Vestima - Investment Fund Services

International ETFs Settlement Guide

ICSD & ICSDplus issuance model

Vestima - Investment Fund Services - ETFs Settlement Guide

December

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Foreword

The combination of:

- (1) trading ETFs at stock exchanges with exchange of cash and securities (settlement) taking place in secure Central Securities Depositories (CSDs) and;
- (2) issuance of such ETFs in domiciles allowing investors' holdings directly in the register of the fund (Luxembourg, Ireland and UK) has led to a highly fragmented settlement environment.

In this settlement environment, Authorised Participants (APs), making the market by providing buy and sell quotes at the stock exchanges, have faced big problems transferring holdings in a CSD where one stock exchange is settling to another CSD where another stock exchange is settling. This is because such transfers need to pass through the fund's register managed by the transfer agent (TA) to become effective, which is a time-consuming process.

The Clearstream ETF issuance models aim to circumvent those difficulties by routing stock exchange settlement to a single - International Central Securities Depository (ICSD) - settlement environment, where transfers at TA level are no longer required. Some stock exchanges already reacted to that development. The London Stock Exchange (LSE), Paris Stock Exchange (Euronext) and Deutsche Boerse (Xetra) already settle trades of ETFs issued via the ICSD model directly into the ICSDs. Other Stock Exchanges still settle in domestic CSDs, and those CSDs subhold their respective positions in the ICSDs, thereby also easing the problem although not completely solving it. This document aims to comprehensively describe the settlement paths for

- Primary market settlement,
- Secondary market on exchange trade settlement and
- Secondary market off-exchange settlement.

About this guide

This document is designed with the aim to provide you, Clearstream Banking account holder, with a tool that guides you on how to settle ETFs trades (on or off-exchange) from your Clearstream Banking account.

We aim to keep this Document updated reflecting the latest changes in the market.

Clearstream is not responsible for the correctness of your settlement instruction, the counterparty will always have to provide you with their most updated SSI, we kindly ask you to get in touch with Clearstream in case of doubts.

Contact details

For further information or if you have specific questions regarding the Vestima system and/or communications with Clearstream Banking, you can contact Vestima Customer Service or your Clearstream Banking Relationship Manager.

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Services

www.clearstream.com/   Clearstream Banking website

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Areas subject to telephone line recording include Client Services, the Treasury Dealing Room and back office operations. The recorded lines are the subject of an ongoing formal maintenance and quality control programme to ensure their continued effective and appropriate deployment and operation.

Contents

Introduction

Background and objectives

Exchange-Traded Funds (ETFs) can be listed and traded on one or more stock exchanges, which means they can be active on several domestic ETF markets causing difficulties for participants as they must manage securities realignment issues between the different trading locations and cope with transferring securities via accounts at various CSDs.

Clearstream has an International ETFs issuance model that can solve a large part of the ETF settlement issues and delays that generally exist with domestic ETFs by allowing participants to settle securities directly with their counterparty's ISCD account.

CSD vs ICSD model:
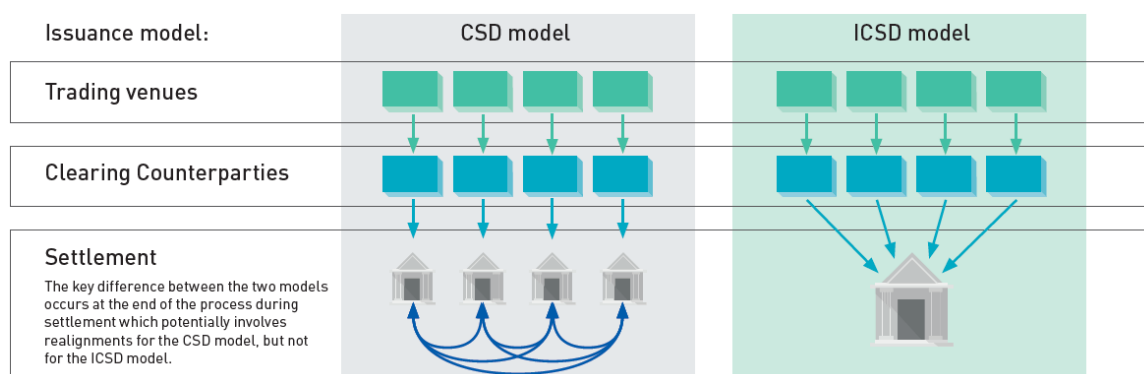
How settlement is taking place in (I)CSD

Primary market:

- ETFs are issued and held within a(n) (I)CSD.
- The issuer sells the ETFs to the Authorised Participants.

Secondary market:

- The Authorised Participants sell the ETFs to the investors on the trading venues.
- The investors buy and sell the ETFs through the trading venues.

Please see below a visual of the ICSD flow:

(I)CSDs: place of settlement

Primary market

Issuer

Creation / Redemption

Authorised Participants

Secondary market

Sell / Buy

Trading venues

Sell / Buy

Investors*

The ETFs are issued and held within a (I)CSD.

The issuer sells the ETFs to the Authorised Participants.

The Authorised Participants sell the ETFs to the investors on the trading venues.

The investors buy and sell the ETFs through the trading venues.

* The investors's assets are held at a custodian bank which has an account at (I)CSDs.

Glossary

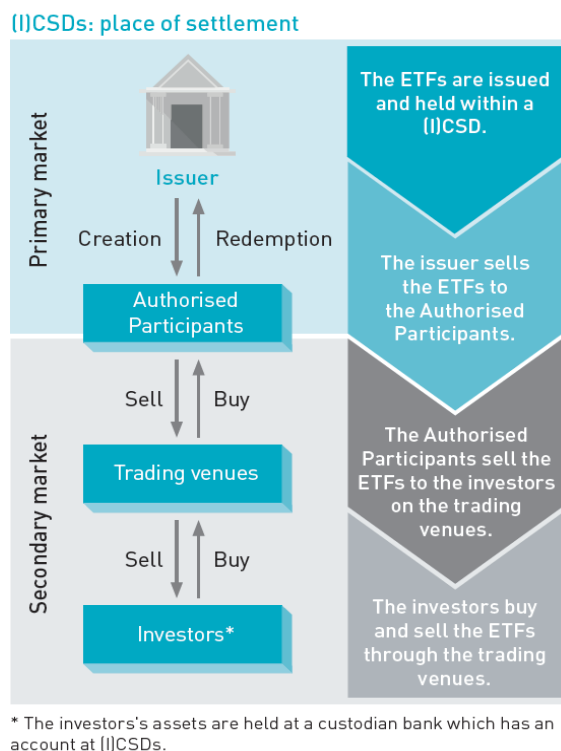| Glossary	Definition
'6-series' account	A Clearstream Banking Frankfurt international account for Germany-based customers.
Authorised Participant (AP)	An Authorised Participant supports creation and redemption of ETFs by providing the underlying securities or cash to the Transfer Agent (TA) in exchange for units of the ETF.
Bridge Transaction	A Transaction with a counterparty in Euroclear via the electronic link between Clearstream Banking and Euroclear Bank that enables book-entry settlement to occur between customers of either ICSD system.
CBL	Clearstream Banking Luxembourg, the Luxembourg-based ICSD.
CBF	Clearstream Banking Frankfurt, the domestic CSD of Germany.
CBFi	Clearstream Banking Frankfurt's offering to enable ICSD settlement for its clients.
Central Counterparty (CCP)	A Central Counterparty is a clearing house which facilitates trading done, in this context, in European stock markets, by netting transactions on a multilateral basis. The CCP, as intermediary in a transaction, performs two functions: clearing and settlement. Acting as counterparties to the buyers and sellers, the CCP guarantees the terms of the trade.
Central Securities Depository (CSD)	A domestic financial organisation holding securities to facilitate transfer of ownership through book entry.

Central Securities Depository Participant	An entity holding and administrating securities for investors, which has been accepted as a member of the CSD and is acting as an intermediary between the investor and the CSD.
Common Depository	A Common Depository is an entity jointly appointed by the two ICSDs (Clearstream Banking Luxembourg and Euroclear Bank) to hold the global physical certificate of an issued security in its vault and reconciles movements and positions between the registrar and ICSDs.
EB	Euroclear Bank, the Belgium-based ICSD.
ESES FR	ESES France, the domestic CSD of France
ESES NL	ESES Netherland, the dometic CSD of the Netherlands
EUI	Euroclear UK & Ireland, the domestic CSD of the UK.
Euronext	The stock exchange company operating the Paris, Amsterdam, Brussels and Lisbon stock exchanges.
Fund Issuance Account (FIA)	The account opened in the CBL system in the name of an ICSDplus Transfer Agent and/or Settlement Agent and used exclusively for markups and markdowns of ICSDplus Qualified Investment Fund Shares (such as ETFs) and related settlement Transactions.
International Central Securities Depository (ICSD)	A Central Securities Depository that provides Settlement of Transactions, and custody, in global and international securities and domestic securities traded across borders, namely Clearstream Banking Luxembourg and Euroclear Bank.
ICSD issuance of ETF	The ETF is issued in one common place of issuance and the settlement will occur in the books of both ICSDs. The ICSD issuance model is based on the utilisation of a common depository, which is a financial institution that has been jointly appointed by the ICSDs, Clearstream and Euroclear to hold and service international securities issued in Classical Global Note or book-entry form.
ICSDPlus issuance of ETF	The ETF is issued in a single place of issuance and the settlement will occur in the books of both ICSDs. The ICSDplus model is not based on the utilisation of a common depository but on the utilisation of a Fund Issuance Account (FIA) by the ETF issuer's agent, where Clearstream effectively connects directly to the register. The FIA is fully integrated with Clearstream's ICSD settlement and custody service and can directly instruct synchronous exchange of cash and securities (DvP) between ICSD/CSD participants.
LSE	The stock exchange company operating the London Stock Exchange.
Euronext Securities Milan (ESM)	The domestic CSD of Italy (former Monte Titoli)
Transfer Agent (TA)	The agent appointed by the Investment Fund to process Investment Fund Orders, maintains the shareholder register, and performs ancillary services.
Xetra	The electronic trading system of Deutsche Börse Group, the stock exchange company operating the Frankfurt stock exchange.

Target audience of this document

The objective of this guide is to explain to Clearstream Banking account holders how to settle ETF trades (on or off-exchange) from their Clearstream Banking account. Information related to how to instruct settlement instruction messages are provided.

The settlement structure for ICSD issued fund shares

Stock Exchanges	SGX	Xetra	SIX Swiss Exchange	LSE	Euronext Securities Milan	Euronext	HKEX /SEHK
CCPs	CDP	Eurex	SIX x-clear	LCH Ltd	CC&G	LCH SA	HKSCC
CSDs	CDP		SIX SIS		Monte Titoli		CCAS
ICSDs	Clearstream Banking				Euroclear Bank		

Bridge (OTC)
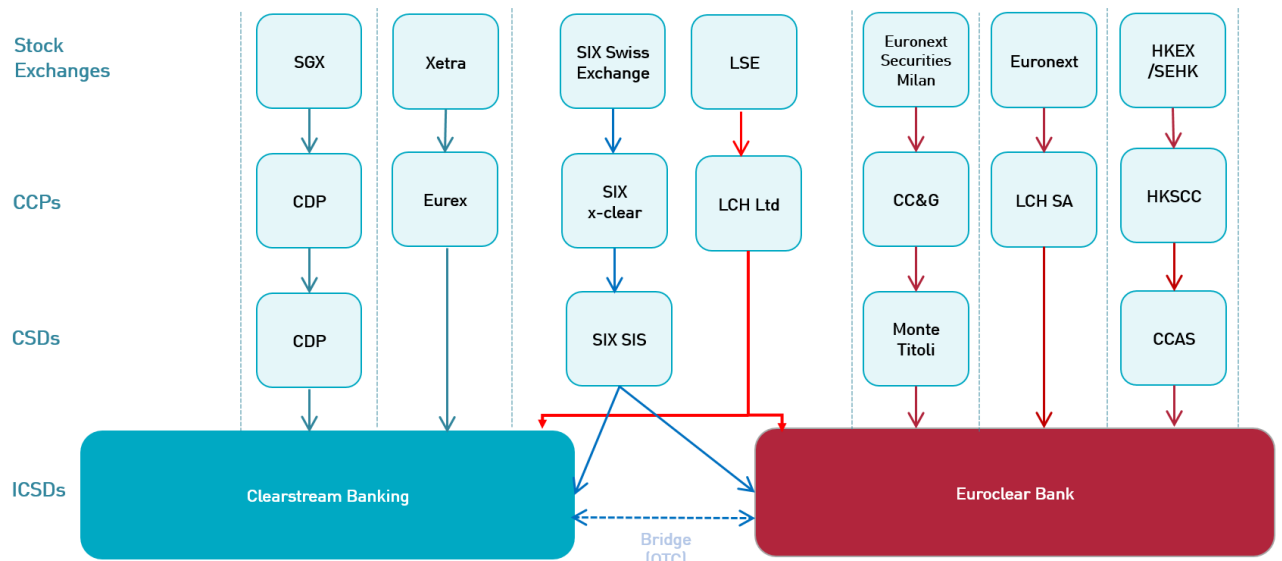
The settlement structure for ICSDPlus issued fund shares

