

CBL Customer Handbook in English

IMPORTANT NOTICE TO CUSTOMERS OF CLEARSTREAM BANKING AG FRANKFURT

Please note that the Clearstream Banking S.A., Luxembourg (CBL) Customer Handbook is provided to customers of Clearstream Banking AG, Frankfurt (CBF) for information purposes only and does not form part of the legal documentation governing the relationship between CBF and its customers.

The CBL Customer Handbook outlines services provided to customers of CBL, not all of which are available to customers who hold accounts with CBF. Such services and information that are available to CBF customers as well shall apply *mutatis mutandis*, unless explicitly stated therein.

Go to [Contents](#)

Customer Handbook

for customers of Clearstream Banking S.A.

Document number: 0021

26 September 2019

Information in this document is subject to change without prior notice.

This document is available in electronic format and may be provided in other formats at the discretion of Clearstream Banking S.A. (referred to hereinafter as Clearstream Banking Luxembourg or CBL). CBL grants its Customers permission to reproduce, store and print this document to the extent deemed reasonable and necessary for receiving from CBL the services described herein. Any software provided, as set out in the present document, shall be provided under the applicable licence terms.

Unless otherwise stated, all times are given in Central European Time (CET).

© Copyright Clearstream International, S.A. (2019). All rights reserved.

Clearstream, CFF and Vestima are registered trademarks of Clearstream Services, S.A.

Foreword

Customers' overall contractual relations with CBL are governed by the General Terms and Conditions as amended from time to time. Customers agree to abide by these rules when they request the opening of an account with CBL. Customers can obtain copies upon request from their Client Services Officer or Customer Relationship Manager. The General Terms and Conditions can also be found on the Clearstream website in the Key Documents section, under ICSD.

This Customer Handbook is designed to provide customers of Clearstream Banking S.A. (also referred to as "CBL" in this publication) with an overview of CBL, its organisation and its operational procedures. It is a Governing Document as defined in CBL's General Terms and Conditions and is subject to the General Terms and Conditions unless otherwise specified.

Information or notification communicated by CBL to its customers in any form whatsoever is not and shall in no case be considered as investment advice.

This version of the Customer Handbook replaces all previous editions of the Customer Handbook and shall take effect immediately. This Customer Handbook shall remain in effect until customers are otherwise notified.

The Customer Handbook is intended to be used in conjunction with other CBL publications that give further details of how to use CBL's services.

CBL reserves the right to update and amend this Handbook from time to time, to reflect the availability of new products and improvements to existing services.

Customers who have specific questions concerning the information contained in this Customer Handbook are advised to contact CBL Client Services or their Relationship Officer.

In the event of any conflict between the General Terms and Conditions and the Customer Handbook and other Governing Documents, the General Terms and Conditions shall prevail.

The English version of the Customer Handbook is legally binding and shall prevail over any translation which has been provided for commercial reasons only.

This page has intentionally been left blank.

Contents

Foreword	i
1. Introduction	
1.1 Corporate structure	1-1
1.2 Compliance	1-5
1.3 Credit ratings	1-6
1.4 Communications with CBL	1-6
1.5 Client Services	1-7
1.6 The service network	1-10
1.7 Deadlines	1-13
1.8 Sources of information for customers	1-13
2. Customer accounts	
2.1 Types of accounts	2-1
2.2 Account opening and maintenance	2-3
3. Settlement services	
3.1 Settlement procedures	3-3
3.2 Internal, Bridge and External settlement	3-3
3.3 The settlement day	3-4
3.4 Instruction deadlines	3-6
3.5 Back-to-Back against payment Transactions	3-11
3.6 Matching requirements	3-14
3.7 The single Matching account service	3-19
3.8 Selective Acceptance service for Internal and Bridge delivery instructions without Matching instructions	3-21
3.9 The Optional settlement Flag	3-22
3.10 Transaction Linking Service	3-25
3.11 Hold/Release mechanism for securities settlement instructions	3-27
3.12 Settlement sequence	3-29
3.13 Processing of Collateral movements with central banks	3-32
3.14 Interest claims	3-34
3.15 Recycling of instructions when a Security Code is not open	3-35
3.16 Partial/Shaping settlement service for external settlement instructions	3-37
3.17 French registered securities	3-38
4. Securities instructions	
4.1 Cancellations and amendments to instructions	4-1
4.2 Internal and Bridge instructions	4-5
4.3 External instructions	4-13
4.4 External instruction types	4-17
4.5 Short Selling	4-25

5. Cash Financing services

5.1	Cash management and Financing	5-2
5.2	Settlement currencies and Cash Correspondent banks	5-3
5.3	Cash instruction processing	5-4
5.4	Cash instruction types - Missed cash deadlines	5-9
5.5	Foreign Exchange services	5-15
5.6	Financing; availability of funds	5-31
5.7	Collateral valuation	5-36
5.8	Interest calculations and reporting	5-40

6. Global Securities Financing services (GSF)

6.1	Automated Securities Lending Agency model	6-2
6.2	Automated Securities Lending principal model	6-3
6.3	ASLplus	6-4
6.4	Agency Lending	6-5
6.5	Agency CCP Lending	6-5
6.6	Collateral Management Services	6-7
6.7	Client Services	6-10

7. Custody business operations - New Issues

7.1	Admission and distribution of New Issues	7-1
7.2	New issues services	7-1
7.3	The Issuance Form of International Securities: CGN vs. NGN	7-3
7.4	General procedure for the admission and distribution of New Issues	7-6
7.5	General procedure for the admission and distribution of international money market instruments (pre-released securities)	7-15
7.6	General procedure for the admission of Fungible issues	7-18
7.7	General procedure for the admission and distribution of domestic Securities	7-19
7.8	Securities identification	7-21

8. Asset servicing

8.1	Exchanges	8-2
8.2	Income services	8-6
8.3	Corporate action services	8-10
8.4	Event notifications and entitlement forecast	8-18
8.5	Payment management of asset servicing proceeds	8-28
8.6	Transaction management	8-30
8.7	Tax services	8-39
8.8	Services for CFF Qualified Investment Fund Shares	8-46
8.9	Meeting event and proxy voting services	8-47

9. Investment Fund Services

9.1	Vestima	9-1
9.2	CFF Settlement and custody services	9-7
9.3	Fund Market Groups (FMG) Definitions	9-23
9.4	Disclosure requirements for Investment Funds	9-24
9.5	VestimaPRIME Enhanced Pricing & Reference Data Service (VestimaPRIME Data)	9-26
9.6	Clearstream Fund Desk	9-29

10. Communications media

10.1	ClearstreamXact	10-1
10.2	Xact Web Portal	10-2
10.3	Xact File Transfer	10-4
10.4	Xact via SWIFT	10-5
10.5	CreationOnline	10-7
10.6	Communications contingency	10-9

11. Reports and information services

11.1	Choice of reports	11-1
11.2	Reconciliation	11-1
11.3	Connectivity Channels	11-2
11.4	Monthly billing reports	11-19
11.5	Customer documentation	11-19
11.6	Domestic Markets Monitoring Report	11-20
11.7	Registrar Monitoring Report	11-21
11.8	T2S Dedicated Cash Account Statement (MT940)	11-22

Glossary	G-i
-----------------------	------------

This page has intentionally been left blank.

1. Introduction

This introduction is for general information purposes only.

1.1 Corporate structure

The information contained in this section (1.1) is not intended to provide professional legal advice and should not be relied upon in that regard. CBL makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information, and under no circumstances will it be liable for any loss or damage caused by reliance on any opinion, advice or statement made in this document.

Origins of Clearstream

Clearstream Banking S.A., Luxembourg (CBL) was originally founded as “Cedel” (Centrale de Livraison de Valeurs Mobilières) in September 1970 by 66 of the world’s major financial institutions as a Clearing organisation whose objective was to minimise risk in the settlement of cross-border securities trading, particularly in the growing Eurobond market.

On 1 January 1995, a new corporate structure was introduced, establishing for the first time a parent company, Cedel International S.A., with Cedel Bank (later, Cedelbank) as one of its major subsidiaries.

On 1 January 2000, Cedel International, together with its major subsidiaries, merged with Deutsche Börse Clearing, a subsidiary of Deutsche Börse AG to form Clearstream International S.A., with ownership shared equally between Cedel International S.A. and Deutsche Börse AG.

In July 2002, Deutsche Börse AG acquired Cedel International S.A. and its 50% ownership of Clearstream International, S.A. and, on 30 June 2004, designated the now wholly owned company as Clearstream International, S.A.

In December 2010, Deutsche Börse AG transferred full ownership of Clearstream International, S.A. to Clearstream Holding AG, a financial holding company as defined in the German Banking Act (Kreditwesengesetz - KWG), which is itself a wholly owned subsidiary of Deutsche Börse AG.

The corporate structure of Clearstream International, S.A. and its subsidiaries (“Clearstream Group”) particularly comprises the following institutions: Clearstream Banking AG in Frankfurt/Main (CBF) and Clearstream Banking S.A. in Luxembourg (CBL), Clearstream Services S.A. in Luxembourg, a provider of IT services, as well as holding companies and single-purpose companies as illustrated in [Figure 1.1](#). overleaf.

Clearstream today

Clearstream International, S.A.

Clearstream International, S.A. has one subsidiary in Ireland (Clearstream Global Securities Services Ltd) and one in the Czech Republic (Clearstream Operations Prague, s.r.o.).

Clearstream Banking in Luxembourg

Under Luxembourg law, Clearstream Banking S.A. (CBL) is a société anonyme wholly owned by Clearstream International, S.A. Clearstream International, S.A. is wholly owned by Clearstream Holding AG, itself owned by Deutsche Börse AG (see [Figure 1.1](#) overleaf).

CBL is an International Central Securities Depository (ICSD), operating from its head office in Luxembourg, with regional offices providing commercial support and services to customers in their specific geographical areas.

CBL provides the post-trade infrastructure for the Eurobond market and for securities from more than 50 domestic markets. Services include the issuance of securities, the settlement and custody services

for international and domestic securities; as well as Investment Fund Services and Global Securities Financing.

CBL has always maintained a sound financial standing with comfortable liquidity backing. Clearstream International, S.A., with CBL, maintains its constant commitment to the prudent management of settlement risk and the safekeeping of customers' securities.

CBL has a subsidiary in Japan (Clearstream Banking Japan, Ltd), branches in London (Clearstream Banking S.A., London Branch) and Singapore (Clearstream Banking S.A., Singapore Branch) and representative offices in Dubai, Hong Kong, New York and Tokyo.

Clearstream Banking in Frankfurt

Under German law, Clearstream Banking AG (CBF) is a stock corporation (Aktiengesellschaft) wholly owned by Clearstream International, S.A., which is itself owned by Clearstream Holding AG, which is itself a wholly owned subsidiary of Deutsche Börse AG and as illustrated in [Figure 1.1](#).

CBF has its headquarters in Frankfurt and has a number of customers that hold their international assets on the Creation settlement platform operated by CBL. In addition, CBF operates the CASCADE platform on which mainly German domestic securities are settled in its function as the Central Securities Depository (CSD) for the German market.

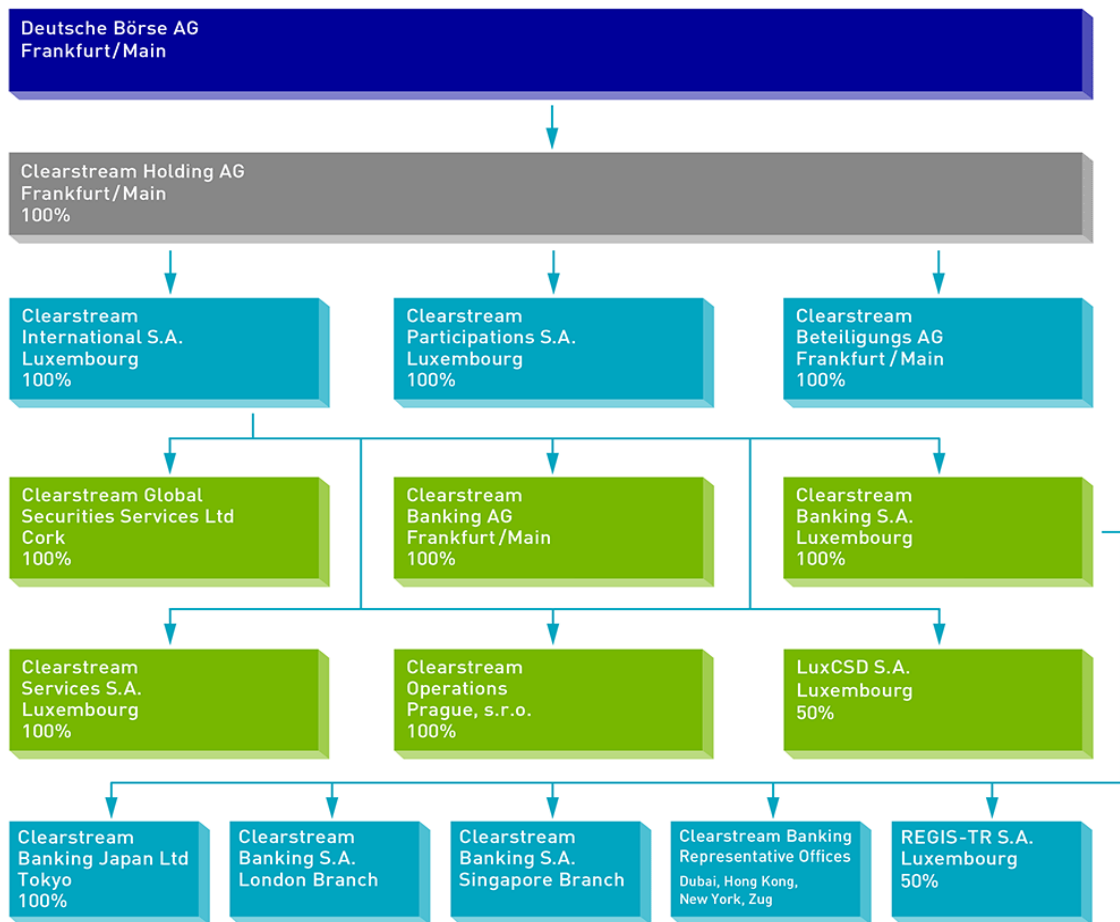


Figure 1.1 Corporate structure - Clearstream Group

Subsidiaries

Clearstream International, S.A.

Clearstream Operations Prague, s.r.o.

In 2008, Clearstream International, S.A. opened Clearstream Operations Prague, s.r.o., a wholly owned subsidiary of Clearstream International, S.A. and is CBL's first operational centre outside Luxembourg.

LuxCSD S.A., Luxembourg

In 2010, Clearstream International, S.A. co-founded LuxCSD S.A., a joint venture with the Banque centrale du Luxembourg (BcL), (Clearstream International: 50%, BcL: 50%) to act as a Central Securities Depository for Luxembourg.

Clearstream Global Securities Services Limited

In 2014, Clearstream International, S.A. opened Clearstream Global Securities Services Ltd (CGSS), a wholly owned subsidiary of Clearstream International, S.A. to expand the hedge fund services CBL offers to financial institutions.

Clearstream Banking S.A.

Clearstream Banking Japan, Ltd

In 2009, CBL opened Clearstream Banking Japan, Ltd (Clearstream Banking Japan Kabushiki Kaisha), a wholly owned subsidiary of CBL, to engage in marketing, information provision and advertising; to hold financial seminars and other education and training courses; to support existing customers of group companies and any and all other business activities relating to any of the preceding items.

REGIS-TR S.A., Luxembourg

In 2012, CBL co-founded REGIS-TR S.A., a joint venture with the Spanish central securities depository Iberclear (CBL: 50%, Iberclear 50%), to act as a central trade repository for derivatives transactions across multiple product classes and jurisdictions; helping participants meet their regulatory reporting obligations.

Branch offices

Clearstream Banking S.A., Singapore Branch

Clearstream Banking S.A., Singapore Branch is CBL's first operational centre outside Europe.

In November 2009, CBL obtained a banking licence in Singapore and its Singapore activities are supervised by the Monetary Authority of Singapore (MAS).

All of CBL's products and services, including Global Securities Financing, Investment Fund Services and Issuance and Distribution, are available to customers in real time during the normal trading day in the Asia-Pacific region.

CBL offers Same-Day Currency deadlines for major Asia-Pacific currencies, the Australian Dollar, the Hong Kong Dollar, the New Zealand Dollar, the Singapore Dollar and the Japanese Yen.

Clearstream Banking S.A., London Branch

Clearstream Banking S.A., London Branch opened in January 2016 after having a Representative office in London since 1985.

Representative offices

CBL opened representative offices around the world as follows:

Hong Kong	1991	Tokyo	2007
New York	1996	Zug^a	2018
Dubai	1996		

a. Previously Zurich from 2015

Please refer to [Client Services](#) on page 1-7 for current contact details for all representative offices.

Luxembourg licences

On 7 October 1994, CBL was granted a banking licence in Luxembourg and acts as a bank under the supervision of the Commission de Surveillance du Secteur Financier ("CSSF"). The authorisation of establishment for any credit institution governed by Luxembourg law is granted for an unlimited duration.

On 12 February 2001, CBL received the status of a Securities Settlement System ("SSS") in Luxembourg.

On 29 September 2017, CBL submitted its application for the CSDR¹ licences, for both CSD core and banking type ancillary services to the local regulators. CBL remains in close dialogue with its regulators for the rest of the CSDR authorisation process.

Luxembourg regulators

The Commission de Surveillance du Secteur Financier ("CSSF") is Luxembourg's prudential supervisor, responsible for the good operation, quality and compliance of financial institutions incorporated in Luxembourg, as stated in the law of 5 April 1993, as amended, which regulates the Financial sector in Luxembourg.

CBL, as a Monetary Financial Institution (MFI), is regulated as a bank according to the law of 5 April 1993 on financial services and consequently falls within the scope of supervision of the CSSF. Thus, all relevant CSSF circular letters and other requirements apply to it.

All operations in Luxembourg are supervised by the CSSF, with regular contacts being maintained with the leading international central banks and regulatory authorities.

The Banque centrale du Luxembourg ("BcL") ensures systemic stability of payment and Securities Settlement Systems ("SSS") as part of its responsibilities within the European System of Central Banks ("ESCB"). The BcL is responsible for the oversight of SSSs, as defined in the law of 10 November 2009 on Payment Services, as amended.

1. Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories.

1.2 Compliance

The customer shall comply - and ensure compliance by any of the customer's underlying clients up to the ultimate legal and beneficial owner - with any national or foreign law, regulation, sanction, order, judgment, injunction, asset freeze, blocking regulation or order or any other act or action of, or by, any national or foreign government, authority, court, (self-) regulatory organisation, government agency or instrumentality of government, including, but not limited to, investment and holding restrictions ("Regulations") applicable to customer, its underlying clients or CBL (including Regulations not applicable to customer but applicable to CBL). The customer shall not, by action or inaction, cause CBL to violate a Regulation and shall be liable for and hold CBL harmless against any direct or indirect loss, claim, damage, liability or expense, imposed on or incurred by or asserted against CBL in connection with any actual or alleged non-compliance with the aforesaid by the customer or any underlying client of such customer up to the ultimate and legal beneficial owner.

