

## T2S Final Wave Migration Weekend – Guidelines for Customers

Further to announcements [D17030](#) dated 5 May 2017 and [D17042](#) dated 28 July 2017, Clearstream Banking AG, Frankfurt<sup>1</sup> provides the latest information regarding the migration activities and timeline for T2S Final Wave. Iberclear, the Spanish CSD (Central Securities Depository) and the Baltic CSDs will migrate to TARGET2-Securities (T2S) on

**18 September 2017.**

These guidelines deliver additional information for the migration weekend and show the updated migration timeline and the related customer communication plan. CBF would like to reduce the impact on CBF customers due to migration activities as much as possible. We will keep our customers constantly informed about the progress of the migration. If necessary, a further announcement will be published.

### Introduction

The migration of the T2S Final Wave in September 2017 is executed on the basis of the so-called playbook by ECB, the guiding schedule for the migration weekend ("MIWE"). CBF aligned its internal migration plan according to this ECB schedule and advises customers of the key steps and particular milestones to be achieved.

Based on the most current planning provided by the ECB, the MIWE activities in T2S are supposed to start on Friday, 15 September 2017 at 18:55 (CEST)<sup>2</sup> and are planned to be completed on Sunday, 17 September 2017 at around 03:20. All pre-migration activities have already been completed by 31 August 2017 and the Clearstream's internal preparation activities for the MIWE are on schedule.

In announcement [D17042](#) dated 28 July 2017, CBF provided the general guidelines for the migration weekend. These guidelines remain valid and are enriched for the following topics:

- Cancellation of pending instructions
- Deviating liquidity management process
- DCP Window during the migration weekend
- Closing CBF outbound channels
- Processing of instructions using Creation settlement procedures in CBL (Clearstream Banking S.A., Luxembourg)

Should the migration of Iberclear not take place, the existing account and KUSTA setup will continue to be used for settlement. Cross-border instructions towards Iberclear will have to be sent in the current format.

<sup>1</sup> This announcement is published by Clearstream Banking AG (CBF), registered office at Mergenthalerallee 61, 65760 Eschborn, Germany, registered with the Commercial Register of the District Court in Frankfurt am Main, Germany, under number HRB 7500.

<sup>2</sup> All times indicated in this customer announcement are shown in Central European Summer Time (CEST)

The indicative timeline and customer communication plan presented with this announcement replace the schedules provided in July 2017. However, customers should be aware that the timeline might change during the course of the MIWE, that is, that milestones (MSPs) might be achieved earlier or later than originally planned.

## Cancellation of pending instructions

CBF would like to remind its customers that they must cancel any pending OTC instructions in Spanish securities (including realignments with CBL) by Friday, 15 September 2017, 13:00 latest. Due to the bilateral cancellation process, customers are required to inform their counterparties to initiate their cancellation requests. If these instructions have an Intended Settlement Date (ISD) after Friday, 15 September 2017, it is recommended to initiate the cancellation procedures already before Friday, 15 September 2017.

Please note that OTC instructions in Spanish securities that are still pending by Friday, 15 September 2017, 13:00 will be cancelled either by CBF on behalf of the customer or by T2S during the revalidation procedure due to the deactivation of the Security CSD Links with Iberclear in its role as T2S Out-CSD. As these procedures might have impact on the instruction management of the customer, CBF strongly recommends that customers initiate the cancellation procedures in due time. After the successful migration, customers acting in ICP mode can transmit instructions starting Monday, 18 September 2017, 01:30 towards CBF. Customers acting in DCP mode can transmit their instructions with the start of T2S Real-Time Settlement (expected at 05:00) to T2S.

Pending non-CCP stock exchange trades (LION instructions) in Spanish securities will also be cancelled by T2S as part of the revalidation procedure. Different from the procedure announced in July 2017, on 15 September 2017 newly introduced LION instructions will be queued until the reactivation of the Security CSD Links with Iberclear in its new role as T2S In-CSD. Hence, the CBF reinstruction procedure will not apply, as the instruction will be accepted by T2S immediately.