Stock Exchanges	SGX	Xetra	SIX Swiss Exchange	Euronext Securities Milan	Euronext	HKEX /SEHK	LSE
CCPs	CDP	Eurex	SIX x-clear	CC&G	LCH SA	HKSCC	LCH Ltd
CSDs	CDP	CBF	SIX SIS	Monte Titoli	Euroclear France	CCAS	Euroclear UK and Ireland
ICSDs	Clearstream Banking			Euroclear Bank			

Bridge (OTC)
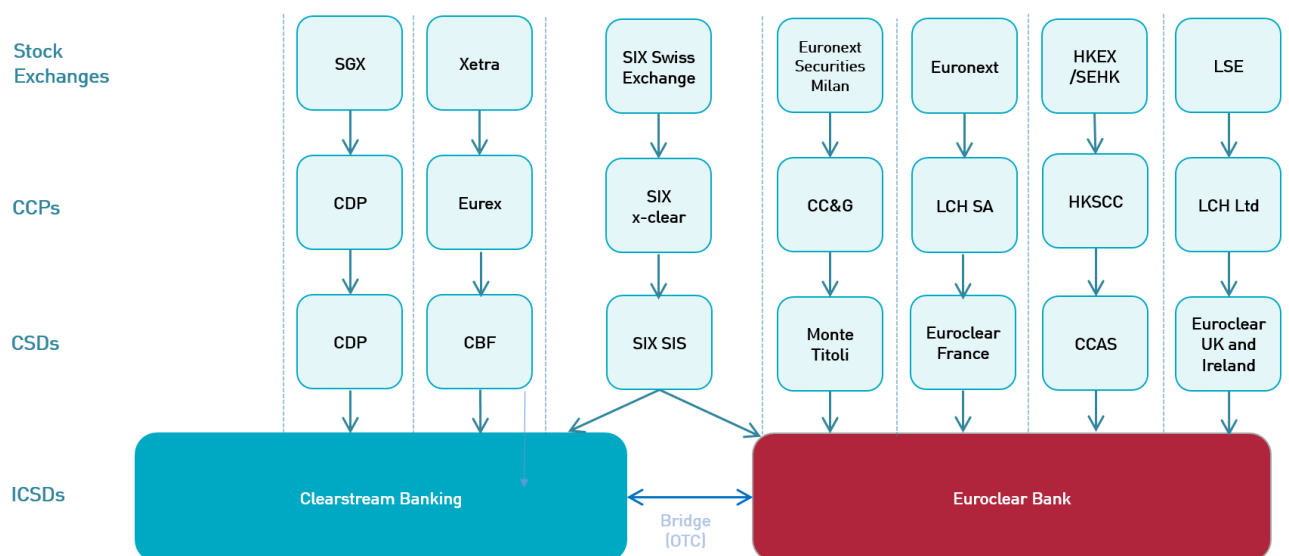
Overview of Clearstream issuance models

Clearstream offers two ICSD issuance models, ICSD and ICSDplus which enable issuers to rely on a single ISIN issuance.

Model overview:

Model 1: ICSD issuance model

The ICSD issuance model is based on the utilisation of a common depository, which is a financial institution that has been jointly appointed by Clearstream and Euroclear to hold and service international securities issued in Classical Global Note or book-entry form. Settlement of the securities occurs in Clearstream Banking Luxembourg and/or Euroclear Bank Belgium.

The issuance and redemption of tranches of the overall ETFs issued are simply reflected by markup/markdown of the issued quantity within the books of the common depository i.e. no requirement to generate or withdraw the underlying certification (e.g. Global Note).

1 Transfer Agent instructs markup/down and ETFs are issued in the Common Depository.

2 The ETFs are posted to the accounts of Clearstream or Euroclear in the common depository to reach the target client/CSD most efficiently.

Legend
→ Issuance*
- - -→ Transfer

*The Transfer Agent can also redeem the ETFs (opposite flow).
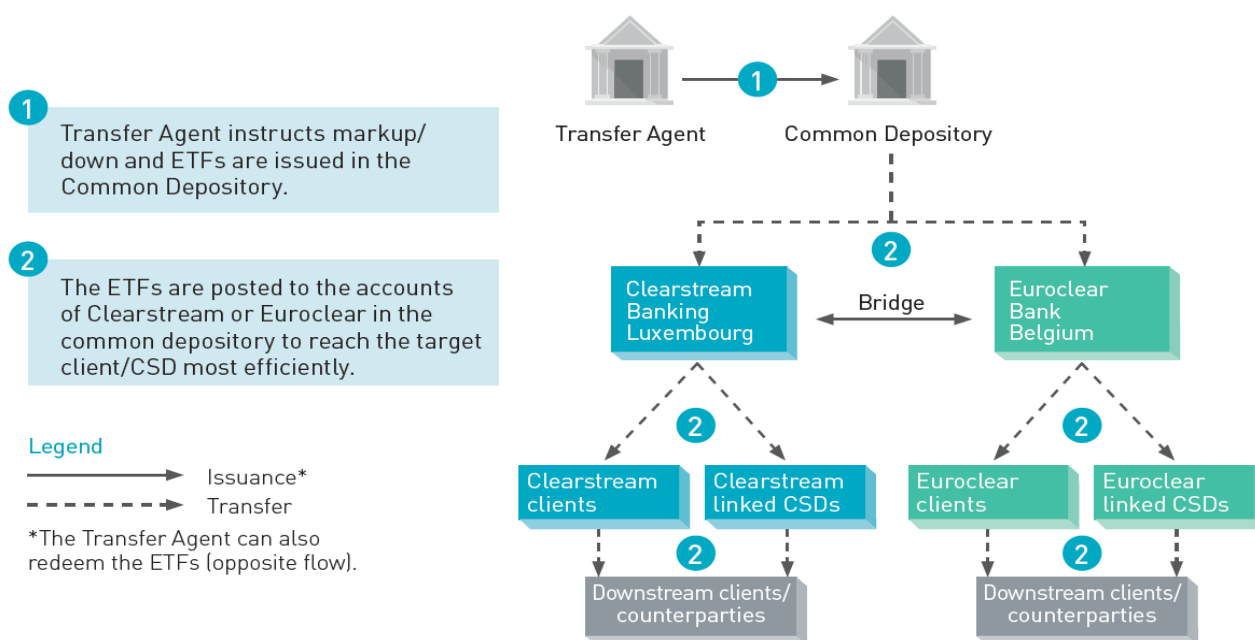
Model 2: ICSDplus issuance model

Model 2 is based on the unique Fund Issuance Account (FIA) capability delivered by Clearstream. Clearstream effectively takes the role of the common depository in Model 1 reducing a step in the overall process. The following diagram provides a high-level overview of the service and process:
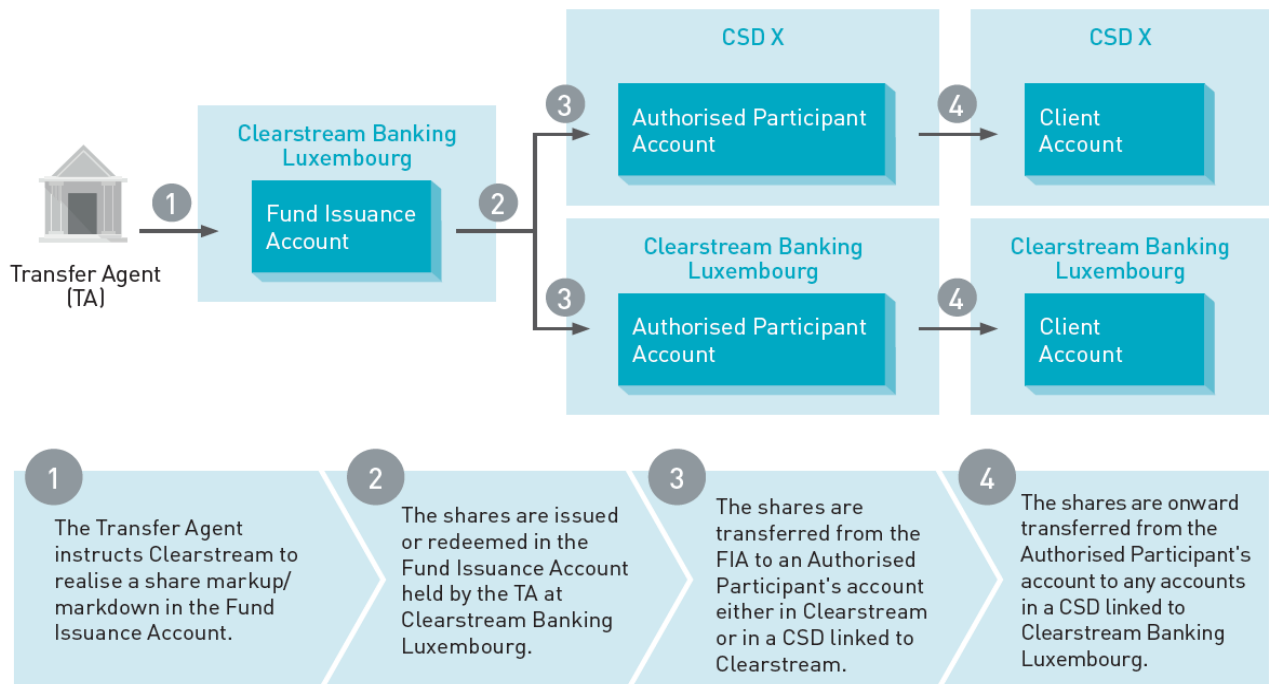
Main benefits of the ICSD and ICSDplus models are:

- Single ISIN issuance
- Efficient issuance, trading and post-trade activity
- Reducing cost and post-trade fragmentation due to centralisation of the securities within one or both ICSDs.
- Future proof issuance model: ETF issuers (due to Brexit or CSDR considerations of CBF) look for "future proof" issuance models for their ETFs, i.e an issuance model that also works under these conditions.

Further information can be found on our website Innovative solutions for the ETF market.

Clearstream Banking customers can refer to the Supported funds (clearstream.com) page on our website, for an overview of all the funds, including ETFs, available on our Vestima order routing platform.

I. Primary market (for AP and TA)

A. ICSDPlus model

In the ICSDplus model, the **TA opens and operates a Fund Issuance Account (FIA)** at Clearstream Banking Luxembourg (ICSD):

- The special feature of the FIA is that the TA only needs to instruct DvP instructions (for subscriptions) or RVP instructions (for redemptions) on that account against its counterparty (the AP).
- Mark-up or mark-down instructions of shares on that account are not required, those will be generated automatically by Clearstream's system, on the TA's behalf.

1. The AP has an account in an ICSD

a. The ICSD is Clearstream Banking
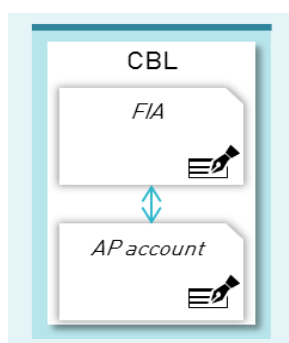
When the ICSD is Clearstream Banking, ETFs are **delivered out of or received into the FIA** by the TA and the AP instructing an **internal** Delivery versus Payment (DvP) or a Receipt versus Payment (RvP) transaction between the FIA and the AP account at Clearstream Banking.

b. The ICSD is Euroclear Bank
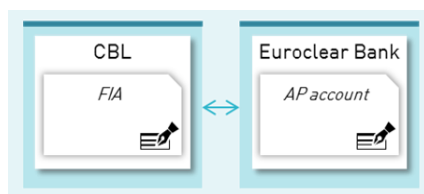
When the ICSD is Euroclear Bank, **ETFs are delivered out of or received into the FIA** by TA and AP instructing a DvP/RvP **Bridge** transaction between the FIA at Clearstream Banking and the Authorised Participant's account at Euroclear Bank.

2. The AP has an account in a domestic CSD

    a. The domestic CSD has an account in CBL

a.1. The domestic CSD is Clearstream Banking Frankfurt (CBF)
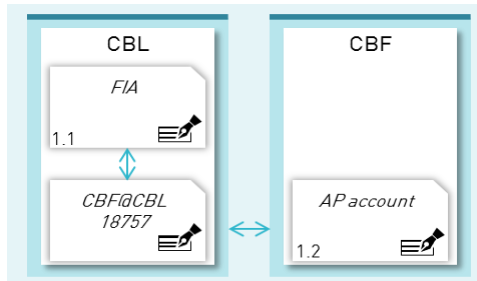
When the CSD is CBF, **ETFs are delivered out of or received into the FIA** at CBL by TA and AP instructing an **internal** Delivery versus Payment (DvP) and a Receipt versus Payment (RvP) transaction between the FIA and the AP's account at Clearstream Banking Frankfurt. This instruction transits through CBF's account 18757 at CBL.

Subscription

ETFs are delivered out of the FIA at CBL by TA and the AP is instructing a Receipt versus payment between the FIA and his own account at CBF.