The customer understands and acknowledges that transactions and accounts involving securities issued or held for custody in the European Union ("EU"), EU Member States, the United States or other nations are subject to the laws and regulations of those jurisdictions, some of which have extraterritorial application. As a legal person organised under the laws of Luxembourg, an EU Member State, CBL is in all cases subject to applicable Luxembourg and EU laws and regulations. Insofar as CBL conducts its business through US persons, including foreign subsidiaries or affiliates of US persons, the US government may assert jurisdiction over transactions in securities neither issued nor held for custody in the United States. CBL conducts its business to comply with all laws applicable to CBL. Please also refer to the EU sanctions http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm.

Important Note: As part of CBL's internal compliance procedures, all incoming customer instructions will be automatically scanned before entering transaction processing. Instructions that are internally flagged as requiring further manual investigation are set to status pending, with such status immediately reported to the customer via their chosen media channel(s), until either being manually released for processing or rejected. In order to ensure that instructions being investigated do not miss the applicable deadlines, customers are advised to input instructions at least 15 minutes before the associated deadline.

1.3 Credit ratings

The current credit ratings enjoyed by CBL are as follows:

	Long Term	Short Term
Standard & Poor's	AA	A-1+
Fitch Ratings	AA	F1+

Standard & Poor's Corp. Bank Ratings Analysis 2017 includes the following:

The rating reflects the bank's crucial role in the international financial markets as an International Central Securities Depository, enjoying a very low credit and financial risk profile, combined with a compelling risk management and underpinned by a strong legal protection. Equally positively viewed were CBL's prominent role in collateral optimisation and it being well positioned for TARGET2-Securities. It was also positively remarked that CBL has significantly strengthened its capitalisation in recent years.

In addition, CBL is acknowledged as being commercially responsive to the emerging needs of customers and expanding its services beyond settlement and custody, with collateral management services.

Fitch Ratings 2017 includes the following:

The ratings reflect the bank's leading franchise in the international post-trade securities services, with strong standalone creditworthiness combined with a resilient revenue base and strong management. Equally positively viewed were CBL's very low risk appetite, its stringent risk control frameworks, prudent liquidity management and sound capitalisation.

Furthermore, the fact that CBL is highly integrated into the Deutsche Börse Group, including in terms of risk management and risk framework, was viewed very positively by Fitch. Fitch expects CBL to continue generating sound profitability while maintaining its current low risk profile and making the required investments to ensure technology platforms and risk management systems keep pace with regulatory and industry-wide changes.

1.4 Communications with CBL

Customers can send instructions to CBL, and receive reports, either using the CleastreamXact suite of products or CreationOnline. These connectivity media and the conditions for their usage are described in [Chapter 10](#).

Information about sending instructions to CBL is given in [Chapter 4](#) (securities) and [Chapter 5](#) (cash), and the reports available through the various connectivity media are described in [Chapter 11](#).

Customers can send Investment Fund Orders using Vestima, CBL's automated electronic order routing and management service, which is described in [Chapter 9](#) (Investment Fund Services).

1.5 Client Services

In addition to CBF operating in Frankfurt and its own licensed banking activities in Luxembourg, CBL has offices in Dubai, Hong Kong, London, New York, Singapore, Tokyo and Zug. CBL's worldwide Client Services units constitute a "Front Line Desk" providing local assistance to customers in their own language and time zone. The Market Teams also support customers from other continental European countries who prefer to speak in English. Together they provide 24-hour coverage around the world. Specific contact details are given overleaf.

Customers must address their query to Client Services by email or telephone call only. CBL will revert to the customer in an appropriate and reasonable period of time. Only the CBL customer is entitled to assess which media is the most appropriate.

For urgent matters and to ensure the best possible response time, it is highly recommended that the customer contacts Client Services by telephone instead of email. CBL cannot be held responsible in case of delay in responding to an email.

Note: As is normal practice within financial organisations, CBL has implemented telephone line recording, whose main purpose is to ensure that the interests of CBL and of its customers are protected against misunderstanding or miscommunications under the provisions of the applicable laws.

Recorded telephone conversations may be listened to for the purpose of clarifying the content of business dealings.

- Determine whether business dealings have been conducted;
- Determine the content of business dealings that have been conducted;
- Collate evidence in preparation for arbitration, litigation or private settlement negotiations;
- Determine what information has been provided to third parties including statements made to the press.

Luxembourg

General Client Services

Belgian Market Team

Phone: +352-243-32830 | Fax: +352-243-632830
cslux@clearstream.com

Eastern European Market Team

Phone: +352-243-32839 | Fax: +352-243-632839
cslux@clearstream.com

French Market Teams

Phone: +352-243-38082 or 32846
Fax: +352-243-638082 or 632846
cslux@clearstream.com

German Market Team

Phone: +352-243-32822 | Fax: +352-243-632822
cslux@clearstream.com

Luxembourg Market Team

Phone: +352-243-32841 | Fax: +352-243-632841
cslux@clearstream.com

Iberian Market Team

Phone: +352-243-32844 | Fax: +352-243-632844
cslux@clearstream.com

Italian Market Team

Phone: +352-243-32175 | Fax: +352-243-632175
cslux@clearstream.com

Netherlands Market Team

Phone: +352-243-32847 | Fax: +352-243-632847
cslux@clearstream.com

Russian Market Team

Phone: +352-243-35800 | Fax: +352-243-635800
cslux@clearstream.com

Connectivity Support

Phone: +352-243-38110 | Fax: +352-243-638110
connectlux@clearstream.com

Tax Help Desk

All Tax Matters-All Securities & Markets

Phone: +352-243-32835 | Fax: +352-243-632835
tax@clearstream.com

Investment Fund Services

Product Information

Phone: +352-243-32555
ifs@clearstream.com

Connectivity Support

Phone: +352-243-38110 | Fax: +352-243-638110
connectlux@clearstream.com

Vestima Client Services

Phone: +352-243-32833
csvestima@clearstream.com

Central Facility for Funds (CFF) Helpdesk

Phone: +352-243-13814 | Fax: +352-243-613818
investfunds@clearstream.com

Frankfurt

General Client Services

Domestic (CASCADE)

Phone: +49-(0) 69-2 11-1 11 77 | Fax: +49-(0) 69-2 11-6 1 11 77
csdomestic@clearstream.com

International - Settlement

Phone: +49-(0) 69-2 11-1 83 20 | Fax: +49-(0) 69-2 11-6 1 83 20
Phone: +49-(0) 69-2 11-1 83 40 | Fax: +49-(0) 69-2 11-6 1 83 40
csfra.int@clearstream.com

International - Custody

Phone: +49-(0) 69-2 11-1 83 50 | Fax: +49-(0) 69-2 11-6 1 83 50
Phone: +49-(0) 69-2 11-1 83 70 | Fax: +49-(0) 69-2 11-6 1 83 70
csfra.int@clearstream.com

Connectivity Support

(CSD) Phone: +49-(0) 69-2 11-1 15 90 | Fax: +49-(0) 69-2 11-6 1 15 90
(ICSD) Phone: +49-(0) 69-2 11-1 15 80 | Fax: +49-(0) 69-2 11-6 1 15 80
connectfrankfurt@clearstream.com

Branch Office - London

General Client Services

Phone: +44-(0)20-786 27040 | Fax: +44-(0)20-786 27002
+44-(0)20-786 27050 | +44-(0)20-786 27254
cslondon@clearstream.com

Connectivity Support

Phone: +44-(0)20-786 27100 | Fax: +44-(0)20-786 27254
connectlondon@clearstream.com

Representative Office - Dubai • Middle-East and Africa

General Client Services

Phone: +971-(0)4-3599333 | Fax: +971-(0)4-3316973
+971-(0)4-3889333
csdubai@clearstream.com

Representative Office - New York • The Americas

General Client Services

Phone: +1-212-309-1999 | Fax: +1-212-309-1990
csnewyork@clearstream.com

Representative Office - Zug

General Client Services

Phone: +41 43 430-7151

Branch Office - Singapore • South-East Asia

General Client Services

Phone: +65-6597-1600 | Fax: +65-6597-1700
cssingapore@clearstream.com

Tax Help Desk

[All Tax Matters - All Securities & Markets](#)

Phone: +65-6597-1665 | Fax: +65 6597-1780
tax@clearstream.com

Representative Office - Hong Kong • N. Asia and Gr. China

General Client Services

Phone: +852-2530-7488 | Fax: +852-2523-7796
cshongkong@clearstream.com

Representative Office - Tokyo

General Client Services

Phone: +81-(0)3-4578-6600 | Fax: +81-(0)3-4578-6605

Subsidiary - Clearstream Banking Japan, Ltd

General Client Services

Phone: +81-(0)3-4578-6600 | Fax: +81-(0)3-4578-6605
cstokyo@clearstream.com

1.6 The service network

In order to provide customers with access to a broad range of markets and appropriate products and services, CBL has developed a wide network of service providers. These, together with CBL itself, comprise the “service network”.

CBL has also established interfaces with other “external” institutions to enable customers to settle Transactions with counterparties who hold accounts in other settlement systems, and also for information or reporting purposes.

The service network is summarised in [Figure 1.2](#) follows.

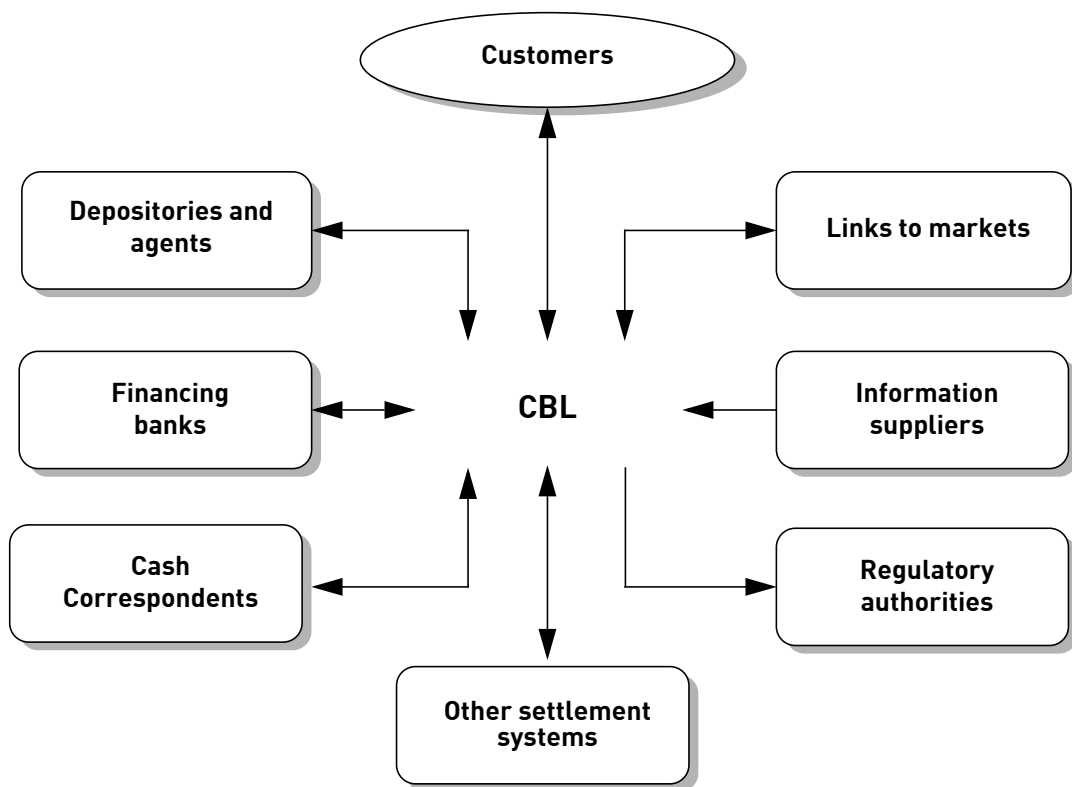


Figure 1.2 The service network

Customers

CBL’s customer base is fully international and customers are numbered among the most influential and prestigious financial institutions in the world. Many have multiple accounts with CBL. Details of maintaining the various types of CBL account are provided in [Account opening and maintenance](#) on page 2-3.

Depositories and agents

The safekeeping and servicing of the securities that are accepted in CBL are undertaken by a network of depositories and agents in a steadily increasing number of countries all around the world. More than eighty financial institutions serve as Depositories and/or agents of CBL under a dedicated agreement. CBL's Depositories and/or agents in each country are identified in the respective Market Guide.

In CBL's custody system, securities operations such as Coupon payments, Redemptions, physical deliveries etc. are normally executed by the Depository or agent appointed by CBL to service the security. Further details of custody operations are given in [Chapter 8](#).

Customer instructions for physical or book-entry transfer of securities into or out of CBL's system are also executed by Depositories or agents. For the links to a market, a Depository/agent acts as an interface between CBL and that market.

For Investment Fund Shares, CBL can decide to maintain its position directly in the Investment Fund Register operated by the Transfer Agent as an agent of the Investment Fund. In such cases, CBL does not appoint a Depository or other agent to safekeep and service its position.

Types of Depository/agent

CBL's Depositories and agents can be seen to fall into the following categories: domestic Depositories/agents holding and servicing domestic Securities; four types of Depository/agents holding and/or servicing International Securities; and Transfer Agents.

- **Domestic Depositories/agents**

Through its links, CBL settles cross-border securities Transactions in many of the world's major markets.

- **Specialised Depositories**

The function of CBL's Specialised Depositories is to provide safe custody and servicing for International Securities issued in physical or book-entry form, including Eurobonds and other euro-instruments. Most securities deposited with Specialised Depositories are held in physical form.

- **Common Depositories**

International Securities that are primarily deposited and settled with CBL and Euroclear Bank are generally issued in the form of a Global Note. Such Global Notes can be exchanged later for definitive Certificates, or can remain as a permanent representation of the securities until final maturity.

Common Depositories are appointed jointly by CBL and Euroclear Bank to act as their representative for the closing of New Issues and to provide safe custody and servicing for International Securities issued in Classical Global Note (CGN) form.

More details are given in [The Issuance Form of International Securities: CGN vs. NGN](#) on page 7-3.

- **Common Safekeepers**

Issuers of international Debt Securities to be deposited and settled with CBL and Euroclear Bank can opt for a New Global Note (NGN). Under an NGN, the Issue Outstanding Amount (IOA) is determined by the records of CBL and Euroclear Bank rather than by physical annotation on the Global Note itself.

Common Safekeepers are appointed jointly by CBL and Euroclear Bank. More details are provided in [The Issuance Form of International Securities: CGN vs. NGN](#) on page 7-3.

- **Common Service Providers**

Common Service Providers are appointed jointly by CBL and Euroclear Bank to provide asset servicing for International Securities issued in NGN form.

More details about Common Service Providers can be found in [The Issuance Form of International Securities: CGN vs. NGN](#) on page 7-3.

- **Transfer Agents**

A Transfer Agent (TA) is appointed by the Investment Fund. CBL may hold its position directly in the Investment Fund Register operated by the TA.

Functions of a Depository/agent

The functions of a Depository may be summarised as follows:

- Safekeeping of securities deposited in its vaults, with the registrar or with the local central Depository on behalf of CBL and its customers¹;
- Receipt of securities for entry into the CBL system¹;
- Delivery and receipt of securities on behalf of customers in accordance with instructions received from CBL²;
- Collection from the designated Paying Agent of cash proceeds from interest and Dividends, Redemptions and maturities²;
- Provision to CBL of accurate and timely information about corporate actions, tax reclaims, Redemptions, conversions etc., and assistance in the performance of related services²;
- In some markets, securities lending, which provides increased liquidity in domestic instruments for same-day turnaround on deliveries to market or to international counterparties³.

Note: Depository functions can be fulfilled for CBL by a TA in its capacity as agent of an Investment Fund and not as a supplier of services to CBL. Where Depository functions are carried out by a TA, the services CBL can provide are limited to the service levels required by the Investment Fund from the TA.

Links to domestic markets

CBL links to domestic markets and the services provided by its domestic Depositories can be characterised according to several criteria, as follows:

- **Types of link**
 - **Direct link**, whereby the Depository is also the Central Securities Depository (CSD) in the market;
 - **Direct link operated by an agent**, whereby an account is opened with the CSD in CBL's name but is serviced by an agent.
 - **Indirect link**, whereby the Depository acts as intermediary between CBL and a clearing system or central securities Depository;
- **Key services offered**
 - Settlement free of and against payment;
 - Back-to-Back processing;
 - Lending and Borrowing;
 - Multi-Market securities;
 - Pre-matching;
 - Allegement;
 - Proxy voting.
- **Types of securities**
 - Equities;
 - Domestic Bonds;
 - Foreign Bonds etc.

For CBL and its customers, the principal advantages of the Depository network are:

- Maximum security, with minimum physical movement of securities;
- Local expertise and representation in the relevant markets;
- Effective on-site control of external receipts and deliveries of securities.

For the specific details of a market, please refer to the Link Guide for that market.

1. Not applicable to Common Service Providers.
2. Not applicable to Common Safekeepers.
3. Not applicable to International Securities market.

1.7 Deadlines

All deadlines quoted in hours and minutes (hh:mm) should be understood to include “:00 seconds”. For example, 16:00 should be understood to mean 16:00:00.

Compliance with a deadline is assessed against the respective “Clearstream Receive Timestamp”. An instruction will be processed automatically provided that the “Clearstream Receive Timestamp” indicates a time before the related deadline. If the “Clearstream Receive Timestamp” of an instruction indicates a time on or after the related deadline, the instruction can be processed on a “best efforts” basis only.

1.8 Sources of information for customers

Customers can make specific enquiries and obtain further information about all of CBL’s products and services from Client Services or from their Relationship Officer (see [Client Services](#) on page 1-7).

CBL supports its products and services with a range of user documents and other sources of customer information, including extensive user guides, lists of Depositories and agents, Cash Correspondent banks and domestic counterparties. Some of these documents, when classified as Governing Documents, are contractually binding on the customer as per the General Terms and Conditions.

The Clearstream website provides information about all of CBL’s products and services and is a centralised repository for all current publications. It also provides up-to-date information about activities and events being held by CBL.

Customer publications

CBL maintains a number of publications that are provided in soft-copy form via the Clearstream website and updated regularly. The following publications support CBL’s products and services.

Customer Handbook

The Customer Handbook (this document) is designed to provide CBL customers with an overview of CBL, its organisation and its operational procedures. The English version of the Customer Handbook is a Governing Document as defined in CBL’s General Terms and Conditions and is subject to the General Terms and Conditions unless otherwise specified.

Market Guide

The Market Guide gives details of the links that have been established between CBL and a number of the markets around the world for which CBL offers settlement and custody services. Details include, but are not limited to: types of securities traded, types of link, Depositories and agents, Cash Correspondents, settlement rules and times, custody services and foreign exchange.

The Market Guide is organised by market, with the information for each market split across two main sections, as follows:

- Market Profile

Key information, particularly in the areas of settlement and custody, identifying the main institutions and describing local conditions and practices in the market. In addition, relevant website addresses are indicated, where customers can find more detailed information as required.

- Link Guide

Information related to the use of the Creation Platform in the market, such as applicable deadlines, procedures for domestic counterparties, custody services and settlement instruction formats.

The Market Guide is produced in English. The latest applicable version is available on the Clearstream website.

The English version of the Link Guide is a Governing Document as defined in CBL's General Terms and Conditions and is subject to CBL's General Terms and Conditions, unless otherwise specified.

