the international standards
- OneClearstream corporate action deadlines considering T2S business day
- Transaction management rules following the market rules and adapted to T2S standards and covering the new CBF domestic settlement instructions
- Market specifics analysis to be conducted market by market



### Reporting Impacts

- OneClearstream harmonised reporting and connectivity for all markets, in line with the international standards
- Decommissioning of legacy reports and connectivity for USA (CAN) & CH markets





# Tax

## OneClearstream Tax service level

### Changes

- Recertification requirement due to:
  - the enhanced T2S eligibility. New documentation will be prepared to allow certification by CBF accounts.
  - the decommissioning of CBFi accounts. Clients currently using CBFi accounts will have to either duplicate or renew their certification under their CBL or CBF account, as applicable.
- Further analysis on market specifics ongoing.



### Business impact

- Unless otherwise stated in the market specifics, the same level of tax service should be offered by CBF and CBL.
- New certificates or duplication of existing certificates must be sent in line with each market requirement. Clients must ensure to provide their certificates in advance to allow a smooth treatment by tax operational team.
- UNO tax specific mailbox will be created for the certification purposes.



# Investment Funds Services

## Enhancement of the Vestima service offering\*

Target service offering	Effects on Business	Processing impacts	Reporting impacts
<p>Clearstream is currently exploring opportunities to enhance Vestima and continue to provide order routing services to CBF account holders for:</p> <ul style="list-style-type: none"><li>▪ International funds, such as ETFs; and</li><li>▪ Investment funds operated under the Central Facility for Funds (“CFF”) model.</li></ul>	<ul style="list-style-type: none"><li>• The transfer of securities from CBFi to CBF accounts might necessitate re-registration with the Transfer Agents, contingent upon specific conditions.</li><li>• ETFs eligible for T2S trading on XETRA will adhere to the existing T2S settlement process.</li></ul>	<ul style="list-style-type: none"><li>• Holders of CBF accounts must adhere to the T2S deadlines for settlements in EUR, which is at 16:00 CET, and for non-EUR currencies, which is at 18:00 CET.</li><li>• Investors in funds will need to comply with the changes related to Settlement and Custody, including Asset Services and Tax Services, resulting from the UNO project.</li></ul>	<ul style="list-style-type: none"><li>▪ Vestima reports may be modified to account for any alterations made to the order routing services, as required.</li></ul>



# Collateral Management

## Future setup of source and pledge accounts

### Changes

- Collateral accounts - depending on product usage of the CBFi a/c: NCBs pledges will be moved to CBF accounts with ECMS before the go-live of UNO (currently planned for June 2025);
- Other pledges will be moved either to CBL or to CBF accounts & Non-EUR GC Pooling repos will be moved to CBL accounts
- Source accounts - either CBL or CBF accounts instead of the currently mapped CBFi accounts
- Triparty Collateral Management Service (TCMS) i.e., pledge to ECAG under German law

### Business Impacts

- Same level of services / functionality will be provided, merely using different accounts – depending on the product usage
- Migration of Pledge/Collateral Management related changes are independent of market migration waves and will be communicated in due course



### Processing Impacts

- Non-EUR GC Pooling repos - none, merely other accounts used
- Pledges – in case clients opt for CBF accounts, securities will be booked cross-border to CBF accounts



### Reporting Impacts

- If CBF accounts are chosen (see Processing Impacts), related settlement reporting will be provided by CBF instead of CBL
- If Creation accounts are chosen, reporting will be provided by CBL