AP to instruct MT541 RvP:

Source: **https://www.clearstream.com/clearstream-en/products-and-services/market-coverage/international/instruction-specifications-cbf-international-1283220**

MT541 Receive against payment

				Seq
O	:20C:	:COMM	//common reference	A1
M	:98A:	:TRAD	//Trade date	B
M:	:19A:	:SETT	//Currency, cash equivalent (in EUR)	C
M	:97A:	:SAFE	//4-digit account master or 7 or 8-digit account in CASCADE	C
M	:95P:	:PSET	//DAKVDEFFXXX	E1
M	:95P:	:DEAG	CEDELULLCPI	E1
M	:95P:	:SELL	Ordering party's BIC in CBL	
or				
M	:95R:	:SELL	/CEDE/Ordering party's Creation account number in CBL	E1
M	:70E:	:DECL	///SETR 220	F

TA to instruct MT543 DvP:

| SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in CBL
:16S:FIAC	
:16R:SETDET	
:22F::SETR//SUBS	For ETF subscription settlement instructions, this field must contain SUBS. For ETF redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is Clearstream Banking as TA's FIA and CBF's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//CEDE/18757	Receiving agent is the 5-digit account of CBF in Clearstream Banking, i.e. 18757
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//UUUUYYZZXXX	BIC of the AP in CBF
:97A::SAFE//Domestic CSD format	AP's account in CBF
:16S:SETPRTY	
:16S:SETDET	
:16R:AMT	
:19A::SETT//CCYxxxxxxxxxxxxx,xx	ISO currency code and total amount of money to be paid in exchange for securities
:16S:AMT	
:16S:SETDET	

Redemption

ETFs are received into the FIA at CBL by TA and the AP is instructing a Delivery versus Payment between the FIA and his own account at CBF.

AP to instruct MT543 DvP (same format as above template)

TA to instruct MT541 RvP (same format as above template).
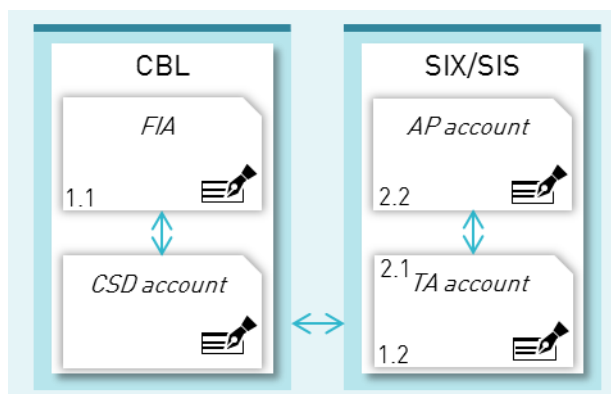
Subscription

1.1-1.2: The **ETFs are delivered out of the FIA at CBL** by the TA instructing an **external/cross-border transaction** between the FIA and the domestic SIXSIS's account at Clearstream Banking, in favour of the TA's account at the SIXSIS (which the TA needs to match himself by instructing a matching instruction from the domestic SIXSIS side).

2.1-2.2: From there on, the TA and AP instruct **DvP/RvP domestic transaction** between the TA's and the AP's account at the domestic CSD.

For instance, if the AP's domestic CSD is SIX SIS, the account of SIX SIS in CBL is:

- SIX SIS: 83320 (INSECHZZXXX)

Whatever the settlement instruction channel used, the settlement of an OTC transaction with an AP having an account in a domestic CSD, to or from the FIA is to be done in two separate steps using the following information:

- For subscription of ETF shares, that is, using the FIA to deliver to the TA's domestic CSD account and thereafter to the AP's domestic CSD account:

  Step 1.1:
  - The TA needs to instruct an external/cross-border delivery FoP with matching instruction to Clearstream Banking in favour of TA's account at SIX SIS.
    . The place of settlement, that is CBL (BIC is CEDELULLXXX);
    . The Receiving Agent in CBL, that is SIX SIS (BIC INSECHZZXXX);
    . The safe account of SIX SIS in CBL (5-digit account number 83320);
    . The TA's matching BIC in SIX SIS that domestically receives the ETFs, that is, BUYR information (BIC);
    . The TA's safe account in SIX SIS (account numbering format as per domestic CSD requirements).
  Step 1.2:
  - The TA in SIX SIS that domestically receives the ETFs needs to put a matching FOP receipt instruction in the domestic CSD's system.
  Step 2.1:
  - The TA in needs to instruct a matching DvP instruction against the AP in SIX SIS .

Step 2.2:
- The AP in SIX SIS needs to instruct a matching RvP instruction against the TA in SIX SIS.

MT542 Delivery free of payment from TA's FIA in CBL to TA's account at SIX/SIS (TA to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in CBL
:16S:FIAC	
:16R:SETDET	
:22F::SETR//SUBS	For ETF subscription settlement instructions, this field must contain SUBS. For ETF redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is Clearstream Banking as TA's FIA and SIX/SIS's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//CEDE/83320	Receiving agent is the 5-digit account of SIX/SIS in Clearstream Banking, i.e. 83320
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//UUUUYYZZXXX	BIC of the TA in SIX/SIS
:97A::SAFE//Domestic CSD format	TA's account in SIX/SIS
:16S:SETPRTY	
:16S:SETDET	

To be instructed as per domestic CSD SWIFT format specifications:

- TA instruction for receipt in the domestic CSD,
- TA and AP instruction for DvP settlement in the domestic CSD

Redemption

For redemption of ETF shares, the same steps as for the subscription apply but in the opposite direction.

b.1. The domestic CSD is Euroclear UK and Ireland or Euronext Securities Milan
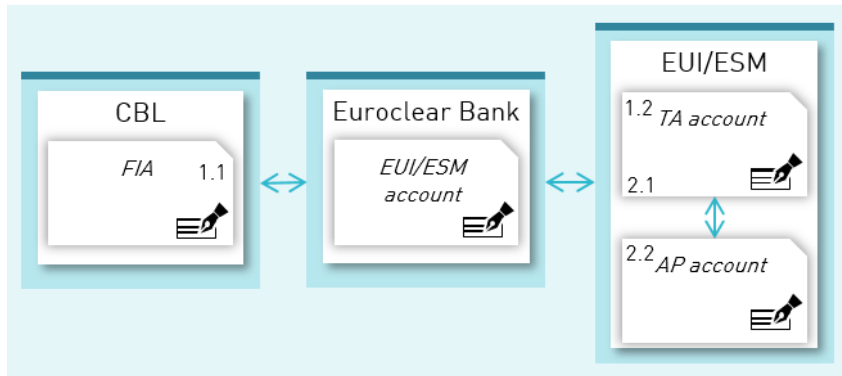
Subscription

1.1-1.2: The ETFs are delivered out of the FIA at CBL by the TA instructing a **Bridge transaction** between the FIA and the domestic CSD's account at Euroclear Bank, in favour of the TA's account at the domestic CSD (which the TA needs to match himself by instructing a matching instruction from the domestic CSD side).

2.1-2.2: From there on, the TA an AP instruct a **DvP/RvP domestic transaction** between the TA's and the AP's account at the domestic CSD.

For instance, if the AP's domestic CSD is Euroclear UK and Ireland (EUI) or Euronext Securities Milan (ESM), the CSD's respective accounts in EB are:

- Euroclear UK & Ireland (EUI): 22111 (CRSTGB22XXX)
- Euronext Securities Milan (ESM): 21891 (MOTIITMMXXX)

Whatever the settlement instructions channel used, the settlement of an OTC transaction to or from the FIA is to be done in two separate steps using the following information:

For subscription of ETF shares, the FIA is used to deliver to the TA's domestic CSD account and thereafter to the AP account in the domestic market:

Step 1.1:
- The TA needs to instruct a bridge delivery with matching instruction to Clearstream Banking in favour of the domestic CSD's account in Euroclear Bank.
- The place of settlement, that is EB (BIC is MGTCBEBEECL);
- The Receiving Agent in EB, that is, one of the above listed CSDs (BIC CRSTGB22XXX or MOTIITMMXXX);
- The safe account of the respective CSD in EB (5-digit account number, 22111 or 21891);
- The TA's matching BIC in the respective domestic CSD that domestically receives the ETFs, that is, BUYR information (BIC);
- The TA's safe account in the domestic CSD (account numbering format as

per domestic CSD requirements).
Step 1.2:
- The TA in the domestic CSD that domestically receives the ETFs needs to put a matching instruction in the domestic CSD's system.
Step 2.1:
- The TA in the domestic CSD needs to instruct a DvP with matching instruction against the AP in the domestic CSD.
Step 2.2:
- The AP in the domestic CSD needs to instruct a matching RvP instruction against the TA in the domestic CSD.

Settlement guide for Euronext Securities Milan's account holders*:
https://www.euronext.com/en/post-trade/monte-titoli/intermediaries/cross-market-documents

Settlement guide for EUI account holders*:

[PDF]
Iternational Service
Description v16.4.pc

The enclosed documents are for informative purposes only. Clearstream does not guarantee the validity of these documents and recommend you to check:

- *Whether your counterparty is accepting the security i.e that the security is eligible in the CSD where your counterparty has their account.*
- *The SSI (Standard Settlement Instruction): make sure that your SSI are still up-to-date and verify the exact SSI details of your counterparty.*
- *And agree on the party identification and place of settlement details with your counterparty before sending your instruction.*

Redemption

For redemption of ETF shares, the same steps as for the subscription apply but in the opposite direction.
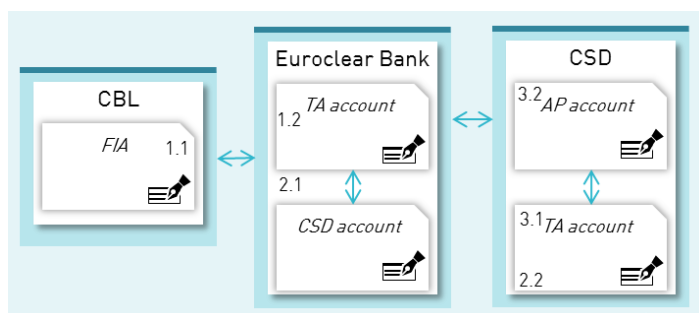
Subscription

1.1-1.2: **The ETFs are delivered out of the FIA** at CBL by the TA instructing a **Bridge transaction** between the FIA and the TA's account at Euroclear Bank.

2.1-2.2: From there the ETFs are delivered in favour of the TA's account at the domestic CSD (which the TA needs to match himself by instructing a matching instruction from the domestic CSD side).

3.1-3.2: From there on, the TA and AP instruct a **DvP/RvP domestic transaction** between the TA's and the AP's account at the domestic CSD.

For instance, if the AP's domestic CSD is ESES Netherlands, ESES France or Euroclear Sweden, the CSDs' respective accounts in EB are:

- ESES Netherlands (ESES NL): 24180 (NECINL2AXXX)
- ESES France (ESES FR): 22429 (SICVFRPPXXX)
- Euroclear Sweden (ESE): 15862 (VPCSSESSXXX)

Whatever the settlement instructions channel used, the settlement of an OTC transaction with an AP with an account in a domestic CSD, for which the domestic CSD is in turn holding an account in Euroclear Bank, is to be done in three separate steps using the following information:

For subscription of ETF shares, the FIA is used to deliver to the TA's ICSD account in Euroclear Bank and thereafter to the TA's domestic CSD account and thereafter to the AP's domestic CSD account:

> **Step 1.1:**
> - The TA needs to instruct a bridge delivery with matching instruction to Euroclear Bank in favour of the TA's account in Euroclear Bank.
> - The place of settlement, that is EB (BIC is MGTCBEBEECL);
> **Step 1.2:**
> - The TA that receives the ETFs needs to put a matching instruction in Euroclear Bank.
> **Step 2.1:**
> - The TA needs to instruct an external/cross-border delivery with matching instruction to Euroclear Bank in favour of the domestic CSD.
> - The place of settlement, that is EB (BIC is MGTCBEBEECL);
> - The Receiving Agent in EB, that is, one of the above listed CSDs (respective BIC as above);

- The safe account of the respective CSD in EB (respective 5-digit account number as above);
- The TA's matching BIC in the respective domestic CSD that domestically receives the ETFs, that is, BUYR information (BIC);
- The TA's safe account in the domestic CSD (account numbering format as per domestic CSD requirements).
  Step 2.2:
- The TA in the domestic CSD that domestically receives the ETFs needs to put a matching instruction in the domestic CSD's system.
  Step 3.1:
- The TA in the domestic CSD needs to instruct a DvP with matching instruction against the AP in the domestic CSD.
  Step 3.2:
- The AP in the domestic CSD needs to instruct a matching RvP instruction against the TA in the domestic CSD.

Redemption

For redemption of ETF shares, the same steps as for the subscription apply but in the opposite direction.

Please refer to the Appendix for SWIFT templates

B. ICSD model

In the ICSD model, the issuance of ETF shares takes place in an account of the TA at one of the ICSDs. The TA cannot use their FIA to mark-up or mark-down ETF shares, so it is necessary to use another CBL account (or to open one if necessary).

First the TA needs to decide which ICSD to mark the shares up in. If, for example the TA decides for CBL, **the mark-up process is as follows**:

- The TA informs the Common Depository appointed for the ETF about the intention to markup and to settle in CBL through his CBL account.
- The Common Depository instructs CBL, and CBL credits the shares onto the TA's CBL account.
- From the TA's CBL account onwards, the TA has the same settlement possibilities as described in the ICSDplus section of this document.

To mark-down securities at CBL level the TA needs to:

- Have received the ETF shares on his CBL account.
- Instruct CBL to mark-down ETF shares.
- Once the Common Depository confirms the mark-down to CBL, CBL will book out the shares.
- The settlement of the ETF shares to/from the AP's account in a given market is the same as in the ICSDplus model, described in the section above.