Investment Fund Market Guide

The Investment Fund Market Guide gives details of the Fund domiciles where CBL holds Investment Funds around the world and for which CBL may offer Order Routing, settlement and Custody services.

The Investment Fund Market Guide is organised by market, with the information for each market split across different sections, including but not limited to:

- Key features and Eligible fund types in CBL;
- Disclosure Requirements - Investment Funds;
- Holding Restrictions- Investment Funds;

These sections collectively form the Investment Fund Market Guide.

The Investment Fund Market Guide is produced in English. The latest applicable version is available on the Clearstream website and may contain Governing information (marked with "This page contains Governing Information") as defined in CBL's General Terms and Conditions and is subject to CBL's General Terms and Conditions, unless otherwise specified.

Communications manuals

The following documents provide assistance in the operation of CBL's connectivity services:

- Xact Web Portal User Manual;
- CreationOnline User Manual;
- Xact File Transfer User Manual;
- Xact via SWIFT User Guide.

Clearstream Banking Fee Schedule

Fees and charges levied by CBL for its services are given in the Clearstream Banking Fee Schedule, which is a Governing Document as defined in CBL's General Terms and Conditions and is subject to the General Terms and Conditions unless otherwise specified.

Vestima user documentation

The following documents provide details of the Vestima Investment Fund order management service:

- Vestima SYSOP Guide;
- Vestima Service Model;
- Vestima User Guide for Order Issuers (use of Web Browser Based Interface);
- Vestima User Guide for Order Handling Agents (use of Web Browser Based Interface);
- Vestima SWIFT ISO 15022 User Guide;
- Vestima SWIFT ISO 20022 User Guide.

Announcements

Announcements give details, in English and for the majority, in German, of newly eligible currencies, changes in custody and clearing and settlement information, changes in taxation, changes to fees and charges, and other information about changes in the markets and CBL's products and services. The information given to customers in Announcements is integrated, where applicable, into the Customer Handbook, the Market Guide, the Market Taxation Guides and other reference documents as appropriate.

Announcements containing governing information are individually defined as Governing Documents on a case-by-case basis.

Market Taxation Guides

The Market Taxation Guides provide customers with:

- Reference information about all taxes applied at source, through CBL and its Depositories and agents in the countries covered, to payments on securities deposited in CBL; and
- Procedures for obtaining relief at source or a refund of withholding tax through CBL.

CBL customers can access the Market Taxation Guides and other tax information on the Clearstream website.

Publication Alerts services

The Publication Alerts services are free of charge email services that inform customers of the publication of new/amended information on the Clearstream website. These services are available to all registered users of the Clearstream website.

Real-time alerts

Real-time alerts provide immediate notification of the availability on the Clearstream website of new/amended publications that match the customer's preferences as selected when subscribing to the service.

Daily alerts

Daily alerts are emails sent to customers at the end of each day providing a list of all new/amended publications uploaded to the Clearstream website during that day. The list includes only those publications that match the customer's preferences as selected when subscribing to the service.

Announcements via email

The email service is designed to enable customers who do not have desktop access to the internet to receive CBL announcements as attachments to emails sent over night.

Weekly Update

The Weekly Update includes a list of all new/amended Clearstream Banking publications issued during the preceding week. The list includes only those publications that match the customer's preferences as selected when subscribing to the service.

Statement of Insurance

Customers can request a copy of **the Statement of Insurance**, which summarises the coverage maintained by CBL to protect its customers. This can be obtained upon request from a Client Services Officer or Relationship Officer.

Securities accepted in CBL

A complete list of securities accepted in CBL is available to customers in soft-copy form as a tab-delimited text file on the Clearstream website in the Key Document section under [ICSD/Reference Data](#). This information includes lists of all accepted issues and, separately, a list of all New Issues accepted during the preceding month.

A database of eligible securities is also maintained on the Clearstream website and updated daily. Customers can obtain details of specific securities by means of a simple query using [Codelist Inquiries](#).

Note: Holding restrictions apply in some markets and/or for some securities. CBL does not monitor the holding restrictions provided by law or by the Issuers. The customers remain at any time solely responsible for the investments they make and consequently for the monitoring of the restrictions and the beneficial owners' compliance thereto.

Note: Settlement restrictions apply to some securities. This is relevant to securities where positions in the Investment Fund Register are segregated by account (including VestimaPRIME accounts), and may apply to other securities as well. A list of securities with settlement restrictions for customer accounts is available on the Clearstream website in the Key Document section under [ICSD/Vestima Documentation](#).

This page has intentionally been left blank.

2. Customer accounts

Each customer account is identified by a unique account number. Customers can settle Transactions and hold Balances in any security or currency eligible for admission. A range of options is available for each account opened. Customers are asked to specify which options they require when opening an account.

Customers who wish to modify any of the options for an account should contact Clearstream Banking Client Services or their Relationship Officer (see [Client Services](#) on page 1-7).

2.1 Types of accounts

The following types of accounts are available to customers:

- **Main and additional accounts**

Customers can open a main account and any number of additional accounts. Additional accounts enable customers to distinguish between their own holdings (proprietary assets) and those of their clients (omnibus and segregated third party assets), in order to cater for specific business areas or for other purposes.

- **Dedicated account for French registered securities**

French registered securities can be distinguished as VEN (Valeurs Essentiellement Nominatives), VON (Valeurs Occasionnellement Nominatives), LBS (Loyalty Bonus shares) and LBS-PF (Primes de Fidélité). VEN and VON in bearer form can be held on a main or additional account, whereas for VON in registered form as well as for LBS securities it needs a dedicated account linked to the main or additional account accordingly (one to one relation).

- **Published and Unpublished Accounts**

The main account of every customer is usually published: the existence of the account, including the account number and account name, is available through query functions available via Xact Web Portal, CreationOnline or the Clearstream website.

Upon request and at CBL's discretion, a customer can open an Unpublished Account. Unpublished Accounts are not listed in any printed publication.

Additional accounts, including safe custody and client money accounts, are generally opened as Unpublished Accounts. It is not normally necessary to divulge the existence of these accounts to counterparties, settlement with counterparties is normally executed using the customer's main account.

- **Syndication Accounts**

Transfers of money and securities between the Lead Manager and the syndicate of a New Issue are carried out through a Syndication Account that is opened in the name of the Lead Manager. These accounts must be opened as "proprietary asset accounts" only. Syndication Accounts are by default unpublished and function in the same way as normal accounts. Only one Syndication Account can be opened for each Lead Manager. Syndication Accounts are to be used for the sole purpose of primary distribution of New Issues and cannot be used to settle Secondary Market trades.

For further details on Syndication Accounts in the context of New Issues, see [Chapter 7. Custody business operations - New Issues](#).

- **Third party assets: Omnibus versus segregated account**

When opening a new account, customers must indicate the nature of the assets to be kept therein (proprietary assets or third party assets).

For third-party assets, customers can choose between omnibus (where interests of several underlying clients are mixed) or segregated accounts. The use of omnibus accounts for third party assets is however reserved to customers who are Professional Securities Intermediaries. For segregated accounts, customers must provide the identity of the underlying client (whether or not the beneficial owner) in the account application form and must immediately inform CBL of any change thereafter. The underlying client details required on the account application form are as follows:

- Legal contact name
- Address containing city, post code and country
- Commercial register number (where applicable)
- SWIFT/BIC (where applicable)

These details will be recorded by CBL in a specific business partner register which will be used for Know Your Customer (KYC) and Anti-Money Laundering (AML) purposes.

Omnibus and segregated accounts for third party assets are only eligible for credit facilities if the customer provides collateral for these facilities from another account that contains proprietary assets.

Further details concerning the operation and opening of these accounts can be obtained on request from Clearstream Banking Client Services or a Relationship Officer.

- **Fund Issuance Accounts (FIA)**

Central Facility for Funds (CFF) Settlement Agents can open one or more FIAs in CBL for exclusive use in processing credits and debits of CFF Qualified Investment Fund Shares and related settlement Transactions. An ISIN category of CFF Qualified Investment Fund Shares can be maintained in one FIA only.

CBL can, at its own discretion, act as a CFF Settlement Agent by opening and operating one or more FIAs. CBL will generate Transactions based on confirmations received from a CFF Transfer Agent that ensures the relevant Investment Fund Register is updated.

- **VestimaPRIME account**

The VestimaPRIME account is required when customers wish to use the VestimaPRIME service. VestimaPRIME is described in [Chapter 9. Investment Fund Services](#) (Investment Fund Services).

- **Collateral Accounts for Eurex Clearing AG**

Customers can open pledged securities collateral accounts in favour of Eurex Clearing AG for different collateral purposes/clearing models.

2.2 Account opening and maintenance

Opening a main CBL account

Questions relating to the procedures for opening a first main account should be directed to a Relationship Officer (see [Client Services](#) on page 1-7).

The application forms that must be completed and returned by mail to CBL to request the opening of a CBL main account are as follows:

- Customer Application Form, duly signed (in original form);
- Account Application Form, duly signed (in original form).

Separate forms are also completed to subscribe to a communications medium. The application forms for Xact Web Portal, Xact File Transfer, Xact via SWIFT and CreationOnline can be provided upon request and are available from the Clearstream website.

Applicants must also submit (in original form):

1. An up-to-date, official and complete list of authorised signatures¹. Please provide original documents.
2. Certified* true copy of the articles of association¹ and, if the articles are not available in English, French or German, a certified* English translation.
3. Certified* true copy of the licence¹ to operate as a financial institution under Luxembourg law or any equivalent category under the customer's national law and, if the licence is not available in English, French or German, a certified* English translation.
4. Extract of the company's register¹ (official or certified copy) including certificate of residency and, if the document is not available in English, French or German, a certified* English translation.
5. A copy of the company's most recent audited Annual Report¹. In the case of a subsidiary, please also provide the latest audited Annual Report of the parent company.
6. U.S. Patriot Act certification (if applicable).
7. Additional documents¹ required in case an official signatory list has not been transmitted, or in case of a specific delegation of the signature authorities to individual or legal persons by board members:
 - Certified true copy of minutes of appointment of directors (board resolution).
 - Certified signed accompanying letter of directors appointing authorised signatories, whereby directors' signatures have been certified correct by notary or equivalent (in case the accompanying letter is not certified in this way, please provide certified true copies of the passports of the directors appointing signatories).
 - List of authorised signatures signed by appointing directors.
8. Detailed report written on your company by a recognised rating agency (if available).

Note: Certified copies of company documentation (articles, licence, minutes, signatures list) to be made by a competent authority under Luxembourg regulation or under the national regulation of the applicant's jurisdiction (such as notary, embassy, police officer). Proof of the competency of the authority to certify copies must be attached for customers not under Luxembourg regulation.

Requests to open a CBL account should be addressed to the attention of the Client Relations Department.

1. If you make any amendments in the future to the documentation provided under points 1, 2, 3, 4, 5, 7 and 8, please send the updated documents to Clearstream Banking (Banking Operations) as soon as they become available.

When a request by a new customer to open an account is approved, the new customer is notified by SWIFT or letter. The customer then receives by standard mail the necessary information for using a CBL account. This includes the account number, passwords (where applicable) and relevant CBL publications. CBL reserves the right not to accept an application for a CBL account from a new customer, and is not obliged to disclose its reasons for so doing.

Opening additional CBL accounts

Additional accounts can be opened without repeating the full initial application procedure. In order to request the opening of an additional account, customers must apply, either, via CreationOnline or by sending an authenticated SWIFT message, or a duly completed Account Application Form or a letter bearing authorised signatures to the attention of Banking Operations (Account Administration). The request must also include details of:

- The main account number;
- The name for the additional account (maximum 35 characters), which must begin with the same name as that of the main account;
- Whether the account is to be a Fund Issuance Account (FIA)¹ or a Collateral Account for Eurex Clearing;
- Whether the account is to be published or unpublished;
- Whether the account holding is proprietary or third-party assets;
- For third-party asset accounts, whether the account is to be omnibus or segregated;
- For segregated accounts, indicate the identity of the underlying client (to be recorded by CBL in the business partner register)
 - Legal contact name
 - Address containing city, post code and country
 - Commercial register number (where applicable)
 - SWIFT/BIC (where applicable)
- Indicate a setup reference account (which could be the main account) strictly applicable to:
 - Reports setup (Common Codes/ISINs);
 - Settlement Sequence Option (by transaction reference number, by settlement Date, by nominal amount);
 - Settlement option (mandatory settlement period or for against payment instructions only, mandatory and optional settlement periods);
 - Matching BIC² (the matching BIC will be included in the settlement party details of external settlement instructions, only one matching BIC per account is allowed);
 - Mailing address;
- Whether or not the communication links will be the same as for the main account;
- Whether or not securities, cash and/or custody reporting will be the same as for the main account;
- Whether or not the account is to be added to the Enhanced Proxy Voting Service subscription form, indicating the date of the relevant subscription form;
- Whether or not the account is to be added to a granted Power of Attorney, indicating the date of the relevant Power of Attorney and the Attorney's name;
- The name and telephone number of a contact person;

1. In this case, specific agreements must be signed. Please refer to the Investment Fund Services section of the Clearstream website.

2. Customers must provide the matching BIC when accessing T2S markets via Vestima.

- Any special requirements (such as Single Matching Account service, Recycling of instructions when the Security Code is not yet open, Selective acceptance of internal delivery instructions without matching instructions, Billing account, Income main transfer account).

Unless the customer instructs CBL otherwise, CBL will use, for all additional accounts opened in the customer's name, the same designation for the Account Holder, and the same information on authorised signatures as that provided by the customer for the first account opened.

Liability for the fulfilment of all obligations related to such additional accounts remains solely with the customer.

Opening a VestimaPRIME account

Customers can open a VestimaPRIME account to use the VestimaPRIME service.

The VestimaPRIME Account Application Form, duly signed (in original form) must be completed and returned by mail to CBL to request the opening of a main VestimaPRIME account.

Additional VestimaPRIME accounts can be opened and linked to a main VestimaPRIME account.

Each VestimaPRIME account shall be linked to a main or additional CBL account for cash.

Questions relating to the procedures for opening a VestimaPRIME account should be directed to a Relationship Officer (see [Client Services](#) on page 1-7).

Accounts related to CFF

CFF provides Delivery versus Payment (DVP) and Free of Payment (FOP) settlement between customers (for example, fund distributors) and CFF Settlement Agents (for example, TAs), plus associated custody services. [Figure 2.1](#) below sets out the accounts that have been put in place in order to offer CFF Services:

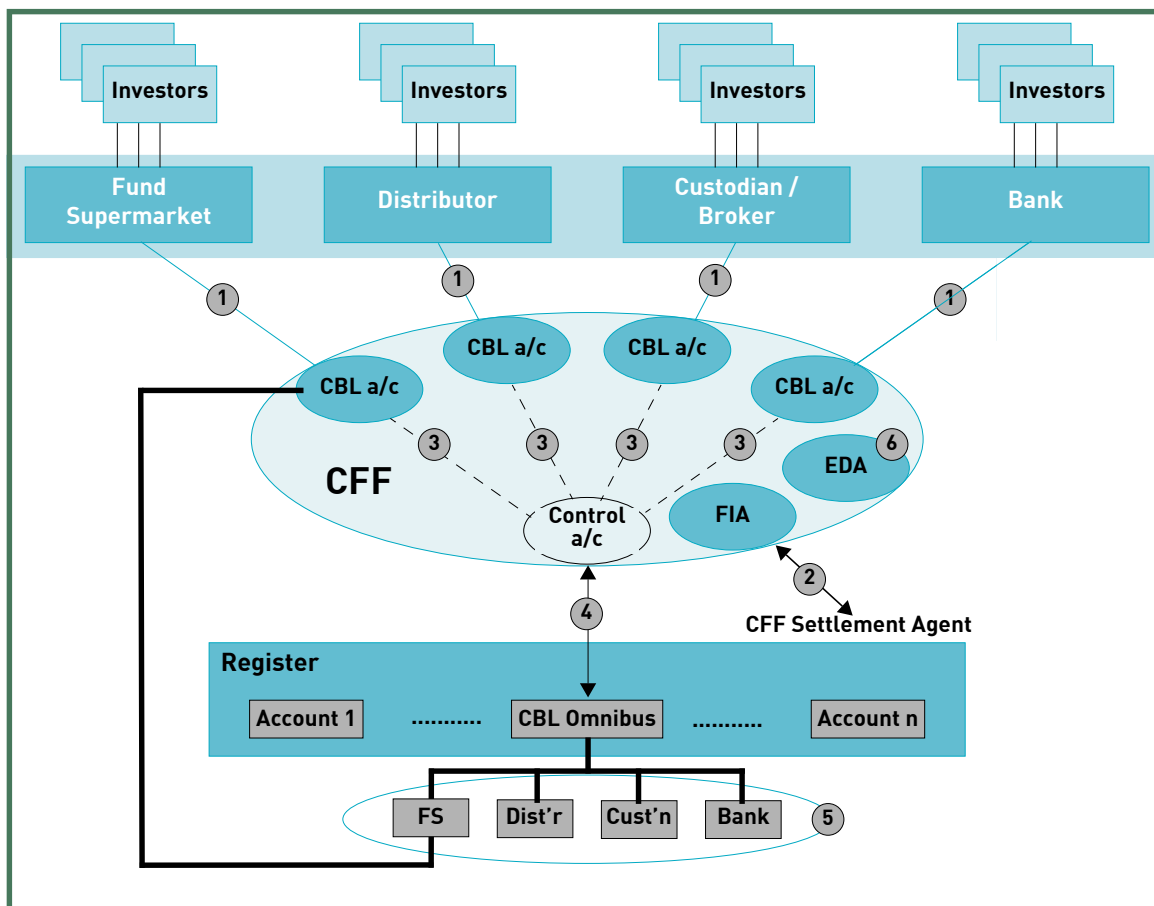


Figure 2.1 CFF account structure

1. Customers operate CBL accounts.
2. CFF Settlement Agents each operate one or more Fund Issuance Accounts (FIA).
3. All holdings of CFF Qualified Investment Fund Shares in customer accounts are aggregated into a control account.
4. The holdings of CBL's customers are maintained in the Investment Fund Register of shareholders in the name of CBL, acting as nominee, that reflects the omnibus record of CFF Qualified Investment Fund Shares (the CFF Omnibus Account).
5. CFF Transfer Agents may maintain detailed recorded customer positions.
6. CFF operates an internal Entitlement Distribution Account (EDA) opened in the name of CBL for use in the distribution of corporate action proceeds to customers.

Account maintenance and other fees

All fees are detailed in the Clearstream Banking Fee Schedule which is published regularly.

Updates to supporting documents

Customers are required to provide CBL, on an ongoing basis and at the earliest opportunity, with any amendments to the documentation provided under points 2, 3, 4, 5, 7 and 8 listed "[Opening a main CBL account](#)" on page 2-3. The updated documents must be sent to Clearstream Banking Luxembourg, to the attention of Banking Operations (Account Administration) as soon as they become available.

Closing a CBL account

Without prejudice of articles 55 and 56 of CBL GTCs, CBL or the customer can close an account upon one month's written notice.

To request the closing of an account, the account owner must apply, either, via CreationOnline or by sending an authenticated SWIFT message, or a letter to CBL, bearing authorised signatures to the attention of Banking Operations (Account Administration). The SWIFT message, CreationOnline request or letter must also include instructions for the Clearing of any credit or debit Balances in the account.