The following table provides an overview of the cancellation and reinstruction procedures for instruction in Spanish securities:

Source	Type	ISD	Customer tasks		CBF procedure	T2S procedure
<b>OTC</b>	Cross-border	Up to 15.09.2017	Aim for full settlement or cancel by Friday, 15.09.2017, 13:00	Reinstruct with new instruction format from Monday, 18.09.2017, 01:30 (in ICP mode) / respectively 05:00 (in DCP mode)	Manual cancellation of instructions still pending after Friday, 15.09.2017, 13:00	Not applicable
		After 15.09.2017	Cancel as early as possible, but latest by Friday, 15.09.2017, 13:00			
	Domestic	Up to 15.09.2017	Aim for full settlement or cancel by Friday, 15.09.2017, 13:00		No procedure	Automatic cancellation of instructions still pending during the T2S revalidation procedure.
		After 15.09.2017	Cancel as early as possible, but latest by Friday, 15.09.2017, 13:00			
	Realignment with CBL	Up to 15.09.2017	Aim for full settlement or cancel in CBF and CBL by Friday, 15.09.2017, 13:00	Reinstruct in CBF with new instruction format from Monday, 18.09.2017, 01:30 (in ICP mode) / respectively 05:00 (in DCP mode)  Reinstruct in CBL with new instruction format from Monday, 18.09.2017, 00:00	Manual cancellation of instructions still pending after Friday, 15.09.2017, 13:00	Not applicable
		After 15.09.2017	Cancel in CBF and CBL as early as possible, but latest by Friday, 15.09.2017, 13:00			
<b>LION</b>	Domestic	Up to 18.09.2017 (trade confirmation date up to 14.09.2017)	Aim for full settlement by Friday, 15.09.2017, 16:00	Corresponding LION trade must be manually cancelled after cancellation of instructions by T2S	No procedure	Automatic cancellation of instructions still pending during the T2S revalidation procedure.

Table 1 Migration weekend – Cancellation procedure for Spanish securities

## Deviating liquidity management process

The deviating liquidity management process affects all CBF customers that aim to settle instructions against / with payment instructions on the value date Monday, 18 September 2017. As advised in our customer information [D17042](#) dated 28 July 2017, the cash provisioning on the related Dedicated Cash Account (DCA) must be done manually by the customer. Customers cannot use the CBF cash services as the operational day schedule has been redefined for the MIWE. The CASCADE Online functionality will be available, but no liquidity transfers will be generated towards the National Central Banks (NCBs) for business day Monday, 18 September 2017.

Latest Friday, 15 September 2017, customers should take appropriate measures to ensure that a sufficient cash coverage is given for their DCAs. The NCBs recommend to set up respective standing orders in TARGET2-ICM, if not already in place. Customers are requested to contact their NCB for more information especially regarding the deadline.

After the MIWE – for business day Tuesday, 19 September 2017 – the CBF cash services can be used as usual.

## DCP Window during the migration weekend

As already announced, a dedicated DCP Window has been scheduled. According to the ECB Playbook, it has a fixed duration of three hours. Currently the DCP Window is planned from Saturday, 16 September 2017, 20:10 until 23:10. Please consider that the start and end time are being kept flexible. This potential change only affects customers acting in DCP mode who plan to submit instructions during the DCP Window towards T2S. Based on CBF's migration approach, the DCP Window must not be used for instructions in Spanish securities. Such instructions can be transmitted with the start of T2S Real-Time Settlement on Monday, 18 September 2017 (expected at 05:00).

## Closing CBF outbound channels

The CBF outbound channels for customers acting in ICP mode will additionally be closed during the CBF Maintenance Window from Sunday, 17 September 2017, 04:00 until Monday, 18 September 2017, 01:30. Outbound messages will be queued by CBF and transmitted to the customer afterwards.

## Processing of instructions using Creation settlement procedures in CBL

- Non-CCP stock exchange trades in NCSC securities will be processed on Friday, 15 September 2017, according to the operational day. In line with the CBL migration activities, these instructions will be queued and processed when the cut-over tasks for the migration are completed. CBF will provide these results in the subsequent reporting as soon as possible.
- OTC instructions against foreign currency will be transmitted on Friday, 15 September 2017 according to the regular processing to CBL for settlement. In line with the CBL migration activities, these instructions will be queued and processed when the cut-over tasks for the migration are completed. CBF will queue these results. The settlement of the securities leg will be possible once CBF will transmit the release instruction for the "CoSD Hold" to T2S. Hence, the reporting of the cash settlement and securities settlement will be available at different times.

## Updated indicative timeline for the migration weekend

The file (Indicative timeline for T2S Final Wave Migration Weekend) attached to this announcement replaces the timeline provided in July 2017. Modifications are indicated with ①. The timeline covers the changes in the period from Friday, 15 September 2017, 13:00, to Monday, 18 September 2017, 05:00. Events and processes before and after this specific period can be considered as unchanged.