Please refer to the Appendix for SWIFT templates

II.   Secondary market (for AP and investor)
A. ICSDPlus

Settling ETFs from a stock exchange trade
1. Xetra

The diagram below illustrates the process of trading on Xetra, clearing via Eurex Clearing and settling in CBF:

1. Trading:
The trade occurs between a Xetra trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to Eurex for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBF. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBF accounts.
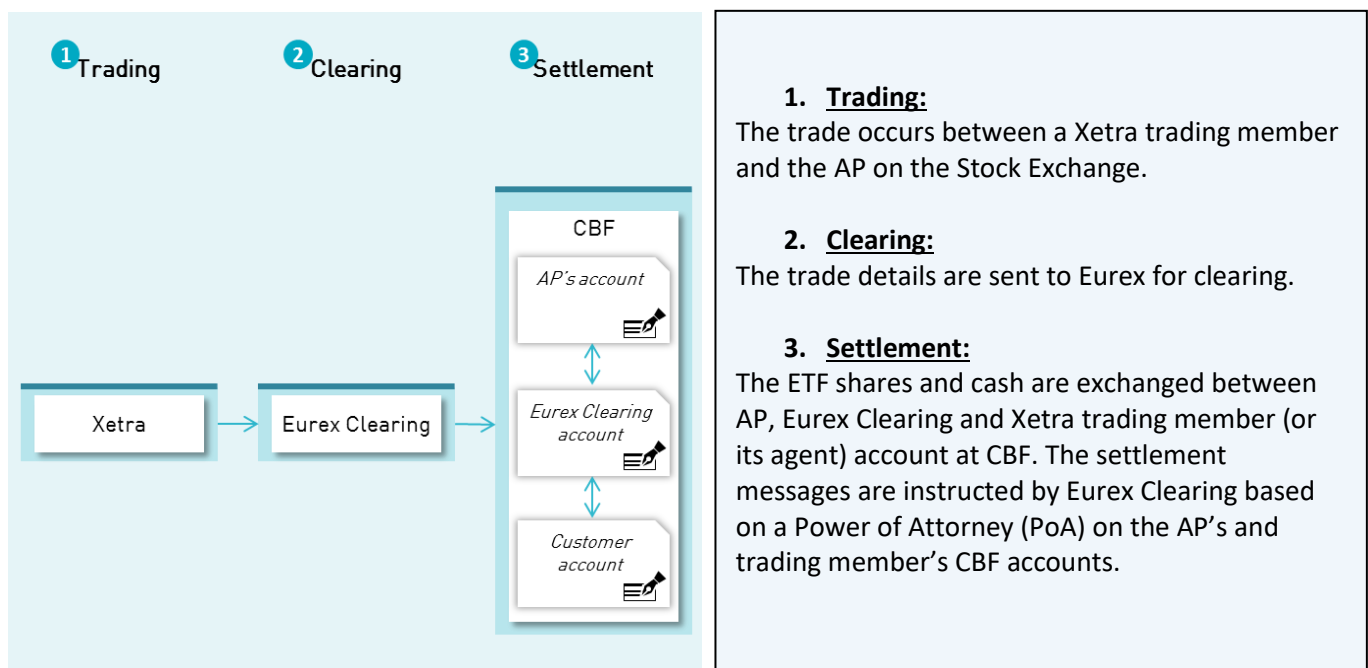
Onward settlement to other (I)CSDs:
To settle from CBF to another (I)CSD account, follow the same steps described in the primary section above considering where the counterparty has its account:
1. "The AP has an account in an ICSD" and then whether it is in Clearstream Banking of Euroclear Bank.
2. "The AP has an account in a domestic CSD" and then whether the domestic CSD has an account

2. SIX SIS

The diagram below illustrates the process of trading on SIX Swiss Exchange, clearing via Six X-Clear and settling in SIX SIS:

1. Trading:
The trade occurs between a Six Swiss Exchange trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to Six X-Clear Ltd for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, Six X-Clear and Swiss Exchange trading member (or its agent) account at SIX SIS. The settlement messages are instructed by Six X-Clear based on a Power of Attorney (PoA) on the AP's and trading member's SIX SIS accounts.

Onward settlement to other (I)CSDs:
To settle from SIX SIS to CBL account, SIX SIS accounts behave the same way as described in the primary section above and the case "The AP has an account in a domestic CSD" and "The domestic CSD has an account at Clearstream Banking" (as SIX SIS is holding its positions in ICSDplus issued ETFs with Clearstream Banking).

3. Euronext

The diagram below illustrates the process of trading ETFs listed in Euronext clearing via LCH.Clearnet SA and settling in Euroclear France

1. Trading:
The trade occurs between a Euronext Exchange trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to LCH Clearnet SA for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, LCH Clearnet SA and Euronext trading member (or its agent) account at Euroclear France. The settlement messages are instructed by LCH Clearnet SA based on a Power of Attorney (PoA) on the AP's and trading member's Euroclear France accounts.

Onward settlement to other (I)CSDs:
To settle from Euroclear France to CBL account, Euroclear France accounts behave the same way as described in the primary section above and the case "The AP has an account in a domestic CSD" and "The domestic CSD has an account at Euroclear Bank"

Euronext has announced in their 2021-2024 strategic plan to offer clearing services through CC&G to all Euronext markets. This document will be updated accordingly.

4. London Stock Exchange

The diagram below illustrates the process of trading ETFs listed in LSE's SETS segment, clearing via LCH Clearnet Ltd and settling in EUI/CREST.

1. Trading:
The trade occurs between a LSE trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to LCH Clearnet Ltd for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, LCH Clearnet Ltd and LSE trading member (or its agent) account at EUI. The settlement messages are instructed by LCH Clearnet Ltd based on a Power of Attorney (PoA) on the AP's and trading member's EUI accounts.
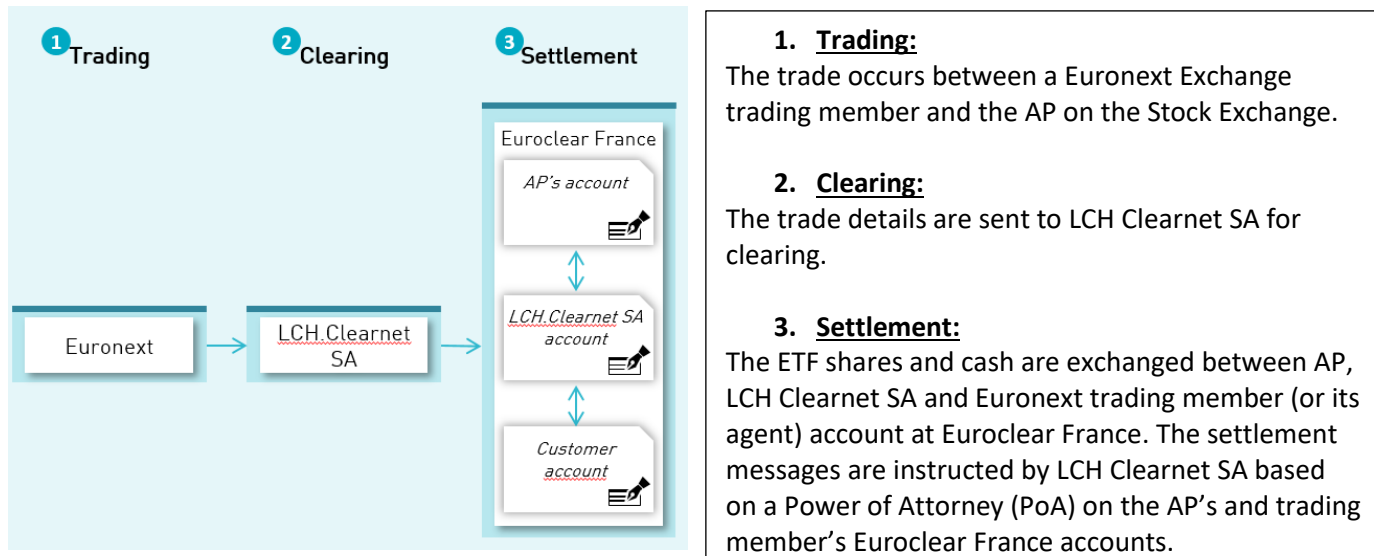
Onward settlement to other (I)CSDs:
To settle from EUI to CBL account, EUI accounts behave the same way as described in the primary section above and the case "The AP has an account in a domestic CSD" and "The domestic CSD has an account in Euroclear Bank".

5. Borsa Italiana

The diagram below illustrates the process of trading ETFs listed at Borsa Italiana, clearing via CC&G and settling in Euronext Securities Milan.

1. **Trading:**
The trade occurs between a Borsa Italiana trading member and the AP on the Stock Exchange.

2. **Clearing:**
The trade details are sent to CC&G for clearing.

3. **Settlement:**
The ETF shares and cash are exchanged between AP, CC&G and Borsa Italiana trading member (or its agent) account at ESM. The settlement messages are instructed by CC&G based on a Power of Attorney (PoA) on the AP's and trading member's ESM accounts.

Onward settlement to other (I)CSDs:
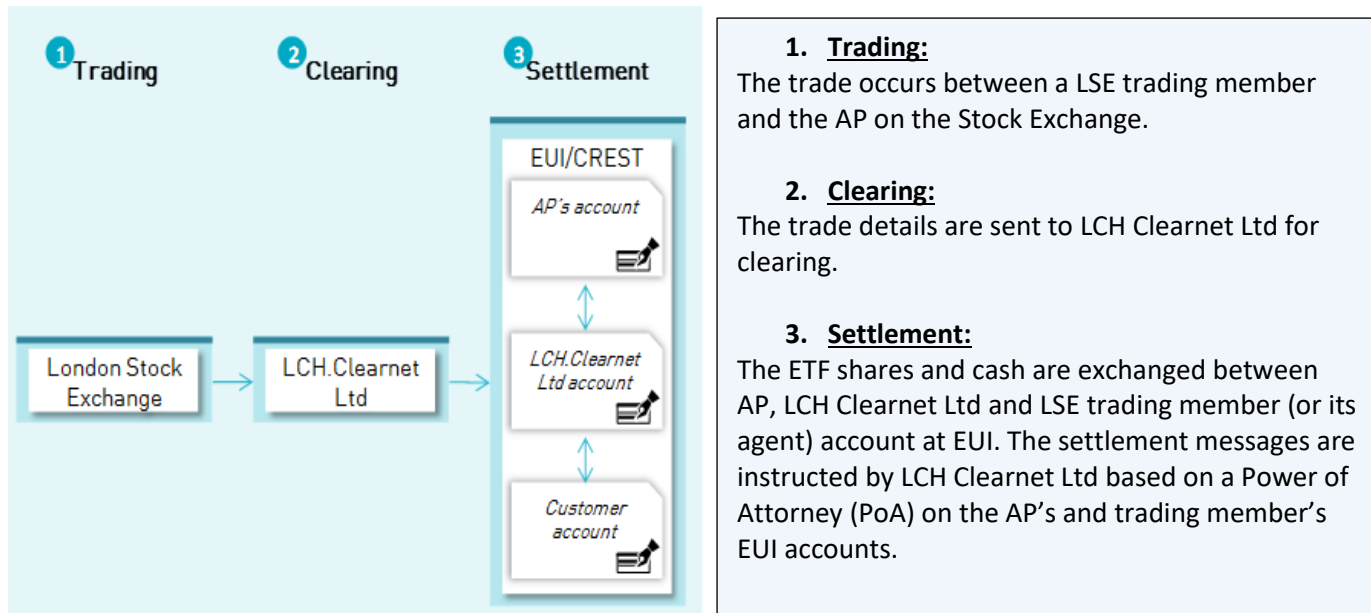To settle from ESM to CBL account, ESM accounts behave the same way as described in the primary section above and the case "The AP has an account in a domestic CSD" and "The domestic CSD has an account in Euroclear Bank".

Settlement guide for Euronext Securities Milan's account holders:
https://www.euronext.com/en/post-trade/monte-titoli/intermediaries/cross-market-documents

6. Other Exchange venues

If you execute trade in another trading platform (e.g BATS-Chi-x, Turquoise, etc..), please refer to their respective websites for settlement guideline.