The customer shall support all due fees, commissions and other charges still to be calculated when closure request reaches Clearstream Banking Luxembourg.

The customer shall be released from obligations towards CBL when CBL confirms to the customer that the account is closed.

This page has intentionally been left blank.

3. Settlement services

CBL is an International Central Securities Depository (ICSD) providing, as part of its core services offering, different types of settlement options, depending on the selected settlement location of respective counterparties, to facilitate the settlement of Transactions in global and International Securities and domestic Securities traded across borders.

These services are carried out by means of a computer-based book-entry system operated from Luxembourg on behalf of CBL by Clearstream Services.

Over 850,000 securities are currently accepted by CBL for settlement. They include the following:

- Euro-instruments, including Eurobonds (straight, floating rate, convertible etc.);
- Foreign Bonds;
- Foreign-targeted bonds;
- Money market instruments, including Short- and Medium-Term Notes, Commercial Paper and Certificates of Deposit;
- Domestic bonds (government and corporate, including convertibles);
- Equities;
- Depositary Receipts;
- Investment funds;
- Warrants;
- Asset-backed securities and other collateralised Debt Securities.

Additionally, for selected stock exchanges and instruments, Transactions are routed to Clearstream automatically for further processing after trading on the exchange.

CBL also accepts gold bullion traded on the Luxembourg Stock Exchange.

CBL offers its services to both domestic and international customers, as follows:

- CBL is a Securities Settlement System (SSS) for eligible securities issued in Luxembourg and as such acts as custodian for national and foreign institutions that want to use securities issued in Luxembourg as collateral in their monetary operations with their central bank.
- CBL is one of the SSSs for eligible Eurobond and International Securities. Customers wishing to use these securities as collateral can do so by requesting a transfer to the Luxembourg central bank (Banque centrale du Luxembourg - BCL). The central bank will notify the specific customer's national central bank, which in turn will make credit available to the customer to satisfy the liquidity requirements of the TARGET2 system.

Settlement Types

CBL provides settlement services for Internal, Bridge or External settlement, according to where the customer's counterparty wants to receive settlement.

Trades with counterparties in CBL are referred to as "Internal Transactions", those with counterparties in Euroclear are known as "Bridge Transactions". Internal and Bridge Transactions can be executed on a free basis (transfer of securities between two counterparties) or against payment (simultaneous exchange of cash versus securities between two counterparties) basis.

Settlement of Bridge Transactions can occur during the real-time processing, at regular intervals, beginning in the evening of the Business Day preceding the Requested settlement Date until 19:05 of the following Business Day, with same-day value.

Settlement of internal Transactions can occur during the real-time processing beginning in the evening of the Business Day preceding the Requested settlement Date until the End of day processing is complete, which is 20:35.

Trades with counterparties in domestic markets (“External Transactions”) vary in their settlement timing according to the link and the instrument. Further details are given in the respective market link information presented on the Clearstream website.

Settlement processing

CBL offers a wide range of comprehensive Clearing and settlement services that are delivered from a sophisticated processing platform called Creation Platform.

The Creation Platform provides a central point of access to a wide variety of markets, offering fully automated real-time and End of day processing, enabling access to real-time communication with a global network of Cash Correspondent and depository banks.

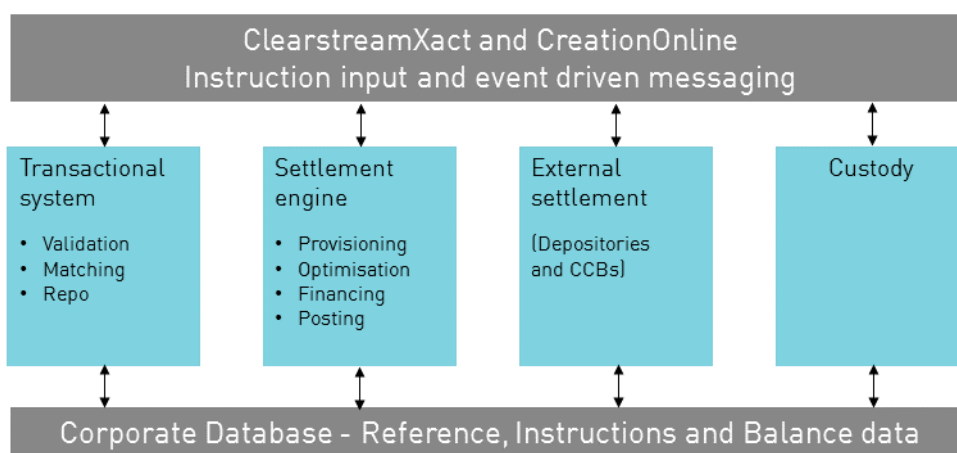


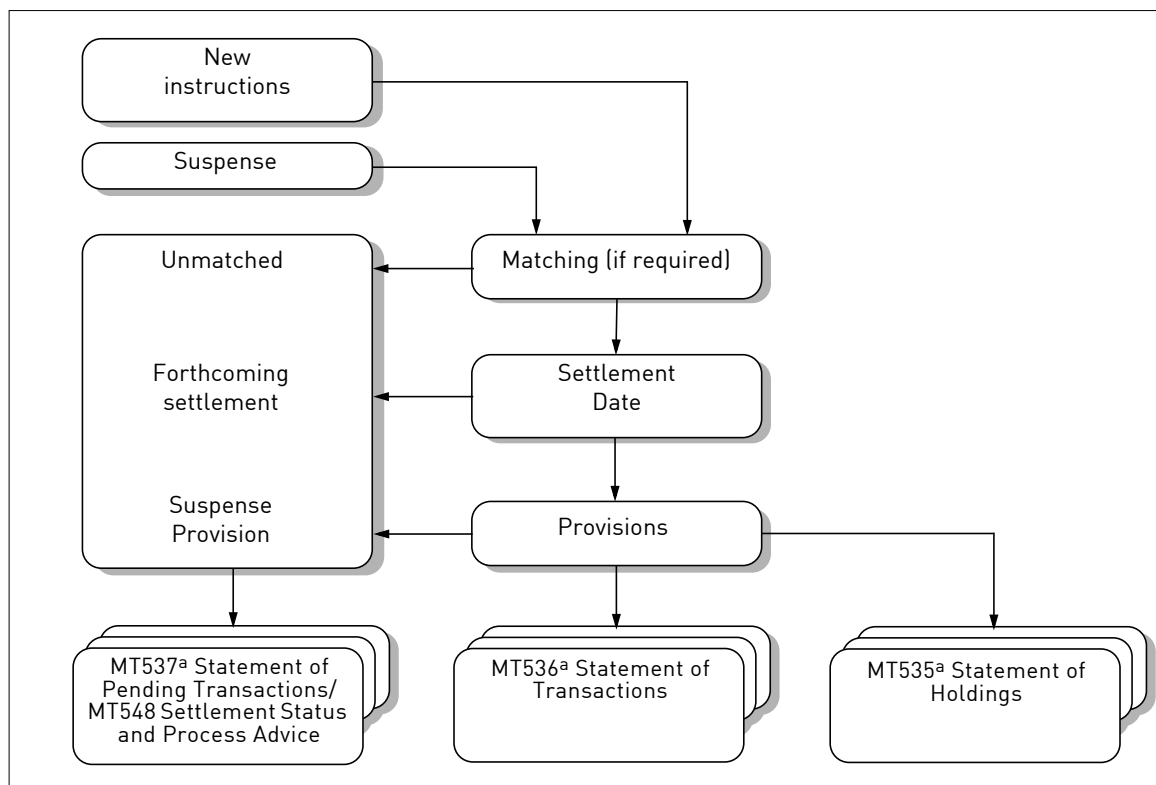
Figure 3.1 Instruction life cycle

This integrated platform has been designed specifically to provide end-to-end processing by bringing together in a single system three core functions: settlement, custody and reporting. Creation is the processing hub for a high performance Transaction settlement engine, in a secure and robust environment, facilitating straight-through and end-to-end processing. SWIFT and ISO message standards that are applicable to our particular business environment are supported and used in industry-standard ways. ISO 15022 represents one of the latest standards that has been built and adopted by the securities industry in order to enable higher straight-through processing rates and engender better efficiency.

Settlement procedures are described here below, securities instructions in [Chapter 4. Securities instructions](#), and cash instructions in [Chapter 5. Cash Financing services](#).

3.1 Settlement procedures

The general pattern of settlement processing is illustrated in [Figure 3.2](#) below:



a. ISO 15022 terminology is used as a standard for descriptions of Message Types. MTxxx applies to Xact Web Portal, Xact File Transfer, Xact via SWIFT and CreationOnline, as appropriate.

Figure 3.2 Settlement processing

3.2 Internal, Bridge and External settlement

CBL provides Clearance services for **Internal, Bridge or External** settlement, according to where the customer's counterparty wants to receive settlement.

- **Internal Transactions**

Internal Transactions are Transactions between CBL accounts. Internal Transactions can be in any security admitted for settlement in CBL, whether an international or a domestic instrument.

- **Bridge Transactions**

Bridge Transactions are those with counterparties in Euroclear Bank. Bridge Transactions can only be carried out if the security is eligible for admission in both systems and the position is held in the market of the Issuer CSD.

- **External Transactions**

External Transactions are Transactions with a counterparty other than a CBL counterparty in a domestic market. External Transactions include instructions for the Physical Delivery of international and domestic Securities.

3.3 The settlement day

The CBL “settlement day” consists of one main settlement processing, the real-time processing, followed by the End of day processing, as illustrated in [Figure 3.3](#) below:

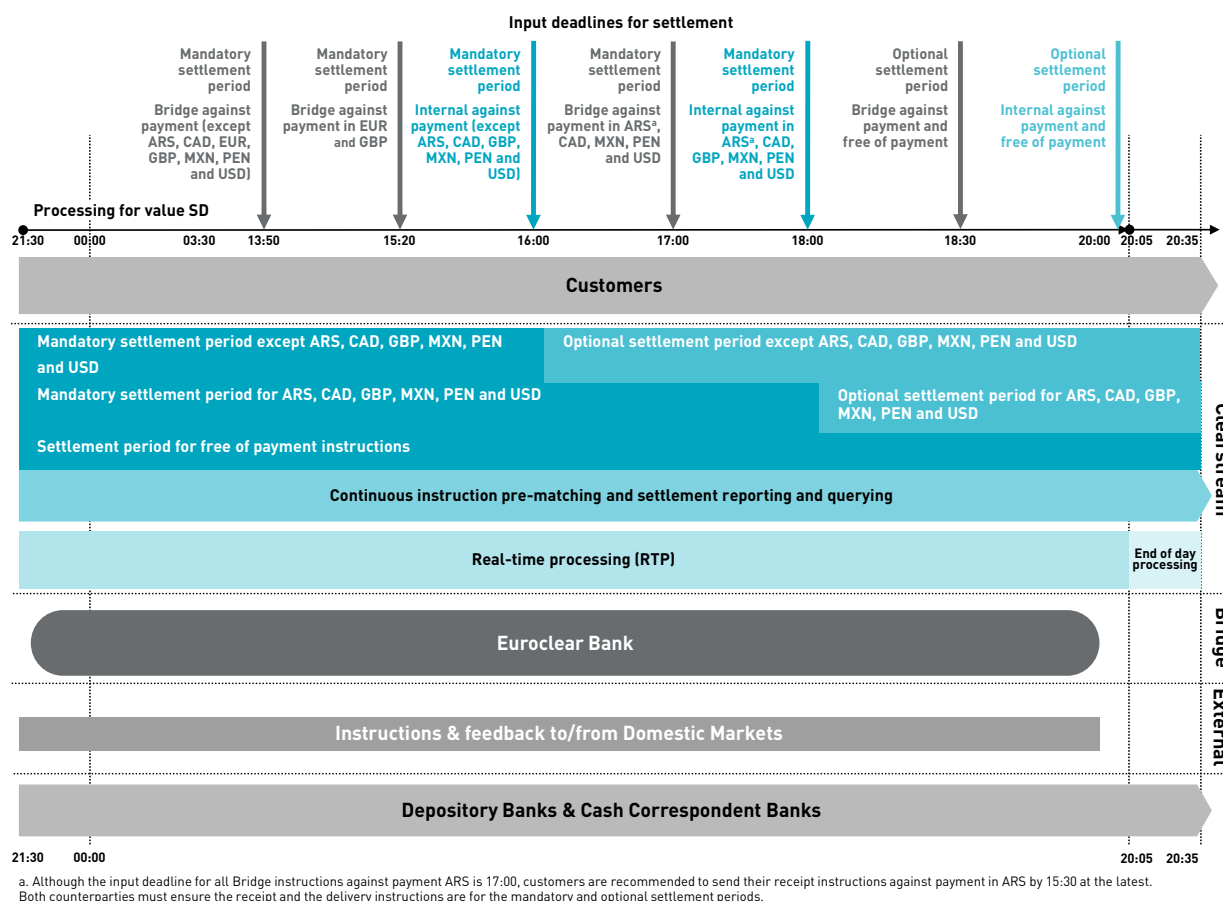


Figure 3.3 The settlement day

Note: Please refer to [Settlement processing cycles](#) on page 3-4 for general information about file exchanges with Euroclear Bank and Transaction data interchanges with depository banks, domestic Clearing systems and Cash Correspondent banks. The timings of the file exchanges between CBL and Euroclear are detailed on page [3 - 5](#).

Settlement processing cycles

The settlement processing of Internal and Bridge instructions is scheduled to begin in the evening of the Business Day preceding the settlement Date (SD) at 21:30.

Internal instructions

- The settlement processing of Internal instructions will continue on a mandatory basis until 16:10 for against payment instructions in all currencies except ARS, CAD, GBP, MXN, PEN and USD and until 18:10 for against payment instructions in ARS, CAD, GBP, MXN, PEN and USD.
- The settlement processing of against payment instructions will continue on an optional basis until 20:35.

- The settlement processing of Free of Payment instructions will take place throughout the day until 20:35.

Bridge instructions

- The settlement processing of Bridge instructions will continue on a mandatory basis until 14:25 for against payment instructions in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD.
- The settlement processing of Bridge will continue on a mandatory basis until 15:55 for against payment instructions in EUR and GBP.
- The settlement processing of Bridge instructions will continue on a mandatory basis until 17:35 for against payment instructions in ARS, CAD, MXN, PEN and USD.
- The settlement processing of Bridge against payment instructions will continue on an optional basis until 19:05.
- The settlement processing of Bridge Free of Payment instructions will take place throughout the day until 19:05.

External instructions

The settlement processing of External instructions may start in different processing cycles.

Real-time processing

Real-time processing begins after the scheduled start of the settlement cycles at 21:30¹ in the evening of the Business Day preceding settlement Date, and runs continuously until 20:05 on settlement Date, and is followed by the End of day processing, which is scheduled to be completed by 20:35.

It includes further file exchanges over the Bridge with Euroclear and simultaneous exchanges of instructions with depository banks, domestic Clearing systems and Cash Correspondent banks. Provided that the customer has selected the option to have their instructions considered for settlement beyond the mandatory period, all Internal and Bridge instructions that remain unsettled at the end of the mandatory settlement period are retried during the remaining settlement cycles.

Settlement periods

The settlement day is split into two settlement periods, for Internal and Bridge instructions:

- The mandatory settlement period, during which a delivery may only be refused for reason of cash or credit Provision (or, temporarily, for risk management purposes).; and
- The optional settlement period during which customers may determine eligibility for settlement by means of an Optional settlement Flag (OSF).

The optional settlement period follows the mandatory settlement period for against payment instructions only and, provided that customers have determined that their instructions are to be eligible for the optional settlement period, all Internal and Bridge against payment instructions unsettled at the end of the mandatory settlement period and any new or amended against payment instructions received by the respective input deadlines for optional settlement, are processed in the optional settlement period.

Note: All valid instructions are eligible for mandatory settlement regardless of their eligibility status for the optional settlement period. In summary, an instruction can be eligible for mandatory settlement only or for mandatory and optional settlement; an instruction cannot be eligible for optional settlement only.

1. At weekends, the real-time processing may, at CBL's discretion, begin at any time. In such circumstances, Transactions processed in this timeframe will be settled for value the Monday immediately following.

3.4 Instruction deadlines

The instruction deadlines for external securities Transactions are given, in both CET and local times, for each domestic market link on the Clearstream website.

A consolidated list of instruction deadlines, in CET only, is published for the markets in the Settlement Timings Matrix on the Clearstream website.

Clearstream's CET instruction deadlines take daylight saving time (DST) changes around the world into account. Therefore, the CET deadline automatically adjusts to maintain a consistent local market deadline.

Important Reminder: As part of CBL's internal compliance procedures, all incoming customer instructions will be automatically scanned before entering transaction processing. Instructions that are internally flagged as requiring further manual investigation are set to status pending, with such status immediately reported to the customer via their chosen media channel(s), until either being manually released for processing or rejected. In order to ensure that instructions being investigated before the associated deadline.

For a consolidated list of the cash and securities holidays in the domestic markets, please refer to Processing Times on the Clearstream website

Figure 3.4 below shows deadlines for:

- Internal Transactions (those between CBL and/or LuxCSD customers, instruction Types MT540, MT541, MT542, MT543);
- Bridge Transactions (between a CBL customer and an Euroclear counterparty, instruction Types MT540, MT541, MT542, MT543).

Note: MT54x instructions without Matching are not valid for transfers of CFF Qualified Investment Fund Shares.

Internal and Bridge Transactions are settled either during the mandatory settlement period or, for against payment instructions, if matched on the optional settlement flag setting, during the optional settlement period processing.

Mandatory settlement period

	Receipts		Deliveries	
	Free of Payment	Against Payment	Free of Payment	Against Payment
Internal				
for mandatory settlement only (in all currencies except ARS, CAD, GBP, MXN, PEN and USD)		16:00 SD		16:00 SD
for mandatory settlement only (in ARS, CAD, GBP, MXN, PEN and USD)		18:00 SD		18:00 SD
for mandatory settlement	20:00 SD		20:00 SD	
for optional settlement		20:00 SD		20:00 SD
Bridge				
for mandatory settlement only (in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)		13:50 SD		13:50 SD
for mandatory settlement only (in EUR and GBP)		15:20 SD		15:20 SD
for mandatory settlement only (in ARS ^a , CAD, MXN, PEN and USD)		17:00 SD		17:00 SD
for mandatory settlement	18:30 SD		18:30 SD	
for optional settlement		18:30 SD		18:30 SD
Securities credit/debit	SD	SD	SD	SD
Cash credit/debit	/	SD	/	SD
Cash value date	/	SD	/	SD

- a. Although the input deadline for all Bridge instructions against payment ARS is 17:00, customers are recommended to send their receipt instructions against payment in ARS by 15:30 at the latest. Both counterparties must ensure the receipt and the delivery instructions are for the mandatory and optional settlement periods.

Figure 3.4 Internal and Bridge instructions

CBL recommends that Internal and Bridge instructions are submitted by 20:55 on SD-1.

Late instructions

In general, CBL will not consider, in a given settlement processing, any instruction received after the specified deadline for that processing.

