

Malta: New domestic Link

Clearstream Banking hereby informs customers that effective

11 April 2011

Maltese securities free of payment (FoP) can be settled cross border. This is carried out via account 7564 of the Central Securities Depository Malta Stock Exchange (MSE).

Maltese securities in Collective Safe Custody

You can obtain information about Maltese securities in Collective Safe Custody via the following services:

- Securities master and event data via WSS Online or WSS File Transfer (WSS = "Wertpapier Stammdaten System" securities master data system);
- Securities event data via the Clearstream Banking KADI SWIFT Service.

Note: Maltese securities can be transferred from Collective Safe Custody (CASCADE) into Non-Collective Safe Custody (NCSC, Creation) and vice versa. This transfer is possible via the CBL account at CBF (CASCADE account 7201).

Cross-border settlement

The features of the link are:

- The CASCADE Online deadline for same-day settlement of cross-border transactions FoP is 12:30.
- The CASCADE settlement account for transferring Maltese securities to the CSD in Malta is 7564.
- FoP transfers in favour of account 7564 at CBF can be effected in all CBF settlement cycles.
- Government bonds, corporate bonds and equities are eligible. Investment funds cannot currently be included in Collective Safe Custody.

Changing and cancelling instructions

The usual rules for amending and cancelling instructions in CASCADE apply. Instructing parties can exclude an instruction from settlement by setting a settlement block, and they can release it again for settlement by cancelling the block. One-side blocking of a purchase/sale by the instructing party blocks the complete instruction. Instructing parties can amend their instruction, if settlement has not yet started. A delivery instruction or a matching instruction in Maltese securities can still be deleted by the instructing party while in process and up to settlement.

Matching instructions

FoP instructions must be matched. If a CBF customer takes part in the passive matching service, CBF generates matching instructions automatically for the Maltese market.

Matching is conducted in CASCADE using the following matching criteria:

- Credit/debit bank
- Securities ID
- Nominal value/units
- Settlement date
- Closing day (trading day)
- Receiving/delivering depository

Note: When purchasing Maltese securities from a counterparty in Malta via a local broker, it must be ensured that the broker receives the 4-digit CBF account number and name of the CBF account holder to ensure the credit in CASCADE, and that this information is forwarded to MSE for the respective booking. Otherwise, a corresponding credit in CASCADE is not possible. In the case of sales, the 4-digit CBF account number and the name of the CBF account holder are to be communicated as debit account to the broker.

Asset Services

To obtain information about Maltese securities and corporate action events, customers can subscribe to the KADI SWIFT service from Clearstream.

Income payments for Maltese securities in EUR are booked in DD2 to the TARGET2 RTGS accounts of CBF customers (ASI procedure 3). Income payments in foreign currencies are credited to the corresponding Creation accounts (6-series account) of CBF customers.

Tax services

Relief at source and tax reclaims are not currently possible for dividend payments. Dividends are paid net of a tax of 35%.

Clearstream recommends that all CBF customers submit forms for tax refunds directly to the Maltese tax authorities, taking into consideration applicable Double Taxation Treatments, and based on the advice of a professional tax consultant.

For interest payments, Clearstream assumes that CBF customers do not hold Maltese securities for Maltese residents. Consequently, interest payments are always paid gross. However, if in an exceptional case Maltese residents hold Maltese securities via CBF, customers must inform CBF unsolicitedly at the latest 3 days before the coupon deadline about the corresponding split between Maltese final beneficiaries and other final beneficiaries. In this case, interest payments for Maltese residents are paid net of a tax of 15% and gross for all other final beneficiaries.

Compensation service

Maltese securities are processed using the record-date method. In addition to payments resulting from the holdings as of record date, the compensations customary in the German market are made for transactions between two CASCADE customer accounts until 25 days after record date.

Compensations for cross-border transactions are not offered by the Malta Stock Exchange.

Instruction specifications

Delivery free of payment to Malta

CASCADE Host (KVEE)

Deliver free of payment

M Schlusstag	Trade date
M Last-Kto	4-digit account number in CASCADE
M Gut-Kto	7564
M Begünstigte Depotbank	beneficiary's account number in MSE
M Name/Adresse	beneficiary's name and address

CASCADE PC

Deliver free of payment

M Trade date	Trade date
M Debit account	4-digit account number in CASCADE
M Credit account	7564
M Receiver's custodian'	beneficiary's account number in MSE
M Name/Address	beneficiary's name and address

SWIFT

MT 542 Delivery free of payment

M :98A: :TRAD//Trade date
M :97A: :SAFE//8-digit CASCADE account
M :95P: :PSET//DAKVDEFFDOM
M :95R: :REAG//DAKV/75640000
M :95Q: :BUYR //name and address of the beneficiary
M :97A: :SAFE//account number of the beneficiary in MSE

Receipt free of payment from Malta

CASCADE Host (KVEE)

Receive free of payment

M Schlusstag	Trade date
M Last-Kto	7564
M Gut-Kto	4-digit account number in CASCADE
M Auftraggebende Depotbank	instructing party's account number in MSE
M Name/Adresse	instructing party's name and address

CASCADE-PC

Receive free of payment

M Trade date	Trade date
M Debit account	7564
M Credit account	4-digit account number in CASCADE
M Deliverer's custodian'	instructing party's account number in MSE
M Name/Address	instructing party's name and address

SWIFT

MT 540 Receipt free of payment

M :98A: :TRAD//Trade day
M :97A: :SAFE//8-digit CASCADE account
M :95P: :PSET//DAKVDEFFDOM
M :95P: :DEAG//DAKV/75640000
M :95Q: :SELL//name and address of the delivering party
M :97A: :SAFE//account number of the delivering party in MSE

Fees

Fees for safekeeping as well as securities settlement and cash services are available in the CBF Fee Schedule (valid as of 1 May 2011).

Further information

Clearstream Banking makes the following documents available in the download area with the introduction of the link:

- CASCADE Link Guide at www.clearstream.com under Publications & Downloads / CASCADE Market Guide / By Market / Malta / CASCADE Links

In case of further questions, please contact Customer Service Domestic or Customer Service Connectivity via:

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