Examples for relocating ICSDPlus ETF positions between different trading venues

1. AP buys on SIX Swiss Exchange and sells on Xetra
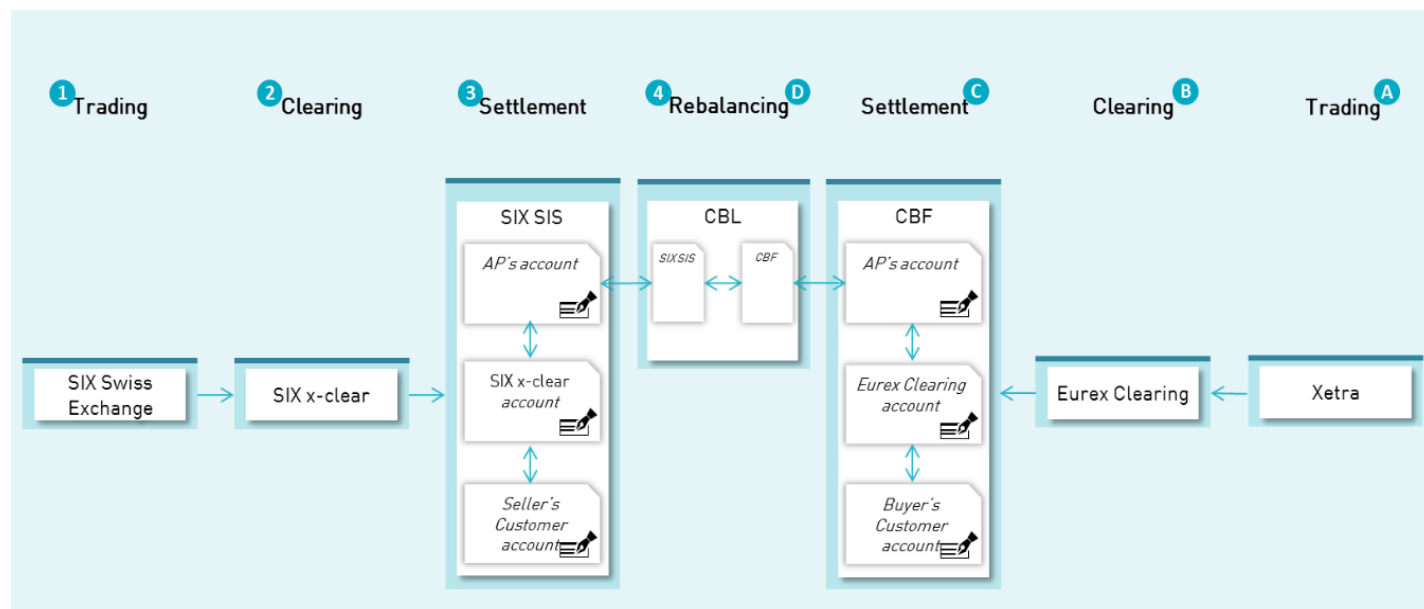
1. Trading: The trade occurs between a SIX Swiss Exchange trading member and the AP on the Stock Exchange.
2. Clearing: The trade details are sent to SIX x-clear Ltd for clearing.
3. Settlement: The ETF shares and cash are exchanged between AP, SIS x-clear and Swiss exchange trading member (or its agent) account at SIX SIS.
4. **AP instructs a delivery FoP in SIX SIS**

A. Trading: The trade occurs between a Xetra trading member and the AP on the Stock Exchange.
B. Clearing: The trade details are sent to Eurex for clearing.
C. Settlement: The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBF. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBF accounts.
D. **AP instructs a Receipt FoP in Clearstream Banking Frankfurt**

MT542 Delivery free of payment from AP's account in SIX SIS to AP's CBF account in Clearstream Banking*

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	

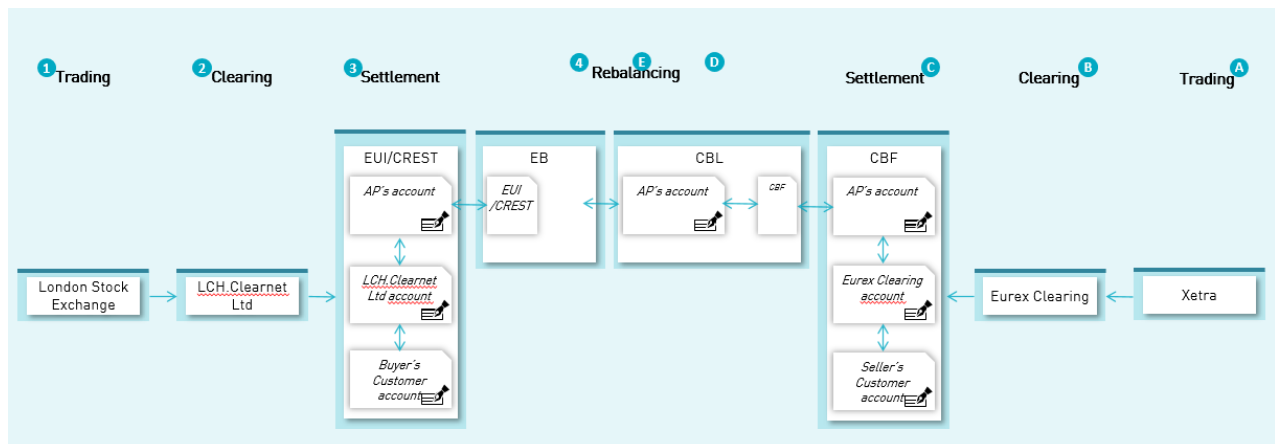| SWIFT message	remarks
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**Domestic CSD format**	AP's domestic CSD account at SIX SIS
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	Place of settlement is Clearstream Banking as SIX SIS's and domestic CSD's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//**DAKVDEFFXXX**	Receiving agent is the BIC of the domestic CSD (CBF)
:97A::SAFE//**18757**	CBF's account at Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//**UUUUYYZZXXX**	Buyer is the BIC of the AP (or its settlement agent) in Clearstream Banking Frankfurt
:97A::SAFE//**12345**	AP's account at Clearstream Banking to fulfill Xetra trade
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by SIX SIS. Clearstream is only providing guidance and will not be liable in case of incorrect format.

MT540 Receipt FoP on AP's CBF account in Clearstream Banking Frankfurt from AP's account in SIX SIS

SWIFT message	remarks
:16R:GENL	
:20C::SEME//**xxxxxxxxxxxxxxxx**	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**12345**	AP's account at Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	Place of settlement is Clearstream Banking as SIX SIS's and AP's account are both in Clearstream Banking to fulfill Xetra trade
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//**INSECHZZXXX**	Delivery agent is the BIC of the AP's domestic CSD (SIX SIS) in CBL
:97A::SAFE//**83320**	AP's domestic CSD (SIX SIS) account at CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95P::SELL//**UUUUYYZZXXX**	Seller is the BIC of the AP (or its settlement agent) in SIX SIS
:97A::SAFE//**Domestic CSD format**	AP's account at SIX SIS to fulfill SIX Swiss exchange trade
:16S:SETPRTY	
:16S:SETDET	

2. AP buys on Xetra and sells on LSE

A. Trading: The trade occurs between a Xetra trading member and the AP on the Stock Exchange.
B. Clearing: The trade details are sent to Eurex for clearing.
C. Settlement: The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBF. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBF accounts.
D. AP instructs a Delivery FoP from Clearstream Banking Frankfurt into CBL, then from CBL ac into EUI (in EB)

1. Trading: The trade occurs between a LSE trading member and the AP on the Stock Exchange.
2. Clearing: The trade details are sent to LCH Clearnet Ltd for clearing.
3. Settlement: The ETF shares and cash are exchanged between AP, LCH Clearnet Ltd and LSE trading member (or its agent) account at EUI
4. AP instructs a Receipt FoP in EUI from CBF into CBL, then from CBL into EUI (in EB)

MT542 Deliver free of payment from AP's CBF account to AP's account at CBL (AP to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//1234	AP's 4-digit account number in CBF
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//DAKVDEFFXXX	Place of settlement is CBF as AP's and CBL's account are both in CBF
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//CEDELULLXXX	Receiving Agent from AP point of view is CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95P::SELL//UUUUYYZZXXX	BIC of the AP in CBL
:16S:SETPRTY	

MT540 Receive free of payment on AP's CBL account from AP's account at CBF (AP to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	AP's 5-digit account number in CBL
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is CBL as AP's and CBF's account are both in CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG//DAKVDEFFXXX	Delivering Agent from AP point of view is CBF
:16S:SETPRTY	
:16R:SETPRTY	
:95P::SELL//UUUUYYZZXXX	BIC of the AP in CBF
:16S:SETPRTY	
:16S:SETDET	

(equiv. MT540) "XDL Instruction" Receipt free of payment on AP's account in EUI from AP's CBL account in Clearstream Banking

XDL Field Tag	Specific instruction requirements for receipts from Clearstream	remarks
CSD ID	CEDE	Input CEDE so that EUI knows the counterparty is in CBL
International Party ID	CBL participant code of your counterparty	Typically the CBL account of the counterparty, i.e. the AP's 5-digit account number
International Party BIC	Leave blank	
International Account ID	Leave blank	
Completion of the "Underlying Client" tab on an XDL is optional for the CBL link		
Buyer or Seller Ind	Set to 'Seller'	Set to 'Buyer' in case of deliveries to CBL, all other things remaining equal.
Underlying Account ID	Leave blank	
Underlying Client 1 to 4	Identity of the client on whose behalf the securities are being received (i.e. the sender of the securities in CBL). This can be in the form of an account number or name and address	Leave blank as the BIC is to be used instead
Underlying Client BIC	Complete this field instead of the Underlying Client fields if the counterparty can identify the underlying client by a BIC. The BIC must be valid or the instruction will fail validation at CREST	Input the BIC11 of the AP, linked to the AP's 5-digit account number at CBL

This instruction has to be in line with the instruction format as required by EUI. Clearstream is only providing guidance and will not be liable in case of incorrect format.

MT542 bridge Delivery free of payment from AP's CBL account in Clearstream Banking to AP's account in EUI with account in Euroclear Bank

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	AP's account at CBL
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//YRTG	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//MGTCBEBEECL	Place of settlement is Euroclear Bank as counterparty's account (EUI) is in Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//ECLR/22111	Receiving agent is EUI's account at Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//UUUUYYZZXXX	Buyer is the BIC of the AP (or its settlement agent) in EUI
:97A::SAFE//Domestic CSD format	AP's account at EUI to fulfill LSE trade
:16S:SETPRTY	
:16S:SETDET	

3. AP buys in Xetra and sells in Borsa Italiana
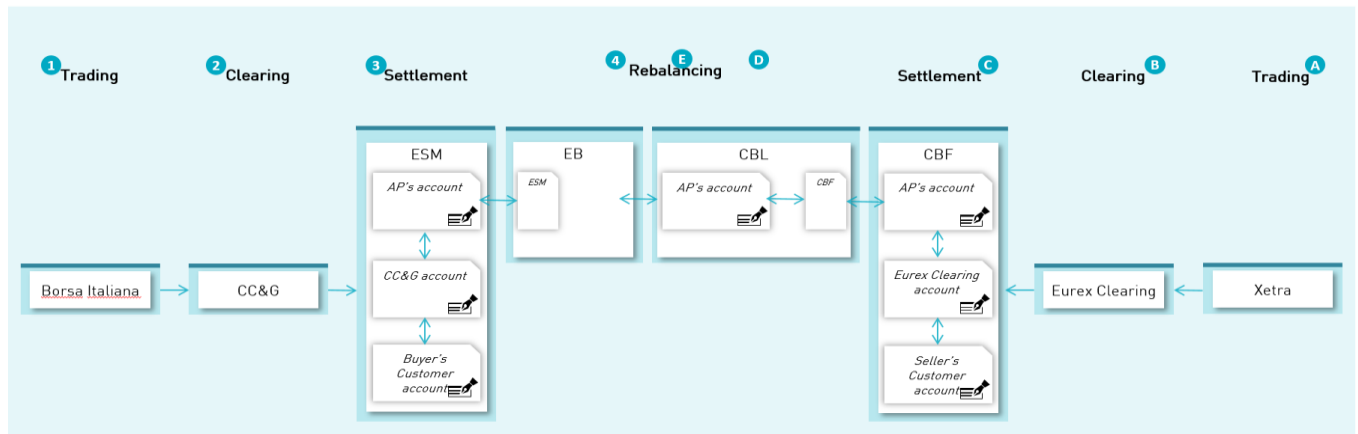
1. Trading: The trade occurs between a Borsa Italia trading member and the AP on the Stock Exchange.
2. Clearing: The trade details are sent to CC&G for clearing.
3. Settlement: The ETF shares and cash are exchanged between AP, CC&G and Borsa Italia trading member (or its agent) account at ESM. The settlement messages are instructed by CC&G based on a Power of Attorney (PoA) on the AP's and trading member's Euronext Securities Milan accounts.
4. **AP instructs a Receipt FoP in ESM from CBF into CBL, then from CBL into ESM (in EB)**

A. Trading: The trade occurs between a Xetra trading member and the AP on the stock exchange.
B. Clearing: The trade details are sent to Eurex for clearing.
C. Settlement: The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBF. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBF accounts.
D. **AP instructs a Delivery FoP from Clearstream Banking Frankfurt in CBL, then from CBL ac into ESM (in EB)**

(D) AP instructs cross-border delivery in CBF to his CBL account:

MT542 Deliver free of payment from AP's CBF account to AP's account at CBL (AP to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//1234	AP's 4-digit account number in CBF
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//DAKVDEFFXXX	Place of settlement is CBF as AP's and CBL's account are both in CBF
:16S:SETPRTY	

SWIFT message	remarks
:16R:SETPRTY	
:95R::REAG//**CEDELULLXXX**	Receiving Agent from AP point of view is CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//**UUUUYYZZXXX**	BIC of the AP in CBL
:16S:SETPRTY	
:16S:SETDET	

MT540 Receive free of payment to AP's CBL account from AP's account at CBF (AP to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//**xxxxxxxxxxxxxxx**	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**12345**	AP's 5-digit account number in CBL
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	Place of settlement is CBL as AP's and CBF's account are both in CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG//**DAKVDEFFXXX**	Delivering Agent from AP point of view is CBF
:16S:SETPRTY	
:16R:SETPRTY	
:95P::SELL//**UUUUYYZZXXX**	BIC of the AP in CBF
:16S:SETPRTY	
:16S:SETDET	

MT540 Receipt free of payment on AP's account in ESM from AP's CBL account in Clearstream Banking

SWIFT message	remarks
:16R:GENL	
:20C::SEME//**xxxxxxxxxxxxxxx**	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:22F::SETS/**MOTI/0018**	ETFs are held by ESM in EB. 0018 represents EB as dep on ESM side. Hence, 0018 to be filled to indicate to ESM that settlement is for securities held in their EB account.
:22F::SETR//**OWNE**	Owne indicates to ESM that this is a cross border instruction to external t2s. DvP EUR only is possible.
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**Domestic CSD format**	AP's account at ESM
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	By indicating CBL's BIC, ESM knows that this is a Bridge instruction
:16S:SETPRTY	

:16R:SETPRTY	
:95P::DEAG//**UUUUYYZZXXX**	Delivering agent is the BIC of the AP (or its settlement agent) in Clearstream Banking Luxemburg
:97A::SAFE//**12345**	the AP's 5-digit account in CBL
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by Euronext Securities Milan. Clearstream is only providing guidance and will not be liable in case of incorrect format.