Real-time processing reports

Real-time processing reports include MT536 (Statement of Transactions), MT537 (Statement of Pending Transactions), MT548 (Settlement Status and Processing Advice) and the MT578 (Settlement Allegements). These reports are generated intraday, while delta reporting of MT537 is also generated on a continuous basis. The status codes include the Transaction status "Settled" to indicate that a Transaction has settled during real-time processing. Free of Payment entries of securities are also reported.

End of day processing and reports

During the final End of day processing, any remaining internal Pending Transactions authorised for optional settlement are processed. Also, the lending/borrowing activities of the day are consolidated.

Automatically generated end of day reports will be made available at 21:15 SD. Please refer to [Reports and information services](#) on page 11-1.

Settlement finality

Settlement of Transactions during the real-time and end of day processing is final.

Deliveries of securities to or from a domestic counterparty are final depending on local market regulations and practices.

See also [Enforceability, irrevocability and finality of instructions](#) on page 4-1.

Settlement date

The date on which an instruction is processed for settlement is determined by the type of Transaction. Prior to being processed for settlement, Transactions are held in Suspense as Forthcoming settlements.

The rules are as follows:

- Internal and Bridge securities instructions received before 20:55 on SD-1 for Secondary Market Transactions are first processed starting at 21:30 SD-1 for the Requested settlement Date. Transactions in New Issues remain in "Pending" until after confirmation of Closing (see [Chapter 7. Custody business operations - New Issues](#)).
- External securities instructions are considered for release by CBL to the appropriate domestic market or clearing system in time for them to be settled, upon successful provisioning, on the Requested settlement Date in the domestic market.
 - In the case of deliveries of securities, the securities Provision is debited from the customer's relevant account position, and the Countervalue is credited when it is received from the counterparty.
 - In the case of receipts of securities, the customer's receipt instruction is released, and the credit of securities to the relevant account position and debit of cash Countervalue occur upon confirmation of settlement in the domestic market.

Provision checks

During the processing of instructions for settlement, the Provision checks are carried out as described below.

Provisioning periods

Standard Provisioning periods for Internal and Bridge instructions are as follows:

Instruction		Provisioning - mandatory settlement only		Provisioning - mandatory and optional ^a settlement	
		start	end	start	end
Internal	Receipts (cash provisioning in all currencies except ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	16:10 SD	21:30 SD-1	20:35 SD
	Deliveries (securities provisioning in all currencies except ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	16:10 SD	21:30 SD-1	20:35 SD
	Receipts (cash provisioning in ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	18:10 SD	21:30 SD-1	20:35 SD
	Deliveries (securities provisioning in ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	18:10 SD	21:30 SD-1	20:35 SD
Bridge	Receipts (cash provisioning in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)	21:30 SD-1	14:15 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)	21:30 SD-1	13:55 SD	21:30 SD-1	18:35 SD
	Receipts (cash provisioning in EUR and GBP)	21:30 SD-1	15:35 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in EUR and GBP)	21:30 SD-1	15:35 SD	21:30 SD-1	18:35 SD
	Receipts (cash provisioning in ARS ^b , CAD, MXN, PEN and USD)	21:30 SD-1	17:15 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in ARS, CAD, MXN, PEN and USD)	21:30 SD-1	17:15 SD	21:30 SD-1	18:35 SD

- a. Inclusion in the optional settlement period processing is specified either with an account Standing instruction or, per instruction, by setting the Optional settlement Flag (see [The Optional settlement Flag](#) on page 3-22).
- b. Although the input deadline for all Bridge instructions against payment ARS is 17:00, customers are recommended to send their receipt instructions against payment in ARS by 15:30 at the latest. Both counterparties must ensure the receipt and the delivery instructions are for the mandatory and optional settlement periods.

The end times shown in the above table reflect the **approximate** finishing times for the last settlement cycles in the related settlement periods. Related settlement reports are available to customers shortly after the end of each of these settlement cycles.

Note: Provisioning timings for domestic markets can be found in the Market Guide.

Cash or securities provision check

Securities provision must be available on the relevant account position or through securities borrowing facilities, while cash Provision must be available either on the account or through Financing facilities. It is the customer's responsibility to ensure the timely availability of securities and cash Provision, as appropriate.

Collateral Provision check

The collateral Provision check ensures that, after the instruction has been executed, sufficient collateral to cover outstanding obligations will still be available on the account.

Instructions that do not satisfy these Provision checks remain unsettled and appear in the Suspense Provision section of the MT537 (Statement of Pending Transactions).

3.5 Back-to-Back against payment Transactions

The same securities can be received and delivered (“back-to-back”) several times during a settlement cycle. These Transactions are processed in “Transaction chains”. Transaction chains are made up of all Transactions in the same security, with the same common code, within the same settlement cycle. Unsettled securities Transactions are recycled in several settlement cycles as new information is received from depositories and from Euroclear over the Bridge.

If, in each chain, the initial deliverer has securities Provision and the final receiver has cash Provision, all internal Transactions can be settled by netting through the flow of securities and cash in the chain. If Provision is lacking on either side or on both sides, the chain is retried, taking the counterparty or counterparties next to the failing deliverer and/or receiver.

At CBL’s discretion, settlement processing takes into account, for credit purposes, any Unconfirmed Funds that are due to be confirmed on the value date.

With Internal counterparties

If securities are received against payment from an Internal or Bridge counterparty, and delivered against payment in the same processing to an Internal counterparty, there are no cash Provision or collateral requirements as long as the funds Countervalue of the securities delivered equals or exceeds the funds Countervalue of the securities received.

On back-to-back deliveries to Internal counterparties, the customer therefore does not have to deposit funds to cover the Receipt Against Payment Transaction before the delivery is processed, and no overdraft, collateral or Financing arrangements are required on the account.

For securities received against payment from a domestic counterparty, adequate credit lines, cash or collateral Provision must be available in the buyer’s account.

The back-to-back internal Transaction is illustrated in [Figure 3.5](#) below.

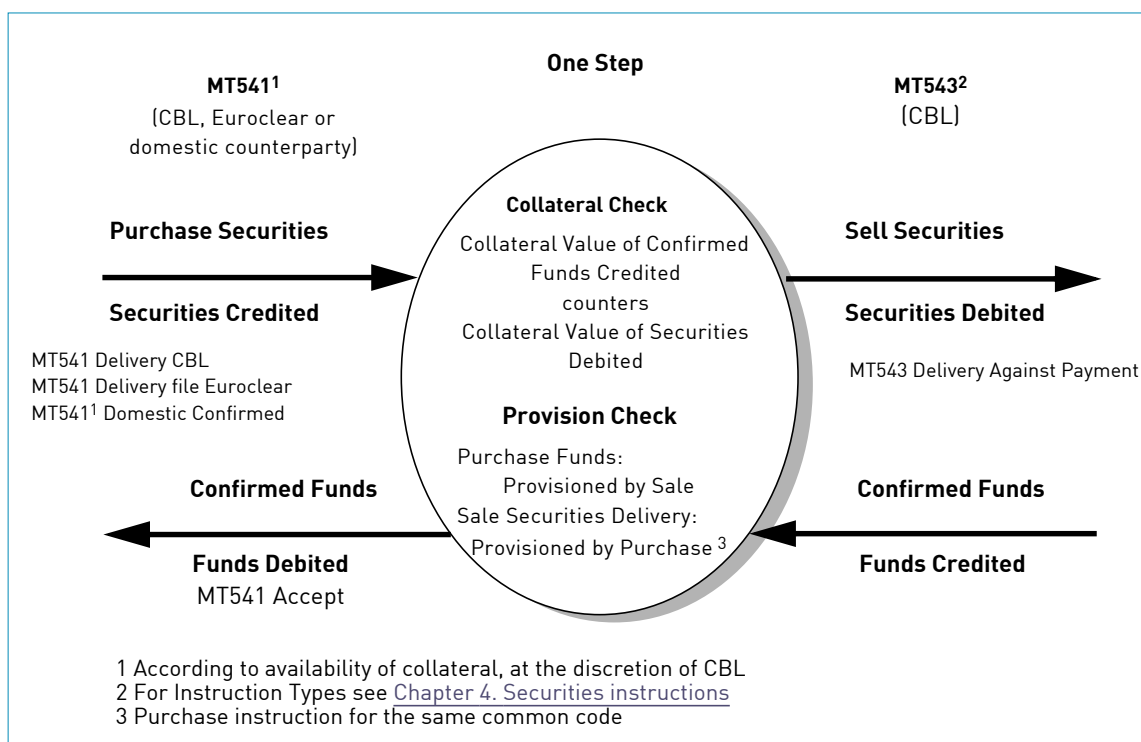


Figure 3.5 Back-to-back Internal Transaction

With domestic or Bridge counterparties

On against payment deliveries to domestic and Bridge counterparties, the Receipt Against Payment Transaction must satisfy cash Provision and collateral requirements before the Delivery Against Payment can be considered in turn for settlement. This is because the receipt creates an overdraft that may or may not eventually be redeemed by the sale. The back-to-back external sale is illustrated in Figure 3.6 below.

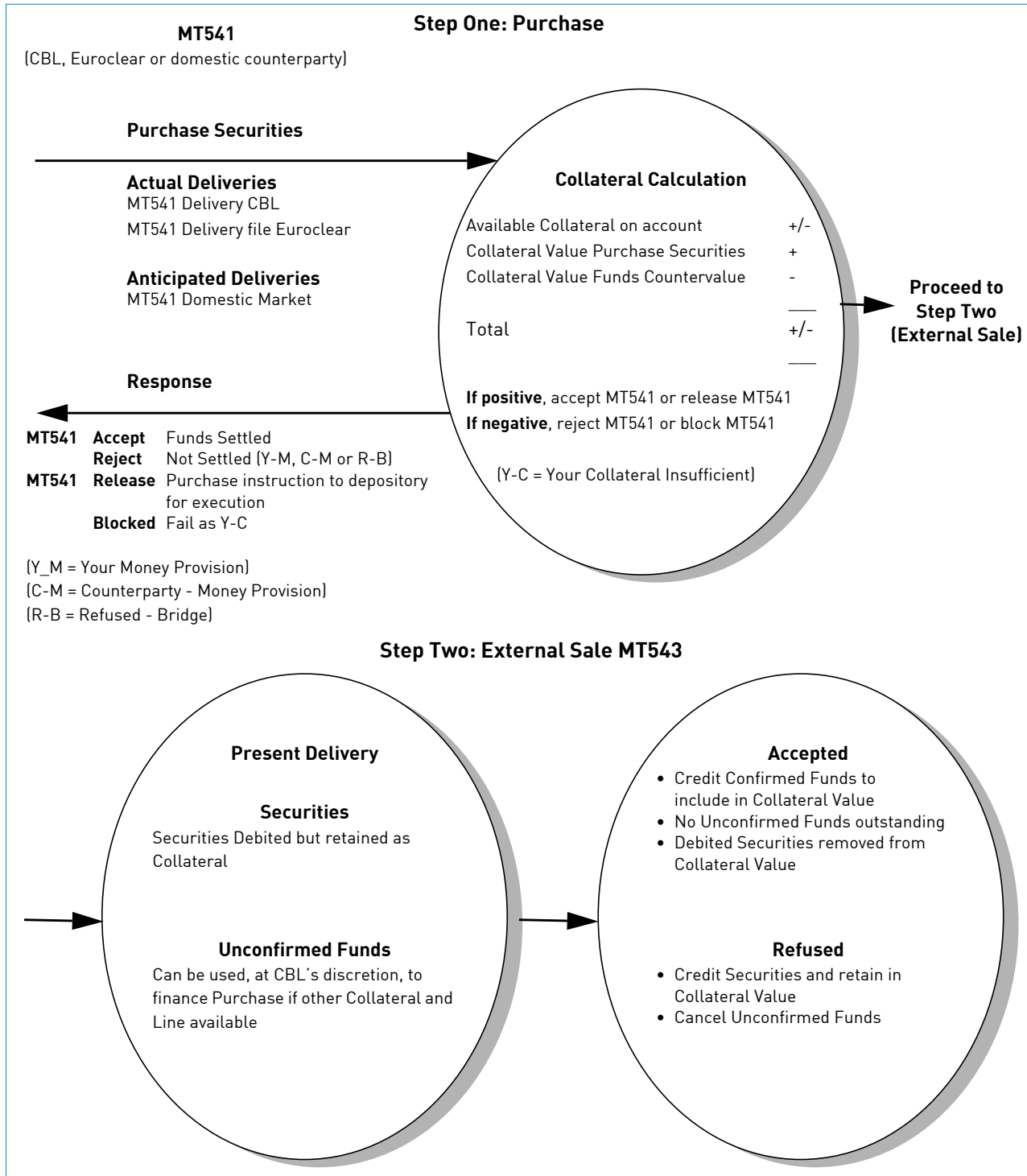


Figure 3.6 Back-to-back External Transaction

If a customer is receiving securities against payment (from any counterparty) and delivering them against payment on the same value date to a Bridge or domestic counterparty, the cash Provision check will incorporate Unconfirmed Funds expected on the delivery.

However, sufficient collateral must be available on the account to cover any difference between the funds to be paid and the collateral value, as determined by CBL, of the securities to be received.

At its discretion, CBL may require the customer to fund in full the Receipt Against Payment on the Transaction.

Domestic market back-to-back service

The domestic market back-to-back service comprises the following features for against payment and Free of Payment External Transactions:

- Linkage of a single External receipt with a single External delivery;
- Verification that the External receipt and delivery constitute a valid Back-to-Back Transaction;
- Simultaneous release of the receipt and the delivery to the depository.

Settlement of delivery will only be possible once the related back-to-back receipt is confirmed.

Settlement of both instructions will be achieved where both the CBL customer and the domestic counterparty meet their settlement obligations and fulfil the market back-to-back requirements within the relevant deadlines.

Note: Back-to-Back Transactions involving two CBL customers must be settled as Internal Transactions and not as Transactions through the underlying domestic market. External Transactions requiring the simultaneous debit and credit of CBL's safekeeping account in a depository's books will be rejected by the depository.

Validation criteria

In order to create the external back-to-back linkage, a unique Pool ID is used to link only one External receipt and one External delivery instruction.

Both instruction legs (receipt and delivery) in a back-to back Transaction must have:

- The same Pool ID (unique per CBL customer account and common code) to complete the pool;
When a pool is incomplete (that is, when both instructions do not carry the same Pool-ID), that instruction will not be released for settlement but will stay Pending with the status "Pool incomplete" until it is either cancelled or the missing instruction is provided to complete the pool for onward processing.
- The same instructing party's account;
- The same common code;
- The same Requested settlement Date;
- A nominal security amount on the receipt instruction no smaller than that on the delivery instruction.

If any of these conditions is not met, both instruction legs will be rejected and reported as such.

Whether the depository in a particular market is participating in the back-to-back service is indicated in the Market Guide.

The Pool ID

The Pool ID (also called Pool Reference) can be up to 16 alphanumeric characters long and must be unique per instructing party's account and common code for all active Back-to-Back Transactions. The Pool ID can be reused only when the last instruction of a previous Back-to-Back Transaction that used it is considered to be no longer active (that is, either it has settled or been cancelled or it has been rejected on the domestic market).

3.6 Matching requirements

Internal and Bridge Transactions

Internal and Bridge Transactions are subject to settlement instruction Matching in CBL. Matching information is available to customers by means of Pending Transaction reports MT537 (Statement of Pending Transactions) and MT548 (Settlement Status and Processing Advice).

Matching should occur as soon as possible after a Transaction is arranged in order to detect differences or errors in the instructions submitted by the two counterparties. ICMA¹ Rule 204 stipulates that instructions should be submitted “in such time and manner and including such information as to enable the Clearing systems to issue a pre-settlement confirmation report by the end of the Business Day following the Trade Date”.

The Matching of Internal instructions takes place in real-time. Bridge instructions are matched through inter-ICSD Matching transmissions, known as ACE transmissions. Exchanges of such transmissions take place every two minutes from 01:55 until 21:00.

The settlement details that require Matching so that an Internal or Bridge Transaction can be successfully matched are described in [Fields used for first layer Matching](#) on page 3-15.

External Transactions

Binding markets

For domestic markets in which Matching is “binding” (that is, once matched, an instruction can only be cancelled upon bilateral agreement between the parties to the trade)² provisioning is required before instructions are released for Matching. Customers have the option to release the instruction to the domestic market immediately. By setting the “immediate release” flag on the individual instruction the customer specifies that the instruction is to be sent to the depository as soon as provisioning is successful, irrespective of whether the formal provisioning period for the respective depository has been reached. If the “immediate release” flag is not set, the instruction is only sent to the depository after the start of the formal provisioning period and on successful provisioning.

Once an instruction has been submitted to CBL, the customer will not be able to update the flag on the instruction. Such change can only be made by cancelling and sending a new instruction.

In order to receive pre-matching information on a complete pool of back-to-back trades, at least the opening leg must be flagged for immediate release. Both instructions will then be released immediately on successful provisioning, irrespective of the formal provisioning period.

Non-binding markets

For domestic markets defined as a “non-binding” (that is, an instruction can be cancelled unilaterally even when Matching has already taken place), customers do not have to set a flag for immediate release. On receipt, the instruction will be sent to the depository immediately for pre-matching (irrespective of the formal provisioning period and without Provision check) and then for settlement (after the start of the formal provisioning period and on successful provisioning).

Valid External settlement instructions that have been identified as belonging to the same back-to-back pool will be sent for pre-matching to the depository irrespective of whether the status of the pool is “complete” (that is, the entered External receive and delivery instructions have a common Pool ID and satisfy the back-to-back conditions) or “incomplete”.

1. International Capital Market Association
2. Information about binding and non-binding markets and pre-matching methods can be found in the Market Guide for the respective domestic markets.

Fields used for first layer Matching

First Layer Matching is performed on the details of the trade and on the settlement location of the two parties or their agents.

Transaction type

Receipts and deliveries are matched according to the Transaction type. For example, an MT541 Receipt Against Payment Internal instruction is matched with an MT543 Delivery Against Payment Internal instruction. This rule does also apply to Bridge and External instructions where Matching is required.

Account number

Each counterparty must specify the account number to which delivery of securities or payment of funds is to be made. The counterparties' account numbers are matched in order to agree this.

Requested settlement Date

Matching of the Requested settlement Date confirms the value (in terms of funds) or availability (in terms of securities) to which both parties agree.

Security Code

Both counterparties must agree as to the security in which they have traded and on the market for the relevant place of safekeeping. Each security is identified by its common code or ISIN. Where the same security is held in more than one position on an account, the place of safekeeping and ISIN, or common code must be provided to identify the relevant account position.

Nominal Amount

Each counterparty must agree the amount of securities to be delivered on each Transaction.

ISO currency code and Countervalue

The ISO currency code and Countervalue are a Matching element for against payment Transactions. The exact requirements are as follows:

Internal Transactions in EUR

For all internal instructions against payment in EUR, the following cash tolerance levels will be applicable:

- EUR 2 for transactions of an amount up to or equal to EUR 100,000; and
- EUR 25 for transactions of an amount greater than EUR 100,000

Internal (except EUR) and Bridge Transactions

In accordance with ICMA Rules and Recommendations, a maximum discrepancy of USD 25 (or currency equivalent) between the Countervalues indicated by buyer and seller is tolerated in the settlement process. In the case of a discrepancy within these limits, the instructions are reported as matched in Pre-settlement Matching; that is, before they are processed for settlement (except in the case of temporary Matching only instructions, for which the Countervalues must match exactly).