As already announced, additionally to the T2S Final Wave migration procedures, the SWIFT Maintenance Window (Allowable Downtime Window, ADW) needs to be taken into account. This window is still scheduled on Saturday, 16 September 2017 between 18:00 and 20:00.

## Updated CBF Customer Communication Plan

CBF will advise customers on the key CBF activities and selected ECB milestones during the migration weekend via emails. Additionally, two stand-up calls are scheduled. Each information email will be sent shortly after the respective activity or milestone has been completed and will contain after the start of the migration weekend an updated version of the customer communication plan.

The customer communication plan published on 28 July 2017 has been updated to be aligned with the latest version of the ECB / T2S migration plan. Additionally, different to the first version, email #7 will report on MSP9 (Transfer of security positions completed by Iberclear) and MSP10 (Transfer of dynamic data completed by Iberclear) and an additional email #8 will report on MSP11.1 (Confirmation that new instructions were uploaded by Iberclear) and MSP13 (Point of No Return).

Customers who are registered to receive SMS messages during the MIWE will additionally be notified about emails #4 - 10 via SMS. This service is used only to provide information to interested customers. If you would like to get in contact with the T2S-Support Team, please use the service line or the email address.

In the appendix, the latest version of the CBF customer communication plan can be found.

Should the migration of Iberclear not take place, CBF will inform the customer in due time. Depending on the point in time by when the decision was made, rollback activities might be initiated and can affect the processing of the settlement cycles. If necessary, CBF will inform the customers about the changes in the timeline for the processing and / or respective settlement reporting.

## Contact

The T2S Support team at Clearstream will be able to answer your questions regarding T2S Final Wave for the related CBF enhancements and the T2S Migration Weekend.

Please note that after the successful migration weekend the T2S Final Wave our Client Services Teams will be responsible for any questions of the customers pertaining to production processes.

Clearstream T2S Support Team  
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## Appendix

# T2S Final Wave – Preparation Migration Weekend

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## Customer communication plan for September 2017

Info # <sup>1)</sup>	CBF Activity and selected ECB Milestones (MSP <sup>2)</sup> )	Status 30 AUG 2017 Date / Time (CEST)	Execution Time	Elapsed Time	Status Indicator
1	Final Wave MIWE Guidelines for CBF Customers	FRI, 8 SEP, 18:00			
Call 1	Kick off Migration Weekend Final Wave	THU, 14 SEP, 14:00			
2	Finalization of preparation Final Wave MIWE	FRI, 15 SEP, 09:00	<p>① Progress reporting is planned to be provided similarly to the communication during the migration of T2S Wave 4</p> <p>① The number of emails have been aligned with the most important milestones</p> <p>① This table will be part of the emails to keep CBF's customers updated</p>		
3	Cancellation of cross-border instructions with Iberclear	FRI, 15 SEP, 10:30			
4	Finalization CBF Business Day / Closing outbound channel to T2S and inbound connectivity channels for ICP customers	FRI, 15 SEP, 18:55			
5	T2S Operator locks DCP users	FRI, 15 SEP, 19:10			
6	MSP1: Start of Final Wave Migration	FRI, 15 SEP, 22:45			
7	MSP9: Transfer of security positions completed by Iberclear MSP10: Transfer of dynamic data completed by Iberclear	SAT, 16 SEP, 10:05 SAT, 16 SEP, 11:55			
8	MSP11.1: Confirmation that new instructions were uploaded by Iberclear MSP13: Point of No Return	SAT, 16 SEP, 15:40 SAT, 16 SEP, 19:45			
9	T2S opens window for DCP users	SAT, 16 SEP, 20:10			
10	MSP14: Final confirmation of the Night-time settlement by CSDs / CBs MSP15: Confirmation on readiness for Real time settlement (RTS)	SUN, 17 SEP, 02:10 SUN, 17 SEP, 02:20			
11	CBF informs about start of CBF Maintenance Window and specific procedures on the first T2S Day after migration of Final Wave	SUN, 17 SEP, 04:00			
Call 2	De-briefing Migration Weekend Final Wave	MON, 18 SEP, 15:00			

- 1) Starting with Info #4 until #10, SMS will be provided additionally  
 2) MSP = Migration Synchronisation Point; a milestone during the migration weekend reached when all T2S actors have completed their respective tasks according to the Migration Weekend Playbook (Source: ECB – T2S Glossary\_v1.0)

Legend:  Execution according to plan  
 Delay in execution

4 September 2017