MT542 bridge Delivery free of payment from AP's CBF account in Clearstream Banking to AP's account in ESM with account in Euroclear Bank
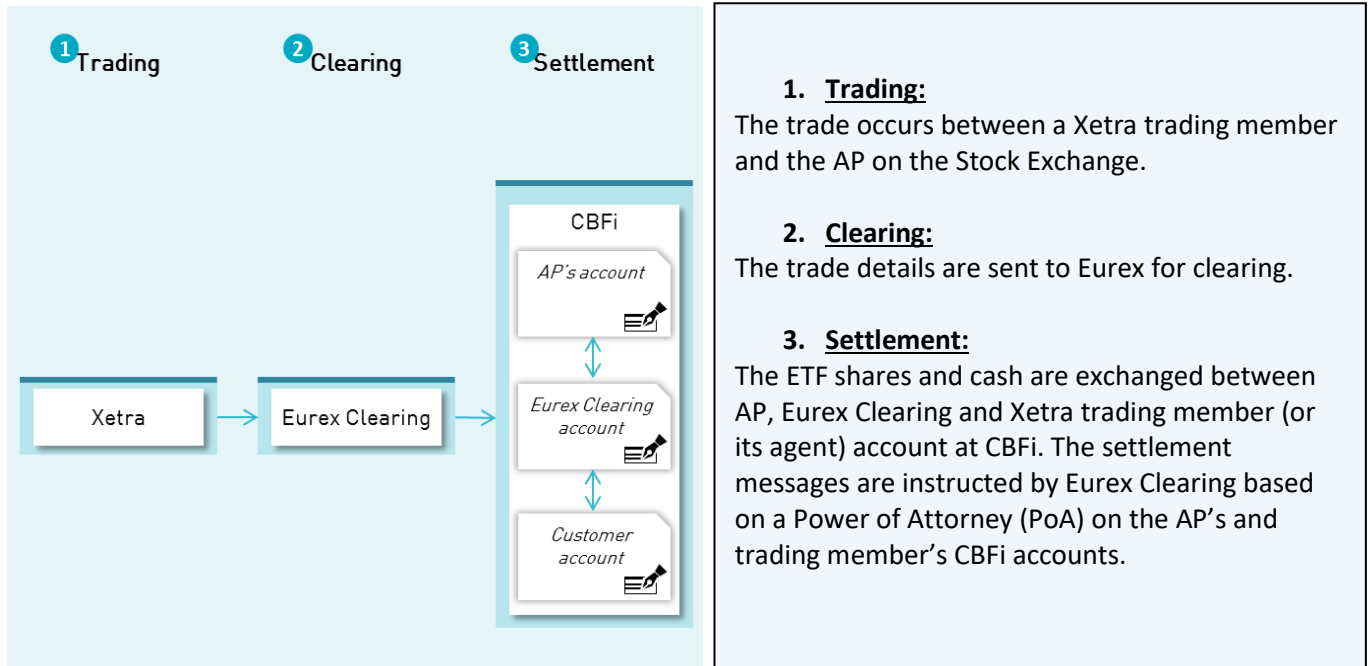
SWIFT message	remarks
:16R:GENL	
:20C::SEME//**xxxxxxxxxxxxxxxx**	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**1234**	AP's account at Clearstream Banking Frankfurt
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//**YRTG**	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**MGTCBEBEECL**	Place of settlement is Euroclear Bank as counterparty's account (Euronext Securities Milan) is in Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//**ECLR/21891**	Receiving agent is the ESM's account at Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//**UUUUYYZZXXX**	Buyer is the BIC of the AP (or its settlement agent) in ESM
:97A::SAFE//**Domestic CSD format**	AP's account at ESM to fulfill Borsa Italiana trade
:16S:SETPRTY	
:16S:SETDET	
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//**CEDELULLXXX**	Receiving Agent from AP point of view is CBL
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//**UUUUYYZZXXX**	BIC of the AP in CBL
:16S:SETPRTY	
:16S:SETDET	

B. ICSD

Settling ETFs from a stock exchange trade

1. Xetra

The diagram below illustrates the process of trading on Xetra, clearing via Eurex Clearing and settling in CBFi:

1. Trading:
The trade occurs between a Xetra trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to Eurex for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBFi. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBFi accounts.

Onward settlement to other (I)CSDs:
CBFi accounts behave in the same way as the FIA located in CBL as described in the primary market section above, i.e depending on where the counterparty has its accounts:
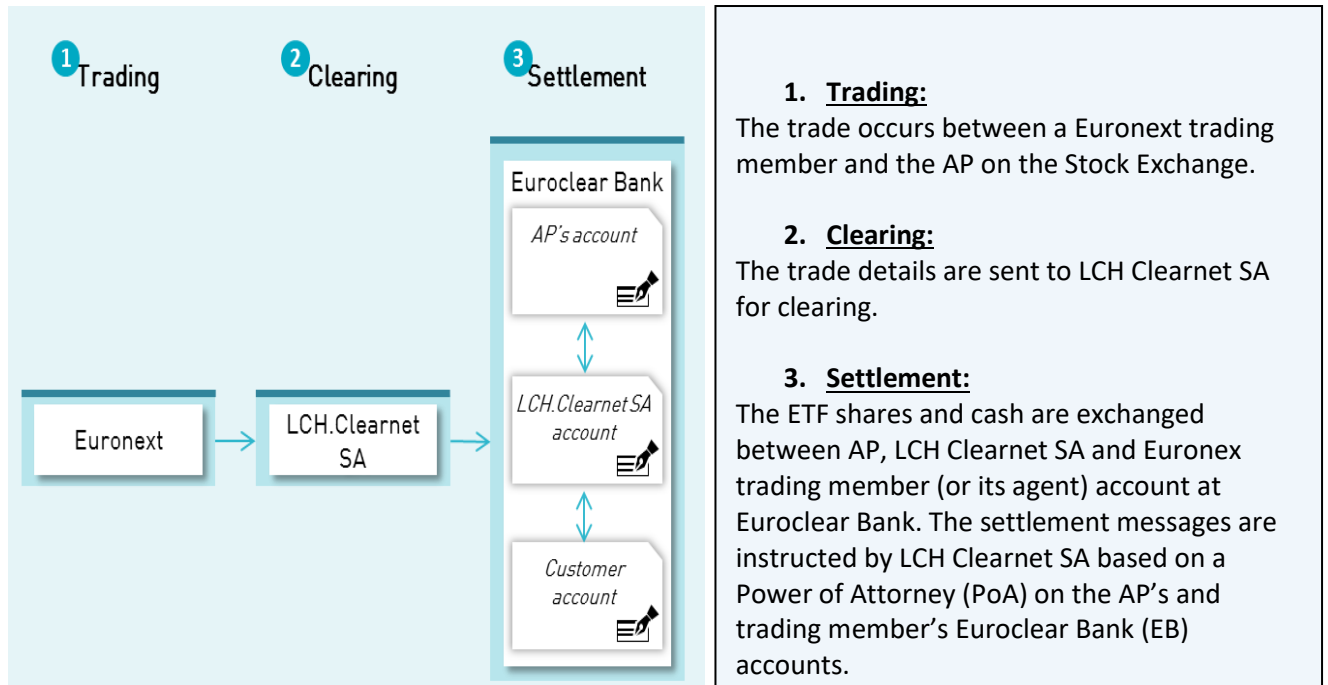1. "the AP has an account in an ICSD" and then whether the account is in
   - Clearstream Banking, or
   - Euroclear Bank
2. "the AP has an account in a domestic CSD" and then depending on whether
   - "The domestic CSD has an account at Clearstream Banking" or
   - "The domestic CSD has an account at Euroclear Bank".

2. SIXSIS

Please follow same rules and steps as indicated in above ICSDPlus section (II, A, 2. SIX SIS)

3. Euronext

The diagram below illustrates the process of trading ETFs listed in Euronext's "ETF segment", clearing via LCH.Clearnet SA and settling in Euroclear Bank.

1. Trading:
The trade occurs between a Euronext trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to LCH Clearnet SA for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, LCH Clearnet SA and Euronex trading member (or its agent) account at Euroclear Bank. The settlement messages are instructed by LCH Clearnet SA based on a Power of Attorney (PoA) on the AP's and trading member's Euroclear Bank (EB) accounts.

**Onward settlement to other (I)CSDs:**
To settle from EB back to CBL account, EB accounts behave the same way as described in the primary section above and the case "The AP has an account in an ICSD" and "The ICSD is Euroclear Bank".

Euronext has announced in their 2021-2024 strategic plan to offer clearing services through CC&G to all Euronext markets. This document will be updated accordingly.

4. London Stock Exchange

The diagram below illustrates the process of trading ETFs listed in LSE's "ETPs ICSD", clearing via LCH Clearnet Ltd and settling in Clearstream CBFi (or Euroclear Bank).
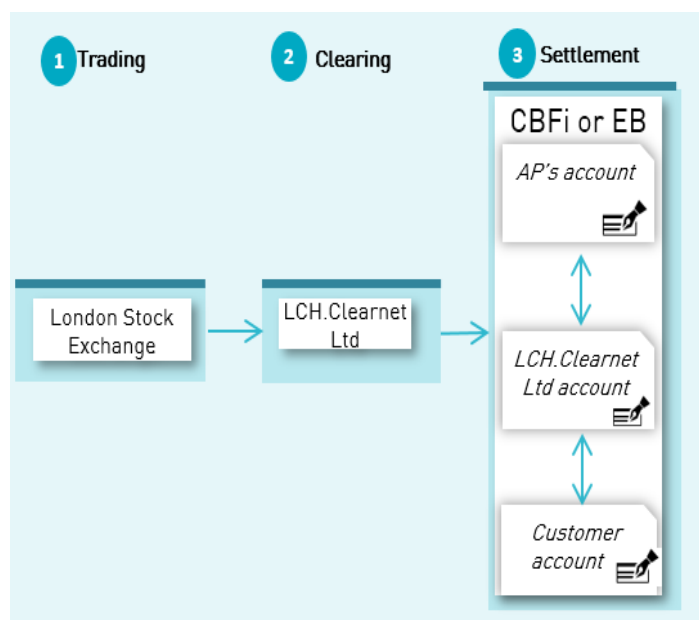
4. Trading:
The trade occurs between a LSE trading member and the AP on the Stock Exchange.

5. Clearing:
The trade details are sent to LCH Clearnet Ltd for clearing.

6. Settlement:
The ETF shares and cash are exchanged between AP, LCH Clearnet Ltd and LSE trading member (or its agent) account at CBFi or EB. The settlement messages are instructed by LCH Clearnet Ltd based on a Power of Attorney (PoA) on the AP's and trading member's CBFi or EB accounts.
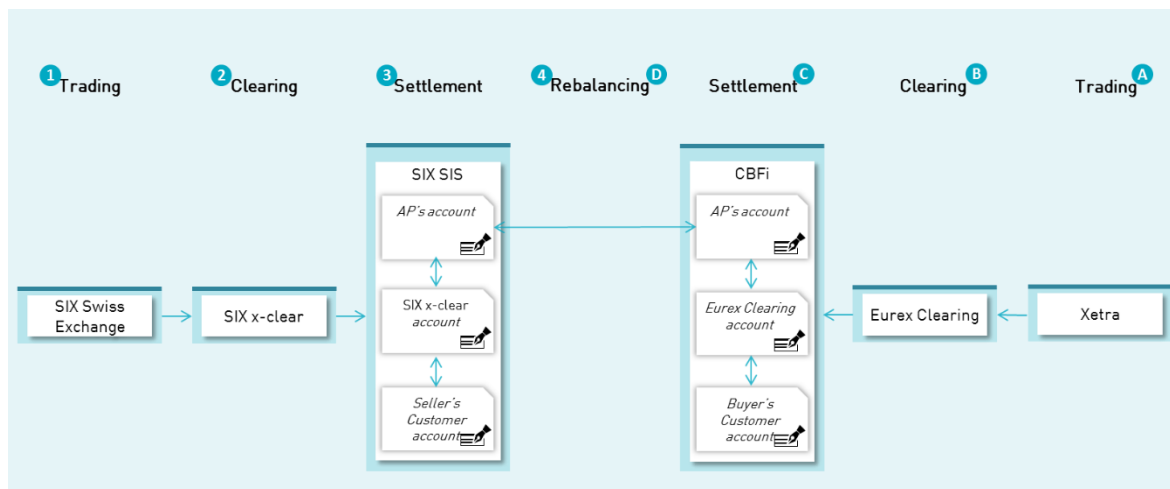
5. Borsa Italiana

Please follow same rules and steps as indicated in above ICSDPlus section (II, A, 5. Borsa Italiana).

6. Other Exchange venues

If you execute trade in another trading platform (e.g BATS-Chi-x, Turquoise, etc..), please refer to their respective websites for settlement guideline.

Examples for relocating ICSD ETF positions between different trading venues

1. AP buys on SIX Swiss Exchange and sells on Xetra

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1. Trading:
The trade occurs between a Six Swiss Exchange trading member and the AP on the Stock Exchange.