In settlement Matching, when the instruction is processed for settlement, the Transaction settles with the Countervalue instructed by the seller.

Specific annotations identify Internal and Bridge Transactions that have settled on the seller's amount.

A currency and Countervalue can be given for information purposes only in Free of Payment instructions (MT540 and MT542) with Internal and Bridge counterparties. Such information is not used for settlement Matching.

External Transactions

In the case of external against payment instructions, the maximum discrepancy tolerated in settlement Matching varies in accordance with market practice and the conditions of the domestic link. Details are given in the Market Guide.

Trade information

Trade information consists of three fields:

- Trade Date: the day on which the Transaction was arranged between the counterparties.
- Trade Price: the actual price of the securities as agreed by the two trading parties at the time of the trade.
- Special instructions Code: indicating delivery status.

Trade Date and price Matching

The fields containing Trade Price and Trade Date are matched by CBL and any discrepancy - except in the sixth decimal place of the Trade Price - results in the instruction remaining unmatched.

With the exception of Transactions for settlement in certain domestic markets¹, the trade information fields are not mandatory for Internal or Bridge settlement. However, customers are advised to include trade information in these fields to confirm the basis on which the Transaction has been arranged.

In certain cases, such as custodian or Issuing Agent accounts, a customer may be unable to provide trade information. CBL will continue to accept Internal and Bridge instructions without any of the three fields, but it is the customer's responsibility to justify the absence of the information, when necessary.

If one or both of the Trade Date or Trade Price fields are given by both counterparties, a comparison is made in the Matching process. If the information given for the same field by both counterparties differs, the Transaction is reported as unmatched. In addition, **for Transactions with Bridge counterparties only**, if the Trade Price is input by **either** counterparty, the Trade Date must also be supplied and must match; otherwise, the Transaction will be reported as unmatched.

Standards for Trade Price

To minimise the number of settlement failures arising from the use of different standards for Trade Price, customers are recommended to express Trade Prices as follows:

Bonds:	The price is expressed as a percentage of par (= 100).
Shares:	The price per share is given.
Warrants:	Applying mainly to USD-denominated Warrants, the price of the Warrant is expressed as a percentage of the par (= 100) value of the bond to which it was originally attached.
Short-term paper:	The paper's yield to maturity is expressed as a percentage (for example, 9.63).
New issues:	The net price is given, including the reallowance.
Investment funds:	The price per Investment Fund Share is given.

Special Instructions Code (indicating delivery status)

The Special Instructions Code describes the delivery conditions, or status, agreed upon for the trade. It is used only in specific circumstances; usually, the trade is concluded without special conditions; that is, the delivery status is equal to "N", which is the default value.

According to the Rules and Regulations of the International Capital Market Association (ICMA), there are situations where "Guaranteed Delivery" is recommended.

The relevant situations and rules are:

Rule 184:	Special situations - exercise of rights attached to securities or public offers;
Rule 454:	Buy-in execution;
Rule 458:	Confirmation of buy-in execution.

If a Guaranteed Delivery is agreed upon, then the letter "G" (= Guaranteed Delivery) can be entered in the relevant field. This will have no effect on the priority of settlement in CBL's processing.

1. Customers are requested to validate the requirements for External instructions in the relevant section of the Market Guide for the respective market.

Second layer Matching

Second layer Matching applies to Internal CBL and Bridge Transactions, and can minimise cross-matching and reconciliation problems. Domestic market instructions can be optionally matched on the second level in those domestic markets where second layer Matching is applied. In this instance, the rules of the domestic market prevail. Please refer to the Market Guide for further details.

For Internal CBL and Bridge Transactions, the service is optional and Matching will only be performed on the second layer information if it is provided by both parties. If the information is present in both customer instructions but it does not match, then the instructions are unmatched and cannot be released for settlement.

If the information is missing from one party to the Transaction, then the instructions will be matched on the first layer information.

Cash instructions are excluded from the service.

Fields used for second layer Matching

Deliverer's Custodian (DECU) information or Seller (SELL)

Deliverer's Custodian (DECU) is used for Internal instructions only.

For Bridge Transactions, matching on the Seller field is attempted only if the BIC is reported. Other formats are ignored for matching purposes.

Each counterparty must specify the valid identifier of the party that interacts with the delivering agent (that is, the deliverer's custodian or seller who actually delivers the securities).

Receiver's Custodian (RECU) or Buyer (BUYR)

Receiver's Custodian (RECU) is used for Internal instructions only.

For Bridge Transactions, matching on the Buyer field is attempted only if the BIC is reported. Other formats are ignored for matching purposes.

Each counterparty must specify the valid identifier of the party that interacts with the receiving agent (that is, the receiver's custodian or buyer who actually receives the securities).

Common Trade Reference (COMM)

Each counterparty must specify the agreed reference.

Matching rules for Internal instructions only

The Deliverer's/Receiver's Custodian level has priority over the Seller/Buyer level, meaning that Matching is achieved if:

- The field of the deliverer's custodian (:95a::DECU) matches with the field of the deliverer's custodian (:95a::DECU) in the counterparty's instruction or, if not present, with the field of the seller (:95a::SELL).
- The field of the receiver's custodian (:95a::RECU) matches with the field of the receiver's custodian (:95a::RECU) in the counterparty's instruction or, if not present, with the field of the buyer (:95a::BUYR).
- The field of the buyer (:95a::BUYR) matches with the field of the receiver's custodian (:95a::RECU) in the counterparty's instruction or, if not present, with the field of the buyer (:95a::BUYR).
- The field of the seller (:95a::SELL) matches with the field of the deliverer's custodian (:95a::DECU) in the counterparty's instruction or, if not present, with the field of the seller (:95a::SELL).

Second layer Matching fields are valid only if either the Deliverer's/Receiver's Custodian respectively Seller/Buyer BIC or a participant account identification is used on both instructions. Combinations of BIC and participant account identification or the presence of the party's name and address are not accepted. In such case, the information will be ignored and Matching will be performed on the first layer Matching fields. Second layer Matching of the Common Trade Reference is valid only if the same reference is used on both instructions.

N.B.: Duplicates

To avoid duplicate instructions, customers are strongly recommended to cancel their initial instruction before re-instructing with the same message reference. No check is performed for duplicates on the second layer market participant Matching information.

3.7 The single Matching account service

The single Matching account service facilitates the process of matching instructions and reduces the number of Matching failures for customers with multiple accounts. This service enables counterparties to use the same account number, of their CBL counterparty, for all of their securities Transactions, whilst the CBL customer can choose any of their accounts to send and settle corresponding instructions.

Principles of the service

In order to use this service a CBL customer must define one of their accounts as the Group Matching Account (GMA). The GMA can be either a published or an Unpublished Account and will then be used by the counterparties for all Internal, External and Bridge instructions being settled between these two parties.

The CBL customer then decides which of their remaining accounts are going to be associated with the group Matching account. This can be any number of accounts, provided they belong to the same legal entity under the same legal framework. Whilst the number of account groups to be set up is not limited per customer, an account can only belong to one group.

The GMA is used for Matching purposes only and the account number used in the settlement instruction will be the effective settlement account.

Matching rules

The following Matching rules apply to customer instructions and respective counterparty instructions:

- Instructions from other CBL or Bridge counterparties using an account number other than the GMA and being defined as belonging to a Matching group will be rejected by Clearstream Banking. The counterparty will receive the following error message: "Sub-Matching Account may not be used as the counterparty account".
- Instructions received from domestic counterparties, for which the concerned customer has not issued a matching instruction, will continue to be reported as "your instruction missing" and will not be rejected.
- For DTCC ID processing, customers are requested to inform their counterparty not to instruct against a GMA but to continue to use the appropriate settlement account.
- Cash and securities instructions that do not require Matching can be instructed against any account belonging to a Matching group. To prevent the use of such accounts, customers can use the "Selective acceptance service for Internal and Bridge delivery instructions without matching instruction".
- Instructions generated internally by CBL for administrative purposes for an internal account can also be matched against instructions issued on any account belonging to a Matching group, such as instructions generated for Triparty Collateral management services or Strategic Securities Lending (SSL) Transactions.
- Instructions transmitted for Matching to domestic markets or to Euroclear will always include details of the GMA.
- In domestic markets where the tax rate is used for Matching purposes, CBL will include the rate in the customer's instruction applicable to the underlying account used for settlement.

Settlement rules

The following settlement rules apply:

- All instructions free of or against payment transmitted to a domestic market or to Euroclear for settlement will include the details of the GMA.
- Within CBL, all validation, including provisioning, will be performed against the account specified in the instruction. For example, the Optional settlement Flag setting, credit lines and the settlement Sequence Option in the instruction will be according to the account specified in the instruction.
- Customers can use delivery instructions without Matching for transfers of securities between accounts in the same account Matching group, in different Matching groups, or to or from any other counterparty, as long as the receiving account is not blocked for such instruction Type

Reporting

The results of single Matching account service processing will be reported through all communications media.

Alleged instructions (instructions sent from counterparties for which no matching instruction has been found by Clearstream Banking) are reported only in customer reports relating to the GMA against which the counterparty has instructed.

All custody notifications are sent to the SWIFT address of the account holding the position.

In order to subscribe to the single Matching account service customers must contact Clearstream Banking Client Services or their respective Relationship Officer.

3.8 Selective Acceptance service for Internal and Bridge delivery instructions without Matching instructions

The Selective Acceptance service for Internal and Bridge delivery instructions without matching instructions enables customers to decide to automatically reject internal deliveries of securities from counterparties without matching instructions into a specified account, while per default account set up such receipts of securities are accepted.

Principles of the service

Customers define one or more of their accounts as belonging to a set of accounts for which the service is to be enabled

Thereupon:

- Each account in the set can receive internal deliveries without Matching from each of the other accounts in the set.
- Each account in the set can only receive deliveries of securities from any other internal customer or Bridge counterparty with a matching instruction.
- Customers can send internal delivery instructions without Matching to any other CBL customers' account or Bridge deliveries to Euroclear counterparty accounts that have not been blocked from receiving such deliveries.

Customers should note that this service is not applicable to deliveries of securities from domestic counterparties, as such instructions will not be blocked and continue to be settled with each account defined in the instruction.

Error message related to using blocked accounts:

Xact Web Portal

Delivery without matching not allowed on this account, please use matching instructions.

CreationOnline

Delivery without matching not allowed on this account, please use matching instructions.

SWIFT ISO 15022

Non-matching instructions not allowed for this account, please do not use :22F::STCO//DLWM in MT542 sequence E - Settlement Details of Instruction.

Indicators TRAD, OWNI or OWNE may be used with :22F::SETR.

In order to subscribe to the Selective Acceptance service customers must contact Clearstream Banking Client Services or their respective Relationship Officer.

3.9 The Optional settlement Flag

The Optional settlement Flag enables customers to determine, for cash management purposes, which against payment Internal and Bridge securities Transactions are included in the optional settlement period processing. Customers have complete flexibility to include or exclude Transactions at their own discretion. By default, all Transactions on the account are EXCLUDED from the optional settlement processing. This default Account Option applies to all customer accounts unless the customer specifically requests a Standing instruction.

Note: The flag setting does not apply to temporary instructions, which are only used for trade Matching purposes.

Customers can instruct CBL to include automatically in the optional settlement processing all eligible Internal and Bridge Transaction types on specified accounts. Customers can do this when opening an account, or subsequently by SWIFT MT599 or free-format message via Xact Web Portal or CreationOnline for the attention of Banking Operations, CBL, giving at least two Business Days' notice. Customers receive confirmation via SWIFT of the date on which the Standing instruction will be implemented.

For both Internal and Bridge Transactions both counterparties' instructions must have the appropriate flag setting if they want their instructions to be settled in the optional settlement processing. If only one counterparty has the appropriate flag setting, the Transaction is reported as "Mismatched" on the flag setting and will not be considered in the optional settlement processing.

CBL recommends that all instructions for settlement of Transactions in CFF Qualified Investment Fund Shares against an FIA be flagged for automatic inclusion in the optional settlement processing.

Instruction Flags

An instruction Flag can be input by customers on specific Internal and Bridge instructions, regardless of whether the customer's account is operated on the basis of the Default Option or a Standing instruction. Xact Web Portal and CreationOnline users are requested to refer to the online help for more information.

An instruction Flag may be used:

- on a new instruction, to indicate that the flag setting at account level (default Account Option or Standing instruction, as applicable) should not apply to that specific instruction (for example, at account level), the flag is set at the Default Option for mandatory settlement only but the customer requires this new instruction to be eligible for mandatory and optional settlement.
- to change the flag setting on an instruction that has already been sent using the account setting (default Account Option or Standing instruction, as applicable) but the customer now wishes to deviate from the account setting in respect of this specific instruction (for example, the instruction was originally sent using the Default Option for mandatory settlement only but the customer now requires that the instruction be eligible for mandatory and optional settlement).

In both cases, if the Transaction was at least proposed once for settlement but is not settled at the end of a given settlement Date, the flag is not retained after that settlement Date and the instruction will revert to the default Account Option or Standing instruction, as applicable. (If an instruction is entered **before** settlement Date, with a flag, the flag will remain until the end of the optional processing on that settlement Date.)

An exception to these rules applies to Internal instructions related to Primary Market Transactions. All Primary Market instructions for value primary date will automatically be included in the optional settlement processing of the Closing Date, overriding any default flag for the account.

The deadlines for the modification of flags on Internal instructions are the same as those for instruction input:

	Modification from optional to mandatory only	Modification from mandatory only to optional
Internal Receipts and Deliveries in all currencies except ARS, CAD, GBP, MXN, PEN and USD.	SD 16:00	SD 20:00
Internal Receipts and Deliveries in ARS, CAD, GBP, MXN, PEN and USD	SD 18:00	SD 20:00

In order to meet the Matching requirements described in [The settlement day](#) on page 3-4, any modification to an instruction Flag on a Bridge instruction must be received before the last ACE transmission relevant to the nature of the related instruction (delivery or receipt) and the modification required (from mandatory only to optional or vice versa). The timings in the following table are **indicative times**¹ to illustrate the last opportunities to modify an instruction Flag on Bridge instructions:

	Modification from optional to mandatory only	Modification from mandatory only to optional
Bridge Receipts in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD	SD 14:25	SD 18:30
Bridge Deliveries in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD	SD 14:15	SD 18:30
Bridge Receipts in EUR and GBP	SD 15:45	SD 18:30
Bridge Deliveries in EUR and GBP	SD 15:55	SD 18:30
Bridge Receipts in ARS, CAD, MXN, PEN and USD	SD 17:25	SD 18:30
Bridge Deliveries in ARS, CAD, MXN, PEN and USD	SD 17:35	SD 18:30

Requests for flag modifications received after the above mentioned times will be processed on a “best efforts” basis.

Transactions automatically included in the optional settlement period processing

Please note that the following Transaction types are **automatically** included in the optional settlement period processing:

- All External instructions.
- Primary Market Transactions.

All Internal against payment instructions for value primary date will automatically be included in the optional settlement period processing of the Closing Date.

Note: All Free of Payment Transactions settle in the mandatory settlement period throughout the day.

1. Customers are recommended to send the modification to the instruction Flag as early as possible.

Flag setting requirements for optional settlement period processing

As illustrated in [Figure 3.7](#) below, Internal and Bridge Transactions must have appropriate flag settings to be included in the optional settlement processing:

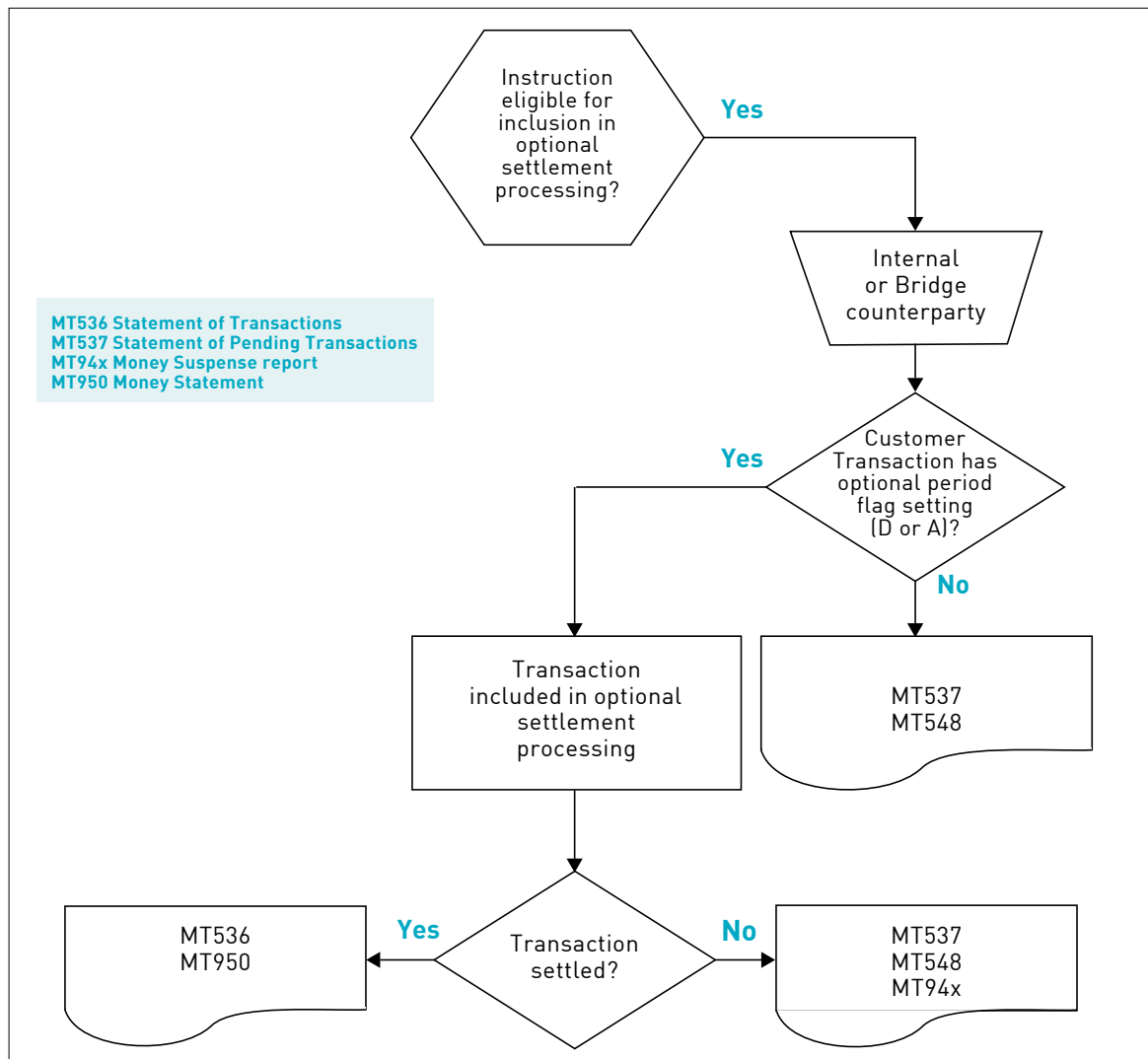


Figure 3.7 Flag setting requirements for optional settlement period processing

Reporting of flag settings

Flag settings on internal and Bridge securities Transactions, and their matched or mismatched status, are reported on the MT537 (Statement of Pending Transactions), MT548 (Settlement Status and Processing Advice) and the MT94x (Money Suspense report).