# Lending

## Impact on Lending programmes participation

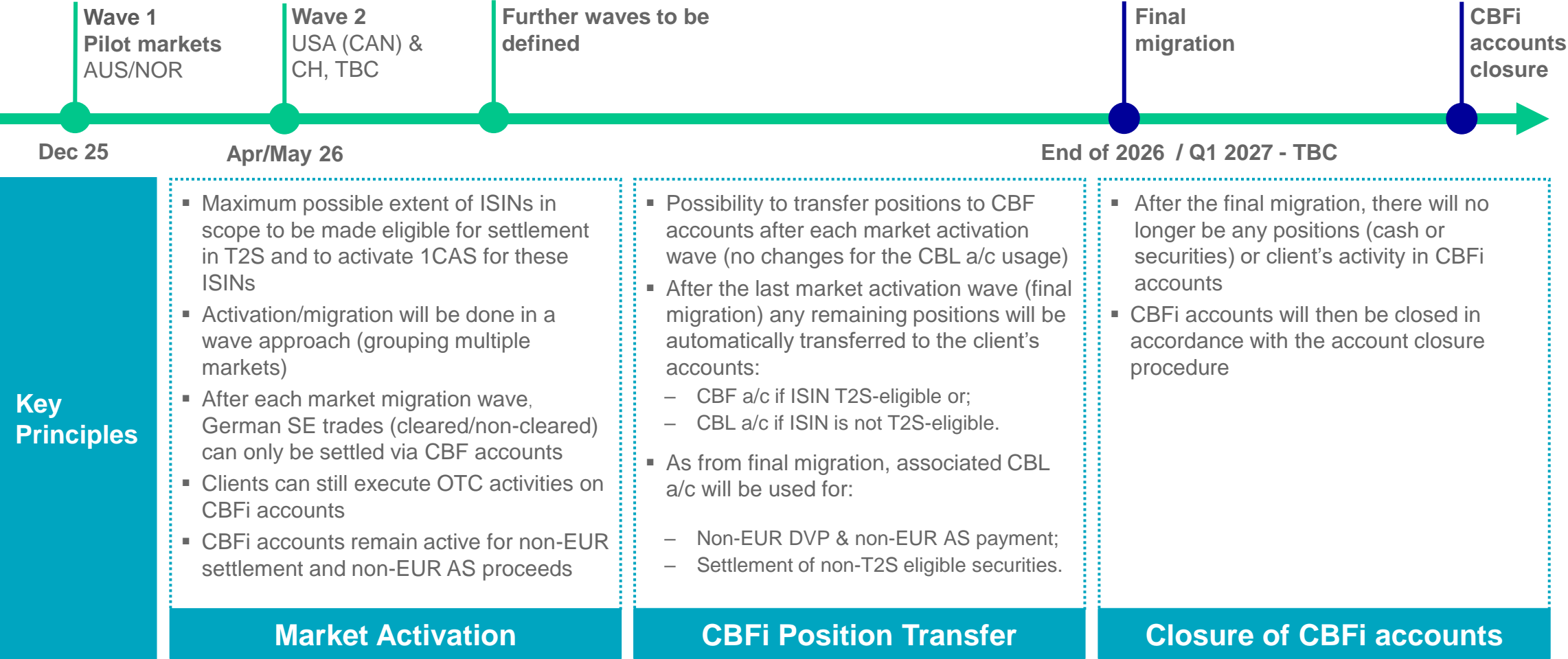
### Changes

- CBFi assets moved to CBF accounts will no longer be eligible for ASL and ASL+ program;
- Clients who want to continue to benefit from these programs need to transfer their assets to CBL accounts.



# Migration

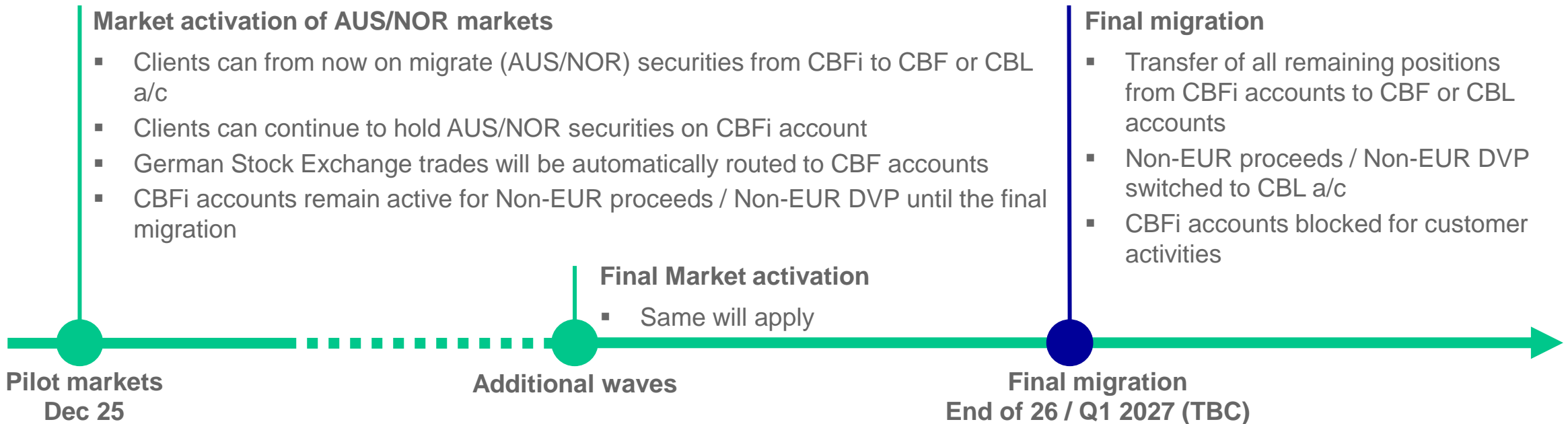
## Timeline & key principles



# Migration

## Details and example on pilot markets AUS/NOR

- After each market migration wave, clients will have the option to transfer the T2S-eligible securities to their CBF, no change to their CBL a/c usage.
- Between December 2025 (pilot market activation wave) and end of 2026 (final market activation wave), CBFi clients will then gradually be able to move their securities to CBF/CBL accounts.
- With the final migration, Clearstream will transfer the remaining positions for the customers from their CBFi accounts to either CBF or CBL accounts.





## Overview of important milestones & client documentation



# Project UNO - Unified for New Opportunities

## Further Information

For further questions, concerns or information requests we kindly ask you to share it via Email to [uno@clearstream.com](mailto:uno@clearstream.com).

When submitting your request, please **include your Clearstream account(s)**, and if possible, specify the products/services area.

Thank you for your trust and collaboration.



**Project UNO MMR Team**

E-mail: [uno@clearstream.com](mailto:uno@clearstream.com)

## What's next?

1

The Project UNO webpage is planned to be launched in **Q1 2025** and updated regularly

2

Further Project UNO Summary Sessions

3

Start of account opening process **from Q3 2025 onwards**

# Thank you for your participation!

**Project UNO MMR Team**

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