2. Clearing:
The trade details are sent to Six X-Clear Ltd for clearing.

3. Settlement:
The ETF shares and cash are exchanged between AP, Six X-Clear and Swiss Exchange trading member (or its agent) account at SIX SIS. The settlement messages are instructed by Six X-Clear based on a Power of Attorney (PoA) on the AP's and trading member's SIX SIS accounts.

4. AP instructs Delivery FoP in SIX SIS

A. Trading:
The trade occurs between a Xetra trading member and the AP on the Stock Exchange.

B. Clearing:
The trade details are sent to Eurex for clearing.

C. Settlement:
The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBFi. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBFi accounts.

D. AP instructs Receipt FoP in Clearstream Banking/CBFi

MT542 Delivery free of payment from AP's account in SIX SIS to AP's CBFi account in Clearstream Banking*

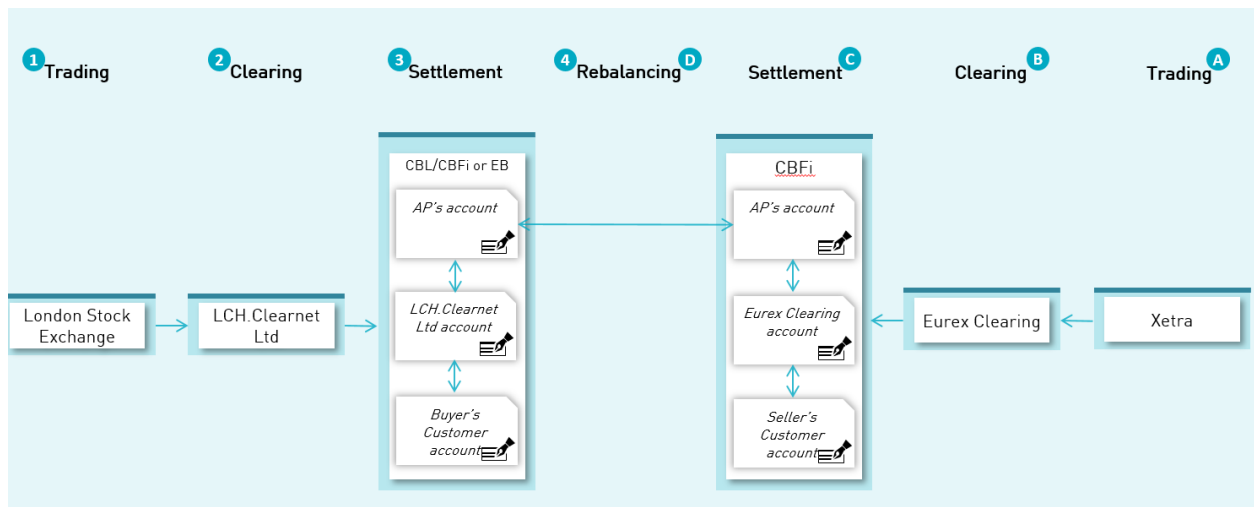| SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//Domestic CSD format	AP's domestic CSD account at SIX SIS
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is Clearstream Banking as SIX SIS's and AP's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//UUUUYYZZXXX	Receiving agent is the BIC of the AP (or its settlement agent) in Clearstream Banking
:97A::SAFE//12345	AP's account at Clearstream Banking to fulfill Xetra trade
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//UUUUYYZZXXX	BUYR is the BIC of the AP (or its settlement agent) in CBFi
:97A::SAFE//61234	AP's account at CBFi
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by SIX SIS. Clearstream is only providing guidance and will not be liable in case of incorrect format.

MT540 Receipt free of payment on AP's CBFi account in Clearstream Banking from AP's account in SIX SIS

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	AP's account at Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::SETR//TRAD	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is Clearstream Banking as SIX SIS's and AP's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//INSECHZZXXX	Delivering agent is the BIC of the AP's domestic CSD (SIX SIS)
:97A::SAFE//83320	AP's domestic CSD (SIX SIS) account at Clearsteam Banking
:16S:SETPRTY	
:16R:SETPRTY	

:95P::SELL//**UUUUYYZZXXX**	Seller is the BIC of the AP (or its settlement agent) in SIX SIS
:97A::SAFE//**Domestic CSD format**	AP's account at SIX SIS to fulfill SIX Swiss exchange trade
:16S:SETPRTY	
:16S:SETDET	

2. AP buys on Xetra and sells on LSE

1. Trading:
The trade occurs between a LSE trading member and the AP on the Stock Exchange.
2. Clearing:
The trade details are sent to LCH Clearnet Ltd for clearing.
3. Settlement:
The ETF shares and cash are exchanged between AP, LCH Clearnet Ltd and LSE trading member (or its agent) account at CBFi or EB. The settlement messages are instructed by LCH Clearnet Ltd based on a Power of Attorney (PoA) on the AP's and trading member's CBFi or EB accounts.

A. **Trading:** The trade occurs between a Xetra trading member and the AP on the Stock Exchange.
B. **Clearing:** The trade details are sent to Eurex for clearing.
C. **Settlement:** The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBL/CBFi. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBFi accounts.

The realignment of the position (4-D) will be done either via internal CBFi – CBFi instruction or via standard Bridge instruction.

Realignment bridge instruction

MT540 Receive Free				Seq
O	:98a:	:TRAD	//Trade date	B
O	:22F:	:RTGS	//NRTG or YRTG	E
M	:95P:	:PSET	//MGTCBEBEECL	E1

M	:95P:	:DEAG	//Counterparty's BIC8 or BIC 11a	
	:97A:	:SAFE	//Euroclear 5 digits account	
or	:95R:	:DEAG	/ECLR/Euroclear 5 digits account	
O	:95P:	:SELL	//BIC8 or BIC 11 of the account holder with the delivering agent*	

MT542 Deliver Free				**Seq**
O	:98a:	:TRAD	//Trade date	B
O	:22F:	:RTGS	//NRTG or YRTG	E
M	:95P:	:PSET	//MGTCBEBEECL	E1
M	:95P:	:REAG	//Counterparty's BIC8 or BIC 11[a]	
	:97A:	:SAFE	//Euroclear 5 digits account	
or	:95R:	:REAG	/ECLR/Euroclear 5 digits account	
O	:95P:	:BUY	//BIC8 or BIC 11 of the account holder with the delivering agent*	

*If a customer uses a BIC8, Clearstream Banking shall be entitled to modify the BIC8 by adding the default XXX suffix to comply with T2S settlement rules. Accordingly, such customers remain liable for any settlement fails that the use of the BIC8 may cause

Internal realignment

MT540 Receive Free				**Seq**
O	:98a:	:TRAD	//Trade date	B
O	:22F:	:SETR	//OWNI	E
M	:95P:	:PSET	//CEDELULLXXX	E1
M	:95R:	:DEAG	//CEDE/Counterparty's 5 digit account	
O	:95P:	:SELL	//BIC8 or BIC 11 of the delivering party*	

MT542 Deliver Free				Seq
O	:98a:	:TRAD	//Trade date	B
O	:22F:	:SETR	//OWNI	E
M	:95P:	:PSET	// CEDELULLXXX	E1
M	:95R:	:REAG	//CEDE/Counterparty's 5 digit account	
O	:95P:	:BUYR	//BIC8 or BIC 11 of the receiving party	

3. AP buys in Xetra and sells in Borsa Italiana
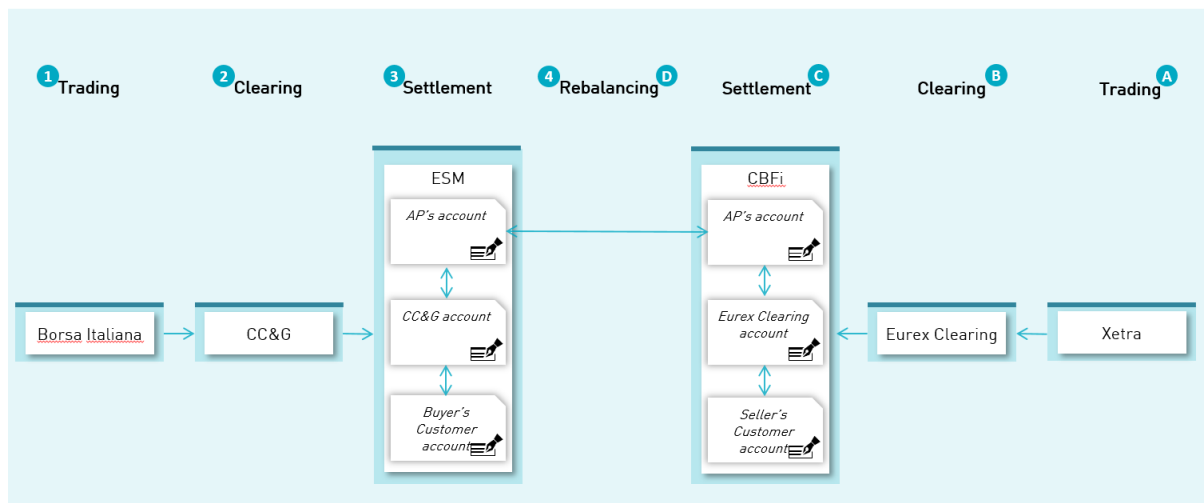
A. **Trading:** The trade occurs between a Xetra trading member and the AP on the Stock Exchange.
B. **Clearing:** The trade details are sent to Eurex for clearing.
C. **Settlement:** The ETF shares and cash are exchanged between AP, Eurex Clearing and Xetra trading member (or its agent) account at CBL/CBFi. The settlement messages are instructed by Eurex Clearing based on a Power of Attorney (PoA) on the AP's and trading member's CBFi accounts.
F. **AP instructs a Delivery FoP from Clearstream Banking Frankfurt International**

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1. **Trading:**
The trade occurs between a Borsa Italiana trading member and the AP on the Stock Exchange.
2. **Clearing:**
The trade details are sent to CC&G for clearing.
3. **Settlement:**
The ETF shares and cash are exchanged between AP, CC&G and Borsa Italiana trading member (or its agent) account at Euronext Securities Milan (ESM). The settlement messages are instructed by CC&G based on a Power of Attorney (PoA) on the AP's and trading member's ESM accounts.
4. **AP instructs a Receipt FoP in ESM**

MT540 Receipt free of payment on AP's account in EMS from AP's CBFi account in Clearstream Banking*

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:22F::SETS/MOTI/0018	ETFs are held by ESM in EB. 0018 represents EB as dep on ESM side. Hence, 0018 to be filled to indicate to ESM that settlement is for securities held in their EB account.
:22F::SETR//OWNE	Owne indicates to ESM that this is a cross border instruction to external t2s. DvP EUR only is possible.

:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**Domestic CSD format**	AP's account at ESM
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	Place of settlement is CBL to indicate to ESM that a Bridge settlement is intended
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//**UUUUYYZZXXX**	Delivering agent is the BIC of the AP in CBFi
:97A::SAFE//**12345**	the AP's 5-digit account in CBFi
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by Euronext Securities Milan. Clearstream is only providing guidance and will not be liable in case of incorrect format.

As per ESM settlement guide "Issuer CSD Euroclear Bank, Counterparty in Clearstream":

Counterparty in Clearstream (CBL – CEDELULLXXX)

		SWIFT
M	:23G	:NEWM
M	:22F	::SETR//OWNE
M	:22F	::SETS//MOTI/0018
M	:95P	::PSET//CEDELULLXXX
M	:95P	::DEAG or REAG//MGTCBEBEECL
M	:97A	::SAFE//Valid CBL account
O	:95P	::SELL or BUYR//Beneficiary's BIC CODE PARTY 2

MT542 Delivery free of payment from AP's CBFi account in Clearstream Banking to AP's account in ESM with account in Euroclear Bank

SWIFT message	remarks
:16R:GENL	
:20C::SEME//**xxxxxxxxxxxxxxxx**	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**12345**	AP's account at Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//**YRTG**	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//**TRAD**	Secondary market OTC settlement of an ETF
:16R:SETPRTY	
:95P::PSET//**MGTCBEBEECL**	Place of settlement is Euroclear Bank as counterparty's account (Euronext Securities Milan) is in Euroclear Bank
:16S:SETPRTY	

:16R:SETPRTY	
:95R::REAG//**ECLR/21891**	**Receiving agent is the ESM's account at Euroclear Bank**
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//**UUUUYYZZXXX**	**Buyer is the BIC of the AP (or its settlement agent) in ESM**
:97A::SAFE//**Domestic CSD format**	**AP's account at ESM to fulfill Borsa Italiana trade**
:16S:SETPRTY	
:16S:SETDET	

As per ESM settlement guide:

COUNTERPARTY MUST MATCH:

Depository BIC Code: MGTCBEBEECL
MT BIC Code: MOTIITMMXXX
MT Account: 21891

Appendix

ICSDPlus: Primary Market scenarios

- ➢ The AP has an account in an ICSD
- ➢ The ICSD is Clearstream

The TA and the AP instructing an **internal** Delivery versus Payment (DvP) or a Receipt versus Payment (RvP) transaction between the FIA and the AP account at Clearstream Banking.