Note: On Transactions reported as “mismatched”, the only discrepancy between counterparties’ instructions is the flag setting. Mismatched Transactions are still eligible for settlement in the mandatory settlement period processing.

On reports to customers using the Default Option on their account, no flag setting appears against Transactions unless the customer has used an instruction Flag. On reports to customers using a Standing instruction on their account, the setting code “A” appears against Transactions, unless the customer has used an instruction Flag. Mismatched instructions are reported to customers as “disagreement processing batch.”

3.10 Transaction Linking Service

The Transaction Linking Service enables customers to automatically make deliveries or receipts of securities dependent (contingent) upon the prior settlement of other, specifically linked, securities Transactions.

The service consists of the following:

- Settlement of one or several deliveries can be made dependent on the successful settlement of one or several receipts (Delivery Contingent on Receipt - DCR); or
- Settlement of one or several receipts can be made dependent on the successful settlement of one or several deliveries (Receipt Contingent on Delivery - RCD).

The service can be used between any combination of Internal, Bridge or External instructions, for any number of receipt and delivery instructions and for any combination of settlement details. The only linkage criterion is the Pool ID.

Validation criteria

The type of linkage, DCR or RCD, must be specified on settlement instructions as the first three characters of the Pool ID, with the appropriate code word, as follows:

Connectivity medium	Pool ID format	Field(s) to be used
Xact Web Portal	16x	Pool ID
CreationOnline	16x	Pool Reference
Xact via SWIFT and Xact File Transfer	:POOL//16 x	Field:20C: sequence A1

DCR: The receipts settle according to usual settlement process but the deliveries remain “on hold” until all linked receipts have settled.

RCD: The deliveries settle according to usual settlement process but the receipts remain “on hold” until all linked deliveries have settled.

The linking conditions DCR or RCD and the appropriate Pool ID can be specified immediately when sending instructions to CBL or, provided that the Transactions are still Pending in CBL, they can be added or amended at a later stage using Xact Web Portal or CreationOnline. Removing linking conditions from a Pending instruction is not possible. In order to correctly process the linking, it is recommended that all settlement instructions belonging to a Pool ID are sent at the same time.

Instructions that are already being settled must not be part of the group of instructions to be linked.

The Pool ID

The Pool ID is the unique identifier for all instructions in a Transaction pool. It can be up to 16 alphanumeric characters long, including the preceding code word DCR or RCD which form an integral part of the Pool ID. It must be unique per instructing party's account and for all active Transactions involved in the Transaction pool.

The Pool ID can be reused in case the last instruction of a previous Transaction pool that used it is no longer active i.e. it has been cancelled, rejected or it has settled.

The Pool ID being the sole criterion for linking Transactions, it is not a requirement that the Security Code, settlement Date, nominal value or other characteristics of the linked Transactions must be identical.

Incomplete Pool

If a Transaction or a pool of Transactions with a Pool ID is present exclusively on the buy side or on the sell side, then, depending on the linkage criterion (receipt with RCD, delivery with DCR), the contingent Transaction(s) will not be released for settlement.

To release such Transaction(s), the pool can be completed by inputting the opposite instruction Type with an identical Pool ID; they can be released by entering a replacement instruction or by cancelling the “contingent” instruction and entering a new instruction without a Pool ID.

A Pool ID can be changed on Pending instructions via Xact Web Portal or CreationOnline. For all other connectivity channels, the instruction must be cancelled and re-input with the modified Pool ID.

Reporting

Linked instructions will be available for Matching and pre-matching, with reporting performed according to the current procedures. At the start of the provisioning period, all contingent instructions will be kept “on hold” until the condition for releasing it to settlement processing is met that is, the linked instructions have settled.

N.B.: For users of the Transaction Linking Service

The new service supports many-to-many linkage. Therefore, if customers input linked instructions after the start of the provisioning period, for one or several Transactions included in a given set of linked Transactions, the customer must ensure the following:

- for a DCR link, that all the related receipt instructions have been input; or
- for a RCD link, that all the related delivery instructions have been input.

This will ensure that the “linking” conditions are known by the settlement system and can be met before contingent instructions are released for settlement.

Restrictions

The Transaction Linking Service cannot be used in combination with the following services:

- Domestic back-to-back processing. customers should continue to use this in case only domestic market instructions are to be linked.
- Domestic Repo.

The Transaction Linking Service can be used in combination with the use of the “Hold/Release” mechanism but the following must be considered:

- Placing a linked instruction on hold means that contingent instructions cannot settle until the linked Transaction upon which their settlement depends has been released and settled.
- Releasing an instruction that is contingent on the settlement of a linked Transaction results in the link being broken for that instruction and it is released for normal settlement.

Further information is available in the Connectivity User Guides. Xact Web Portal and CreationOnline users can also refer to the online help.

3.11 Hold/Release mechanism for securities settlement instructions

The Hold/Release mechanism enables customers to temporarily hold back a securities Transaction from settlement, even if cash or securities Provision is available, and to release it only when settlement is desired.

The service is available for Internal, Bridge and External instructions, Free of Payment or against payment.

The "Hold" condition can be specified immediately when sending instructions to CBL or, provided that the instructions are still Pending in CBL, it can be added at a later stage.

The "hold flag" on a Pending instruction can be removed by the emitter of the instruction.

Transactions are kept on hold or released when one of the following instruction Types is used:

- Instruction Type PREA for recording a new instruction "On Hold"¹.
- Instruction Type PREA + reference number of the target instruction for changing a Pending instruction to "On Hold".
- Instruction Type NEWM with a narrative /HOLD/ for recording a new instruction "On Hold".²
- Instruction Type NEWM with a narrative /HOLD/ + reference number of the target instruction for changing a Pending instruction to "On Hold".²
- Instruction Type NEWM with a narrative /RELEASE/ + reference number of the target instruction for removing the "On Hold" status from an instruction.
- Instruction Type MT530 (Transaction Processing Command) with code word NPPE + reference number of the target instruction, for changing a Pending instruction to "On Hold".
- Instruction Type MT530 with code word YPRE + reference number of the target instruction, for removing the "On Hold" status from an instruction.

Instruction Matching is unaffected by the Hold/Release functionality. Once released, the instruction follows the normal settlement pattern.

Reporting

Reporting is adapted to reflect the impact on the status of instructions on hold as follows:

- Status BOTH is reported when the two matching instructions are on hold.
- Status PREA is reported when the emitter's instruction is on hold and his counterparty's instruction is released.
- Status PRCY is reported when the counterparty has instructed an instruction "On Hold" and the emitter has entered a released instruction.

Cash Balance forecast reports include the cash Countervalue of instructions "On Hold", provided they qualify for inclusion in the calculation according to existing rules. The fact that instructions are on hold has no impact on forecast calculations.

Further information is available in the Connectivity User Guides. Xact Web Portal and CreationOnline users can also refer to the online help.

1. For instructing a "temporary, for Matching only" securities instruction, message function PREA must be complemented by a Settlement Indicator :22F::SETR/CEDE/MTCH".
2. If the /HOLD/ indicator is received via SWIFT MT54x with function code NEWM, release via Xact Web Portal or CreationOnline is not possible and such SWIFT instructions should be released by customers via the SWIFT channel.

Restrictions

An instruction cannot be held back from settlement in the following instances:

- The instruction to be put on hold is “locked-in” for settlement or provisioned and released to the domestic market. Instructions that had been transmitted to a settlement location external to CBL cannot be put on hold, even if the actual domestic settlement has not yet taken place.
- The instruction has reached an end of life state.
- The instruction is part of a “Domestic Back to Back pool” or “REPO transaction pool”. These different pool types cannot be commingled with 'Hold/Release', regardless of whether a pool status is complete or incomplete.

If an instruction contains both 'Domestic Back to Back or REPO Pool' information and 'Hold' information, the 'Hold' information will be rejected. A modification request to add a Hold flag to an instruction that is participating in such a 'Pool' will be rejected and an error message generated.

- Cash and “for Matching only” instructions cannot be put on hold.

The “Hold/Release” mechanism can be used in combination with the Transaction Linking Service but the following must be considered:

- Transaction linking automatically puts the contingent instruction(s) on hold until settlement of the linked instruction(s) is achieved. Hence contingent instructions that are Pending cannot be put on hold as they have this status already.
- Placing a linked instruction on hold means that contingent instructions cannot settle until the linked Transaction upon which their settlement depends has been released and settled.
- Releasing an instruction that is contingent on the settlement of a linked Transaction results in the link being broken for that instruction and it is released for normal settlement.

Impact on other functionality

Immediate Release flag: The “Hold flag” takes precedence over the “Immediate release flag” in case the two flags are present in the same instruction. The instruction will not be released for settlement processing until the customer releases the instruction.

Priorities: The “Hold flag” overrides any priority setting for the provisioning of the instruction on hold. Priority will take effect only when the instruction is released for settlement.

3.12 Settlement sequence

As illustrated in [Figure 3.8](#) below, once an instruction is ready for settlement (matched and released), the order in which Transactions are considered for provisioning and settlement is determined by:

- The Transaction priority (assigned by the customer or by CBL);
- The Settlement Sequence Option on the account.

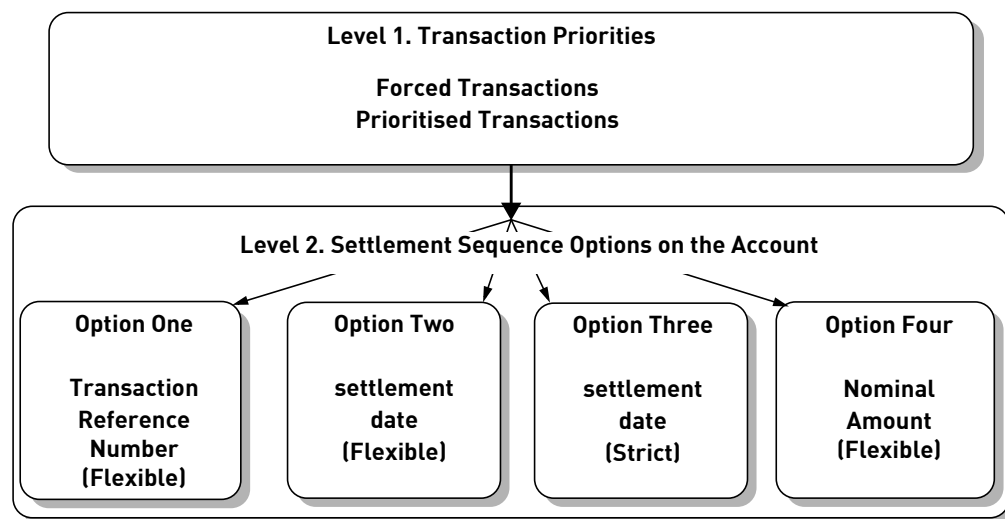


Figure 3.8 Transaction priorities and Settlement Sequence Options

Priority can be assigned to Transactions by CBL (in the case of forced Transactions), or it can be allocated by the customer, using a Priority Code input on the instruction.

Note: A customer cannot assign a Priority Code on cash instructions (MT103, MT202, MT210). Cash on the account will be used first to provision securities purchases to maximise settlement efficiency, provided that the securities instruction fulfils the conditions to settle.

Customers specify the Settlement Sequence Option when an account is opened; they can change it subsequently if required. The option specified applies only to Transactions for delivery of securities.

Level 1. Transaction priorities

Forced Transactions

CBL may “force” Transactions such as:

- Securities settlement and fund payments, where settlement has already occurred and the account is to be updated;
- Primary Market Transactions, where funds have been released through the Lead Manager;
- Fees and charges due on the account.

Forced Transactions always have the highest priority.

Prioritised Transactions

Customers can prioritise both deliveries (to control settlement in a specified Security Code) and receipts (to control the use of funds). Full details of how to prioritise Transactions are given in the communications user manuals.

The Priority Code gives one Transaction priority over other instructions ready for settlement on the same account and in the same security or currency. Customers can prioritise a securities Transaction when the instruction is first sent to CBL.

It is possible to add priority to Pending instructions, but this will depend on the Transaction type and on the stage the instruction is at in its life cycle, as follows:

- If it is an internal Transaction, priority can be added at any stage.
- If it is other than an internal Transaction:
 - If the instruction has been processed at least once and as a result appears in an MT537 (Statement of Pending Transactions), priority can be added at this stage, unless the instruction is already provisioned.
 - If the instruction has been sent but not yet processed¹, the customer is obliged to cancel the instruction and send a new one, specifying a Priority Code, under a new Transaction number.

The Priority Code takes effect when the Transaction reaches the processing for the Requested settlement Date and if all Matching requirements for settlement are satisfied. The Priority Code is most effective on deliveries of securities, free or against payment. Provision is reserved to settle the highest priority Transaction. Once reserved, this Provision cannot be used to settle any other instruction as long as the highest priority Transaction is still eligible for settlement.

During real-time settlement and End of day processing, not all instructions are permanently presented for settlement as not all are continuously eligible. Eligibility for settlement and Provision depend on the following:

- The settlement period: mandatory or optional;
- The processing timings of domestic markets;
- For Bridge Transactions, the file exchange timing scheduled between CBL and Euroclear Bank.

Only prioritised instructions eligible for settlement can be prioritised according to the customer's settlement sequence. Since the eligibility of customer instructions has an impact on the customer settlement sequence, customers should consider the above when inputting their instructions. Additionally, Transaction linking and hold/release functionalities are available (as described in [Transaction Linking Service](#) on page 3-25 and [Hold/Release mechanism for securities settlement instructions](#) on page 3-27) to further secure the Transaction settlement sequence.

A Priority Code can also be input on an against payment receipt Internal instruction and a Bridge receipt instruction (MT541 instruction) to determine which Transaction will settle first if funds are insufficient to settle all Transactions, but the priority handling of receipt instructions cannot be guaranteed in all instances as it can be overridden by the priority treatment of deliveries. Furthermore, it can only take effect if the counterparty presents the securities for settlement. If the counterparty of a prioritised receipt instruction is not able to propose his delivery, other purchases/receipts in the same currency can nonetheless be settled.

In the event that there are insufficient funds to settle all eligible receipt Transactions for a given security, the rules applied after considering the priority of instructions take the instruction with the largest Countervalue first. In case of identical Countervalues, the instruction with the lowest customer reference number is settled first.

Note: A Priority Code cannot be input by the customer on cash instructions (MT210, MT103 or MT102).

1. In this context, pre-matching and consequent appearance in the MT537 (Statement of Pending Transactions) or the MT578 (Settlement Allegement report) is not to be considered as "processing".

Level 2. Settlement Sequence Options on the account

The account Settlement Sequence Option determines the order in which Transactions with the same priority are queued by CBL for provisioning. With the exception of Option Three (Settlement Date (Strict) - see [Figure 3.8](#) on page 3-29), settlement sequences are Flexible, meaning that:

- If a Transaction higher in the queue cannot be settled with the Provision available, then Transactions lower down the queue will be settled (if sufficient Provision is available).
- Provision will not be reserved for a Transaction that does not settle.

During the mandatory settlement period, the process is repeated several times (see [Delivery and feedback file exchange](#) on page 3-5). Transactions already settled cannot be unwound; therefore, at each stage, only those Transactions that have previously failed to settle are re-queued for provisioning and settlement.

Deliveries are ordered as follows:

Option One: Transaction Reference Number (Flexible)

This is the “default” Settlement Sequence Option applied to customer accounts if no request is made by the customer. It can be summarised as follows:

First: Transactions that are two days or more past the Requested settlement Date are provisioned in the following order:

- Transaction reference number (lowest number first);
- Nominal Amount (largest first), if the same reference number is used.

The same reference number can be used if the information in one or more of the following fields is different from that in an instruction that has already been received for processing or that is in the MT537 (Statement of Pending Transactions): Instruction Type, Instructing Party's Account Number, Counterparty's Account Number, Security Code, Nominal.

Second: Transactions for the settlement Date of the processing and the previous settlement Date are considered for settlement in the same sequence as above.

Option Two: Settlement Date (Flexible)

Transactions are considered for settlement in the following order:

First: Requested settlement Date (oldest first);

Second: Nominal Amount (largest first);

Third: Transaction reference number (lowest number first).

Option Three: Settlement Date (Strict)

Transactions are provisioned for settlement in the same sequence as in option two, above, except that the first criterion (Requested settlement Date) is applied strictly. This means that, within the same priority, Provision will be reserved for instructions with the oldest settlement Date first, for as long as the instruction is eligible to settle. Transactions will be provisioned for settlement, in the following order:

First: Requested settlement Date (oldest first, Strict);

Second: Nominal Amount (largest first);

Third: Transaction reference number (lowest number first).

Option Four: Nominal Amount (Flexible)

Transactions are considered for settlement according to the following criteria:

First: Nominal Amount (largest first);

Second: Requested settlement Date (oldest first);

Third: Transaction reference number (lowest number first).

3.13 Processing of Collateral movements with central banks

CBL facilitates the collateral movements that are required for executing payments through TARGET2 (TARGET - Trans-European Automated Real-time Gross Settlement Express Transfer system) the euro payment system operated by the central banks of the European Union.

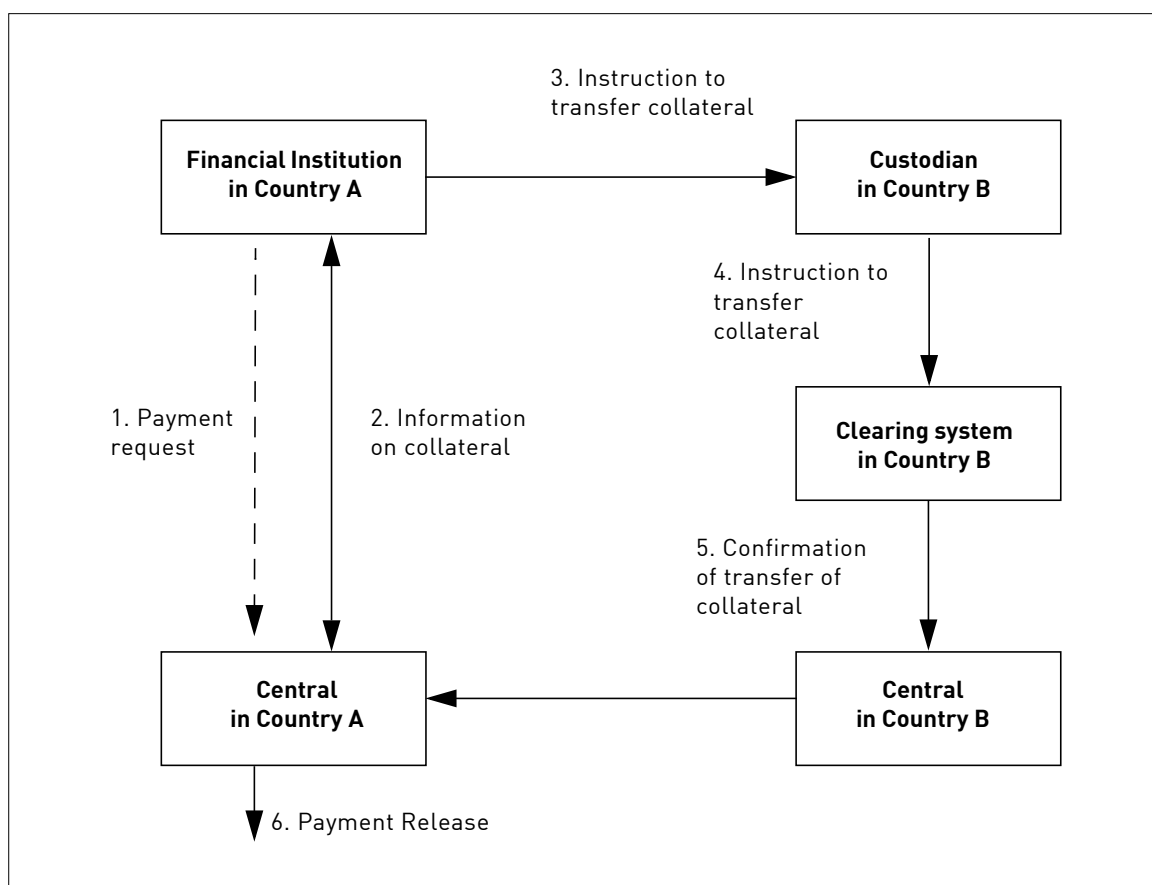


Figure 3.9 TARGET2

Background information

Payments are effected by the individual member's national central bank, provided that the payer has sufficient cash or collateral deposited there. Payments and the related collateral movements can be effected during the TARGET2 working hours from 07:00 to 18:00 (CET). TARGET2 is open every day of the year except Saturdays, Sundays, Christmas Day and New Year's Day.