MT543 DvP from TA's FIA in CBL to AP's account in CBL (TA to instruct for subscription)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS, REDM in case of redemptions.
:16R:SETPRTY	
:95P::PSET//CEDELULLXXX	Place of settlement is Clearstream Banking as TA's FIA and AP's account are both in Clearstream Banking
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//CEDE/12345	Receiving agent is the 5-digit account of the AP in CBL
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//CCYxxxxxxxxxxxxx,xx	ISO currency code and total amount of money to be paid in exchange for securities
:16S:AMT	
:16S:SETDET	

MT541 RvP on AP's account in CBL from TA's FIA in CBL (AP to instruct for subscription)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxx,xx	quantity to be settled

:97A::SAFE//**12345**	AP's 5-digit account number in Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**SUBS**	**For investment fund subscription settlement instructions, this field must contain SUBS, REDM in case of redemptions.**
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	**Place of settlement is Clearstream Banking as TA's FIA and AP's account are both in Clearstream Banking**
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG//**CEDE/12345**	**Delivering agent is the 5-digit FIA of the TA in Clearstream Banking**
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//**CCYxxxxxxxxxxxxx,xx**	**ISO currency code and total amount of money to be paid in exchange for securities**
:16S:AMT	
:16S:SETDET	

For redemption of ETF shares, the same steps as for the subscription apply but in the opposite direction.

TA and AP instruct a Bridge DvP/RvP transaction between the TA's FIA in CBL and the AP's account at Euroclear Bank (EB) - Bridge DvP/RvP subscription instruction

MT543 DvP from TA's FIA in CBL to AP's account in EB (TA to instruct for subscription)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS, REDM in case of redemptions.
:22F::RTGS//YRTG	NRTG transaction is for settlement in the mandatory settlement period only, YRTG transaction is eligible for mandatory and optional settlement periods.
:16R:SETPRTY	
:95P::PSET//MGTCBEBEECL	The settlement system in which counterparty's account is located is Euroclear Bank's
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//ECLR/12345	Receiving agent is the 5-digit account of the AP in Euroclear Bank
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//CCYxxxxxxxxxxxxx,xx	ISO currency code and total amount of money to be paid in exchange for securities
:16S:AMT	
:16S:SETDET	

MT541 RvP on AP's account in EB from TA's FIA in CBL (AP to instruct for subscription)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	AP's 5-digit account number in Euroclear Bank
:16S:FIAC	
:16R:SETDET	
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS, REDM in case of redemptions.
:22F::RTGS//YRTG	NRTG transaction is for settlement in the mandatory settlement period only, YRTG transaction is eligible for mandatory and optional settlement periods.
:16R:SETPRTY	

:95P::PSET//**CEDELULLXXX**	The settlement system in which counterparty's account is located is Clearstream Banking Luxembourg's
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG//**CEDE/12345**	Delivering agent is the 5-digit FIA of the TA in Clearstream Banking
:16S:SETPRTY	
:16R:AMT	
:19A::SETT//**CCYxxxxxxxxxxxxx,xx**	ISO currency code and total amount of money to be paid in exchange for securities
:16S:AMT	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by Euroclear Bank. Clearstream is only providing guidance and will not be liable in case of incorrect format.

For redemption of ETF shares, the same steps as for the subscription apply but in the opposite direction.

- ➤ The AP has an account in a domestic CSD
- ➤ The domestic CSD has an account at Euroclear Bank
- ➤ The domestic CSD is EUI

The TA needs to instruct a bridge FoP delivery instruction to Euroclear Bank in favour of EUI's account for final beneficiary the TA account in EUI. From there, the TA can instruct in EUI an internal DvP instruction against the AP.

MT542 Delivery free of payment from TA's FIA in CBL to TA's account at the domestic CSD (TA to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in CBL
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//YRTG	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS. For investment fund redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//MGTCBEBEECL	Place of settlement is Euroclear Bank as domestic CSD's account (counterparty) is located in Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//ECLR/22111	Receiving agent for the TA's domestic CSD account is the 5-digit account of the domestic CSD in Euroclear Bank, e.g. 22111 for Euroclear UK&Ireland
:16S:SETPRTY	
:16R:SETPRTY	
:95R::BUYR//CRST/ Domestic CSD format	Data source scheme CRST for EUI and the CREST Participant ID
:16S:SETPRTY	
:16S:SETDET	

At the date of this publication, Euroclear UK&Ireland (EUI) specified in its International service description, published September 2021, that EUI participants need to instruct an "XDL instruction" for a receipt as follows (TA to instruct):

XDL Field Tag	Specific instruction requirements for receipts from Clearstream	remarks
CSD ID	CEDE	Input CEDE so that EUI knows the counterparty is in CBL
International Party ID	CBL participant code of your counterparty	Typically the CBL account of the counterparty, i.e. the TA's 5-digit FIA account number in this case
International Party BIC	Leave blank	
International Account ID	Leave blank	
Completion of the "Underlying Client" tab on an XDL is optional for the CBL link		
Buyer or Seller Ind	Set to 'Seller'	Set to 'Buyer' in case of deliveries to CBL, all other things remaining equal.
Underlying Account ID	Leave blank	
Underlying Client 1 to 4	Identity of the client on whose behalf the securities are being received (i.e. the sender of the securities in CBL). This can be in the form of an account number or name and address	Leave blank as the BIC is to be used instead
Underlying Client BIC	Complete this field instead of the Underlying Client fields if the counterparty can identify the underlying client by a BIC. The BIC must be valid or the instruction will fail validation at CREST	Input the BIC11 of the TA, linked to the FIA at CBL

This instruction has to be in line with the instruction format as required by EUI. Clearstream is only providing guidance and will not be liable in case of incorrect format.

To be instructed as per domestic CSD SWIFT format specifications:

- TA and AP instruction for DvP settlement in EUI

- ➢ The AP has an account in a domestic CSD
- ➢ The domestic CSD has an account at Euroclear Bank
- ➢ The AP's domestic CSD is Euronext Securities Milan (ESM)

The TA needs to instruct a bridge FoP delivery instruction to Euroclear Bank in favour of EMS's account for final beneficiary the TA account in ESM. From there, the TA can instruct in ESM an internal DvP instruction against the AP.

MT542 Delivery free of payment from TA's FIA in CBL to TA's account in ESM with account in Euroclear Bank (TA to instruct in CBL)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in CBL
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//YRTG	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS. For investment fund redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//MGTCBEBEECL	Place of settlement is Euroclear Bank as counterparty's account (Euronext Securities Milan) is in Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//ECLR/21891	Receiving agent is the ESMs account at Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95P::BUYR//UUUUYYZZXXX	Buyer is the BIC of the TA (or its settlement agent) in ESM
:97A::SAFE//Domestic CSD format	TA's account at ESM
:16S:SETPRTY	
:16S:SETDET	

TA instructs receipt in ESM as follows:

MT540 Receipt free of payment on TA's account in ESM from TA's FIA in CBL* (TA to instruct in ESM)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	

:16R:TRADDET	
:98A::SETT//**yyyymmdd**	settlement date
:98A::TRAD//**yyyymmdd**	trade date
:22F::SETS/**MOTI/0018**	ETFs are held by ESM in EB. 0018 represents EB as dep on ESM side. Hence, 0018 to be filled to indicate to ESM that settlement is for securities held in their EB account.
:22F::SETR//**OWNE**	Owne indicates to ESM that this is a cross border instruction to external t2s. DvP EUR only is possible.
:35B:ISIN **LU1234567890**	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**Domestic CSD format**	TA's account at ESM
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**SUBS**	For investment fund subscription settlement instructions, this field must contain SUBS. For investment fund redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	Place of settlement is CBL to indicate to ESM that a Bridge settlement is intended
:16S:SETPRTY	
:16R:SETPRTY	
:95P::DEAG//**UUUUYYZZXXX**	Delivering agent is the BIC of the TA's 5-digit FIA in CBL
:97A::SAFE//**12345**	the TA's 5-digit FIA in CBL
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by ESM. Clearstream is only providing guidance and will not be liable in case of incorrect format.

As per ESM guide "Issuer CSD Clearstream Bank, Counterparty in Clearstream":

15. Issuer CSD: CLEARSTREAM (MT23: 12932)

Counterparty in Clearstream (CBL – CEDELULLXXX)

		SWIFT
M	:23G	:NEWM
M	:22F	::SETR//OWNE
M	:22F	::SETS//MOTI/0019
M	:95P	::PSET//CEDELULLXXX
M	:95P	::DEAG or REAG//CEDELULLXXX
M	:97A	::SAFE//Valid CBL account
O	:95P	::SELL or BUYR//Beneficiary's BIC CODE PARTY 2

To be instructed as per domestic CSD SWIFT format specifications:

- TA and AP instruction for DvP settlement in the domestic CSD

- ➢ The AP has an account in a domestic CSD
- ➢ The domestic CSD has an account at Euroclear Bank
- ➢ The domestic CSD is ESES Netherlands, ESES France or Euroclear Sweden

The TA needs to instruct delivery in three steps:
(1) a bridge FoP delivery instruction to Euroclear Bank in favour of the TA's account in EB.
(2) An external FoP delivery from EB to the TA's account in at the domestic CSD.
(3) From there, the TA can instruct a domestic CSD internal DvP instruction against the AP.

MT542 Delivery free of payment from TA's FIA in CBL to TA's account at Euroclear Bank (TA to instruct to CBL)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit FIA in Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:22F::RTGS//YRTG	NRTG transaction is for batch settlement in the mandatory settlement period only, YRTG transaction is eligible for real-time settlement in mandatory and optional settlement periods.
:22F::SETR//SUBS	For investment fund subscription settlement instructions, this field must contain SUBS. For investment fund redemption settlement instructions, this field must contain REDM.
:16R:SETPRTY	
:95P::PSET//MGTCBEBEECL	Place of settlement is Euroclear Bank as domestic CSD's account (counterparty) is located in Euroclear Bank
:16S:SETPRTY	
:16R:SETPRTY	
:95R::REAG//ECLR/12345	TA's 5-digit account in Euroclear Bank
:16S:SETPRTY	
:16S:SETDET	

MT540 RFoP on TA's account in EB from TA's FIA in CBL (TA to instruct)

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	

:36B::SETT//UNIT/**xxxxxxxxxxx,xx**	quantity to be settled
:97A::SAFE//**12345**	AP's 5-digit account number in Euroclear Bank
:16S:FIAC	
:16R:SETDET	
:22F::SETR//**SUBS**	For investment fund subscription settlement instructions, this field must contain SUBS, REDM in case of redemptions.
:22F::RTGS//**YRTG**	NRTG transaction is for settlement in the mandatory settlement period only, YRTG transaction is eligible for mandatory and optional settlement periods
:16R:SETPRTY	
:95P::PSET//**CEDELULLXXX**	The settlement system in which counterparty's account is located is Clearstream Banking Luxembourg's
:16S:SETPRTY	
:16R:SETPRTY	
:95R::DEAG//**CEDE/12345**	Delivering agent is the 5-digit FIA of the TA in Clearstream Banking
:16S:SETPRTY	
:16S:SETDET	

This instruction has to be in line with the instruction format as required by Euroclear Bank. Clearstream is only providing guidance and will not be liable in case of incorrect format.

To be instructed as per domestic CSD SWIFT format specifications:

- TA instruction for delivery from EB
- TA instruction of receipt in the domestic CSD,
- TA and AP instruction for DvP settlement in the domestic CSD

ICSD model: Primary Market
➢ Mark-up/-down of ICSD issued fund shares

To mark-down fund shares in Clearstream Banking, the TA instructs from his Clearstream banking account as follows:

SWIFT message	remarks
:16R:GENL	
:20C::SEME//xxxxxxxxxxxxxxxx	unique reference by the sender
:23G:NEWM	
:16S:GENL	
:16R:TRADDET	
:98A::SETT//yyyymmdd	settlement date
:98A::TRAD//yyyymmdd	trade date
:70E::SPRO//1st line:MKDW	
2nd line:'Redemption'	
:35B:ISIN LU1234567890	ISIN of the fund share to be settled
:16S:TRADDET	
:16R:FIAC	
:36B::SETT//UNIT/xxxxxxxxxxx,xx	quantity to be settled
:97A::SAFE//12345	TA's 5-digit account in Clearstream Banking
:16S:FIAC	
:16R:SETDET	
:16R:SETPRTY	
:95P::PSET//XX	ISO country code e.g. "LU" if the Common Dep is domicilied in Luxembourg
:16S:SETPRTY	
:16R:SETPRTY	
:95P::REAG//UUUUYYZZXXX	BIC of the Common Dep responsible for the fund share
:16S:SETPRTY	
:16S:SETDET	

Cross-border realignments samples

How to read this enclosed spreadsheet?

Each tab corresponds to a scenario and covers:

- Example instructions between CBL and Euronext Securities Milan counterparty for an ETF issued in ESES France
- Example instruction of a SWISS domestic ETF between CBL and a counterparty in SIXSIS
- Example instruction between CBL and a SIXSIS counterparty for an ETF issued in CBF.
- Example instruction between CBL and a Euronext securities Milan counterparty for an ICSD ETF.
- Example instruction between CBL and a EUI counterparty for an ICSD ETF.
- Example instruction between CBL and a ESESFr counterparty for an ICSD ETF.
- Example instruction between CBL and a SIXSIS counterparty for an ICSD ETF.
- Example instruction between CBL and a Euronext Securities Milan counterparty for an ICSDPlus ETF.
- Example instruction between CBL and a EUI counterparty for an ICSDPlus ETF.
- Example instruction between CBL and a ESESFr counterparty for an ICSDPlus ETF.
- Example instruction between CBL and a SIXSIS counterparty for an ICSDPlus ETF.

Cross-Border
instructions samples.x