Collateral eligibility rules

All operations of the European System of Central Banks (ESCB) that provide liquidity necessitate the deposit, by the counterparty of the operation, of adequate collateral value in the form of securities. The deposit is made at the relevant central bank, via a national or international clearing system.

Detailed information on the eligibility as collateral and its valuation have been published by the European Central Bank (ECB) on their website www.ecb.int.

Collateralisation of monetary operations

A financial institution may obtain funds from the central of the member state in which it is established, provided that the institution has sufficient collateral there. Securities serving as collateral can be transferred to the central through the national system or, if deposited in another member state, through the central of that member state, as shown in [Figure 3.9](#) on page 3-32.

In the latter case, the financial institution instructs (directly or via CBL) the clearing system in the country in which its securities are held to transfer them to the account of the central of that country in favour of the national central of the financial institution. As soon as the national central is informed by the correspondent central that the collateral has been received, it makes credit available or executes the payment as instructed by the financial institution. The ECB has been assessing the Links to domestic markets since early 1999 with the aim of helping to establish this as a full book-entry process within CBL. A list of these Links is available on the ECB website www.ecb.int.

The Links currently assessed for CBL are the following:

- Austria: Link to OeKB (via CBF CASCADE (Germany));
- Belgium: Link to Euroclear Bank;
- Belgium: Link to NBB (via CBF CASCADE (Germany));
- Denmark: Link to VP Securities A/S (via Danske Bank)
- Finland: Link to Euroclear Finland (via Nordea Bank Finland);
- France: Link to Euroclear France (via CBF CASCADE (Germany));
- Germany: Link to CBF;
- Greece: Link to BOGS (via CBF CASCADE (Germany));
- Italy: Link to Monte Titoli (via CBF CASCADE (Germany));
- Luxembourg: Link to LuxCSD;
- Malta: Link to MaltaClear (via CBF CASCADE (Germany));
- Netherlands: Link to Euroclear Nederland (via CBF CASCADE (Germany));
- Slovak Republic: Link to CDCP (via CSOB);
- Slovenia: Link to KDD (via NLB).

The ECB website should be used as the point of reference for the most up to date list of Links.

For the cross-border use of eligible instruments, all national central banks maintain securities accounts with each other. The securities remain immobilised in the national clearing systems (CSDs) or in the ICSDs.

Where necessary to meet settlement deadlines, financial institutions will be able to pre-deposit instruments with central banks for the account of their national central bank.

Alternatively, and as opposed to the earmarking of collateral for specific operations, institutions can choose to maintain a pool of instruments with their central banks. In these circumstances, the administration of the collateral is simplified because no case-by-case transfers are required.

The following sections describe how CBL customers can use their securities deposited in CBL as collateral for supporting TARGET2 payments.

Operational procedures

The TARGET2 system operates on a real-time basis and so it is important for users to be able to move collateral with equal speed between CBL and the central bank.

CBL customers can choose to transact collateral movements on a “continuous settlement” basis. This new service caters for the transfer of securities between CBL and BCL within minutes. The TARGET2 payment associated with the movement of securities is executed by the national central of the customer within an allowed maximum time of two hours.

Instructions to move collateral from customer accounts to the account of BCL are executed by CBL upon receipt, from 21:00 SD-1 to 18:00 SD. The transfer of collateral can be made on a Free of Payment basis only.

If the transfer is specified for a future settlement Date, it will be kept Pending until that date is reached. Settlement will occur at the start of settlement processing and the central will be notified on the settlement Date, in the early morning.

Instructions for same-day execution that are received in CBL during TARGET2 working hours will be processed immediately by CBL, and the central will be advised that the collateral had been made available in their account with CBL.

It is expected that payments will be released by the central through TARGET2 within two hours after receipt of the customer’s instruction in CBL.

How to instruct CBL

Customers wishing to transfer securities to BCL instruct CBL with a Matching MT542 instruction (delivery of securities Free of Payment). The return of collateral from BCL is also made Free of Payment, using a MT542 instruction, in which case the customer instructs with a Matching MT540 instruction (receipt of securities Free of Payment).

Where the payment is to be executed by BCL directly, customers must use counterparty account 82800 for collateral transfers. If the payment is to be executed by a central other than BCL, counterparty account 82801 must be used.

Notifications and reports on collateral movements with Central Banks

Collateral movements are reported in the same way as any other settlement activity, through CBL’s standard set of reports. Please refer to [Chapter 11. Reports and information services](#).

Fees

The standard Clearstream Banking Fee Schedule applies to the Transactions effected with the central bank.

3.14 Interest claims

CBL adopts the ICMA Recommendation to its Rule 406, that applies to all interest claims against clearing agents. As a consequence:

- no claim shall be considered for amounts of less than USD 100 or its equivalent in another currency;
- no claim shall be considered after a lapse of thirty calendar days from the date on which the Transaction was actually settled.

These guidelines apply to all CBL customers and Transactions processed in all securities accepted in CBL.

3.15 Recycling of instructions when a Security Code is not open

The instruction recycling service improves the handling of settlement of instructions when the instruction relates to a Security Code that has not been opened by CBL.

The standard procedure is to keep the instruction pending until the end of the Real-Time Processing (RTP) period of the Business Day of its receipt. If the Security Code is opened before the end of the RTP of the Business Day of its receipt, the instruction is accepted for regular processing. In the event that the Security Code is not opened by the end of RTP, the instruction is automatically cancelled and a new instruction must be submitted by the customer when the Security Code is finally opened.

Customers who have subscribed to the instruction recycling service will, when sending a settlement instruction in a Security Code not yet open in CBL, avoid automatic cancellation at the end of the RTP because the instruction is kept pending for a longer period while the eligibility of the Security Code in CBL is investigated.

Principles of the service

Customers must register for the service by completing the subscription form (available on our website or upon request) and send it back to CBL as explained below. By so doing, the customer agrees with the principle of the service as described below.

The service is managed and executed at the customer's account level. This means that all settlement instructions for an account that has subscribed to the service will be recycled in the event that the relating Security Code is not opened by the end of CBL RTP on the day of the receipt of such instructions. All settlement instructions for accounts that do not participate in the service will be automatically cancelled at the end of RTP of the Business Day of their receipt if the relating Security Code has not been opened.

The settlement instruction will be recycled during a period starting on and including the day of receipt of the instruction up to the customer's Requested settlement Date (RSD) or for four Business Days, whichever is the longer (the "Recycling Period"). The instruction will remain pending until the related Security Code is opened within the Recycling Period. If the related Security Code is not opened within the Recycling Period, the instruction will automatically be cancelled at the end of the Recycling Period.

Specifics of the service

During the Recycling Period:

- The instruction will fall in the status 'incomplete' upon receipt and will be recycled until RSD or for at least four Business Days, whichever represents the longer period. For example:
 - If an instruction is received 10 days before RSD, it is cancelled in the 1st settlement cycle in the overnight processing of RSD.
 - If the settlement instruction is received on RSD-2, it is cancelled in the 1st settlement cycle of the overnight processing of RSD+2.

Upon receipt of the customer's instruction, an MT548 Settlement Status and Processing Advice will be released with Status, Reason and Reason Narrative fields set accordingly.

Subsequently:

- If, at the end of the Recycling Period, the Security Code has not yet been opened, a last MT548 CAND will be sent with the reason why the Security Code could not be opened included in the Reason Narrative field. The settlement instruction will be cancelled automatically.
- If the Security Code is opened during the Recycling Period, the instruction is sent for further processing and the usual life cycle reason codes will be applied accordingly.

Note: Reason codes and their respective descriptions are published in the Xact via SWIFT User Guide.

Customers will be made aware that, if the Security Code is opened during the Recycling Period, their settlement instruction will be automatically sent for processing without prior notification from CBL. It remains the customer's responsibility to monitor activities during the Recycling Period for any impact that the release for processing of their settlement instruction may have on their cash position.

Customers will have the possibility to cancel their instruction themselves, at any time during the Recycling Period, but only under the conditions described in [Enforceability, irrevocability and finality of instructions](#) on page 4-1.

Customers subscribing to the recycling service are advised to carefully follow up the status of their pending instruction during the Recycling Period as well as any change with regard to trade details of the security (including the security price). The release of the instruction for processing once the Security Code is opened is not a guarantee of its settlement, which remains subject to CBL's rules of settlement as described in the Governing Documents.

Registration for the service

To register for the instruction recycling service, which is a free service, customers must send a completed application form (available on request or on our website). The form should be received by CBL at least two Business Days before the requested start date and should be sent to:

Clearstream Banking S.A.
Account Administration
L-2967 Luxembourg

Application forms are available from CBL Client Services or Relationship Officers.

Any request change (such as to add the service or remove the service to/from a specific customer account) should be sent in either writing by registered mail, signed by authorised signatories, or via a SWIFT MT599, Xact Web Portal or CreationOnline free-format message to the above address.

Such requests must be received by CBL at least two Business Days before the date on which the change should take effect and may be accepted at CBL's sole discretion.

Cancellation of the service

Cancellation of the instruction recycling service can only be effected by a written notification, signed by authorised signatories, via a SWIFT MT599, Xact Web Portal or CreationOnline free-format message. The cancellation will be effective two Business Days following the receipt by CBL of the cancellation notice.

Admittance to the service

Admittance to the instruction recycling service is at the discretion of CBL.

3.16 Partial/Shaping settlement service for external settlement instructions

The partial/shaping settlement service is offered on markets where SWIFT ISO 15022 standard formats are applicable to inform CBL of partial/shaping settlement as per local market practice.

The partial/shaping settlement service enables automatic bookings on CBL customer accounts and CBL customer reporting of partial/shaping settlement confirmations received from domestic markets. The minimum amount for partial/shaping settlement is dependent on domestic market practice; please refer to the respective Link Guide for specific information.

A single trade can be settled partially or split into different shapes on more than one value date, depending on when the delivering party obtains the securities or the receiving party obtains the cash. The original customer instruction (parent instruction) is automatically reversed and replaced by the corresponding split instructions (sibling instructions): one settled instruction for the quantity and amount confirmed; and one outstanding instruction for the remaining quantity and amount, which may settle at a different time or be further split.

Note: The use of SWIFT settlement indicators NPAR (no partial settlement allowed) and PART (partial settlement allowed) is ignored and customer instructions are processed according to the applicable market rules.

It is important to note the following:

- Partial/Shaping settlement services are not offered by Transfer Agents or Investment Funds.
- Partial/Shaping settlement confirmations received on back-to-back or Repo instructions are processed differently as the original instruction is cancelled and partial settlement confirmations are applied as follows:
 - For partial receipts, a manual credit of securities and a manual cash debit (if it is an against payment Transaction) are booked on the customer's account.
 - For partial deliveries, a manual debit of securities and a manual cash credit are booked on the customer's account.

In both cases, the original transaction reference is reported in the narrative of the manual instruction.

Impact on reporting via SWIFT

The reports that reflect the partial/shaping settlement service as appropriate are:

MT544-7 Settlement Confirmations;
MT537 Statement of Pending Transactions;
MT548 Status and Processing Advice;
MT536 Statement of Transactions.

Report content varies according to whether the instruction is for the first, second/subsequent or final partial/shaping settlement of a trade. Details are specified in the quantity, amount and status/reason fields of the appropriate message types as described in the Xact via SWIFT User Guide.

Impact on Xact Web Portal and CreationOnline

A Transaction that is partially settled or shaped is reported as cancelled with Activity "Processing-Cancelled". The Reason Code is "Cancelled/replaced due to partial settlement" and two new instructions are created with the same customer reference:

- One for the partially settled or shaped quantity and amount with a status "Settled";
- Another for the outstanding quantity and amount with Activity External Settlement Pending or Failing and Reason Code Partially Settled.

Note: Only the outstanding cash amount is taken into account in the Pending - Securities sub-balance for the calculation of the Anticipated Net Balance.

3.17 French registered securities

Registration

Registration principles

CBL will handle the registration process for VEN, VON and LBS directly with Euroclear France (Issuance of BRN – “Bordereau de Référence Nominative”) on behalf of customers.

If registration fails with Euroclear France or the issuer, CBL will inform customers on how to proceed.

Registration details

For details about registration through settlement instructions, please refer to the Market Link Guide - France.

4. Securities instructions

This chapter provides information on cancellations and amendments, and gives descriptions of such instructions together with life cycle diagrams showing the reports in which a Transaction may appear, according to its Settlement status. The descriptions fall into two sections: Internal and Bridge instructions, and External instructions.

ISO 15022 terminology is used for Message Types: MT54x applies to ClearstreamXact, Xact Web Portal, Xact File Transfer, Xact via SWIFT and CreationOnline as appropriate.

4.1 Cancellations and amendments to instructions

Enforceability, irrevocability and finality of instructions

Internal instructions

In accordance with article 111 of the Law of 10 November 2009 on Payment Services, as amended, and in view of determining the moment of enforceability of an Internal instruction against third parties pursuant to such law, Internal instructions are deemed to be introduced into the CBL securities settlement system when they are successfully validated, in view of the matching and the settlement processes.

In accordance with article 111 of the Law of 10 November 2009 on Payment Services, as amended, and in view of determining the moment of irrevocability of an Internal instruction pursuant to such law, Internal instructions become irrevocable under the CBL securities settlement system rules as soon as they are matched.

Matched Internal instructions can only be bilaterally cancelled. Customers cannot cancel their Matched Internal instructions unilaterally even if the requested Settlement Date has not been reached.

Once both counterparties have sent their cancellation requests, both instructions are immediately cancelled and reported accordingly. The instructions are not put on hold until CBL receives the cancellation requests from both counterparties, that is settlement will continue to occur up until the second cancellation request is received.

If no matching cancellations are received by then and the instruction has not settled by the End of day processing on Settlement Date, CBL will, in the name and on behalf of the customer issue a renewed cancellation request for the new instruction for Settlement on the next Settlement Date; such new cancellation request must be matched by the customer's counterparty on the same Settlement Date.

Internal instructions that have settled in the CBL settlement system are final. instructions are reported to customers as settled via Xact Web Portal, CreationOnline, ClearstreamXact MT536 (Statement of Transactions), MT54x and an additional MT950 (Money Statement) for against payment.

Matched Internal instructions that have not settled by the end of day processing on Settlement Date are failed. In such cases, CBL will initiate, in the name and on behalf of the customer, a new settlement instruction for settlement on the next Settlement Date until either the settlement is successful or the cancellation requests are received from both customers.

For instructions that are still unmatched 45 days after the requested Settlement Date, a request will be sent to the customer to either cancel or confirm the instruction. If no decision is provided by the customer, the unmatched instructions will be recycled on the next Settlement Date for a further 15 calendar days, after which the instructions will be automatically cancelled. If confirmation is received from the customer, the 60 calendar-day period (that is, 45 plus 15) starts over again. If the instruction is matched within the 15 day period, the instruction will not be cancelled automatically.

External instructions

Transactions settling with a domestic counterparty (that is, in the context of Links) are considered by CBL as relating to External instructions for the finality of deliveries of securities. These can be settled in the domestic markets either against or free of payment. Please refer to the respective Link Guide for further details.

For the purpose of this paragraph, "depository" shall refer to another central securities depository (CSD), a securities settlement system (SSS) operated by a CSD (that is, a linked issuer SSS) or a to which CBL entrusts the safekeeping and administration of securities that CBL holds, either directly with local CSDs or indirectly with intermediaries, on behalf of the customers. For the avoidance of doubt, the term "depository" shall be understood as the entity with which CBL has its securities account for the deposit of the securities on behalf of the customers.

The rules governing the moments of the irrevocability of External instructions and the enforceability of deliveries of securities and cash to or from a domestic counterparty are defined by each of the depositories or local issuer SSSs (for indirect links) in accordance with the domestic rules applicable to such market. The irrevocability and enforceability of the External instructions are then achieved in the books of the depositories or local issuer SSSs. Please refer to the respective Link Guide for further details.

Once the External instructions are final (that is, irrevocable and unconditional) with the depository or local issuer SSS and upon notice of credit/debit of the relevant account of CBL with such depository, CBL will update the customers' accounts accordingly. As per article 7.2 of the law of 1st August 2001 on the Circulation of Securities, as amended, the customers acquire the interest in domestic securities as soon as the securities are credited to the securities account of CBL with the depository and before the credit to customers securities account.

For domestic markets in which matching is "binding", an instruction can only be cancelled upon bilateral agreement between the parties to the trade.

Generally, a Pending External instruction can only be amended by cancelling the initial instruction and submitting a new instruction with correct Settlement details.

Any specific rules for the cancellation of unsettled Transactions with domestic counterparties are given in the respective Market Guide. An External instruction is settled in either of the following circumstances:

- If it has been settled in the domestic market but is not yet reported as settled; or
- If it has been reported as settled via Xact Web Portal, CreationOnline, ClearstreamXact MT536 (Statement of Transactions), MT54x and additional MT950 (Money Statement) for against payment.

Any instruction that has not been transmitted to the domestic market (for example, because of provisioning failure) remains in suspense for a period of 45 calendar days after the Requested Settlement Date. At the end of this period, the customer who submitted the instruction is requested to either cancel or confirm it. If the instruction is neither cancelled nor confirmed, it remains in suspense for a further 15 calendar days, after which it is automatically cancelled. If confirmation is received from the customer, the 60 calendar-day period (that is, 45 plus 15) starts over again.

Bridge instructions

Bridge instructions from customers are deemed to be introduced into the CBL securities settlement system when they are successfully validated, in view of the matching and the Bridge settlement processes. Customers can request a cancellation for all Bridge securities instructions already sent to CBL.

A Bridge receipt or delivery cannot be cancelled or amended in the following circumstances:

- If provision has been debited from the account during the Settlement processing but confirmation or refusal of the Transaction has not yet been received from the counterparty;
- If it has been reported as settled via Xact Web Portal, CreationOnline, ClearstreamXact MT536 (Statement of Transactions), MT54x and additional MT950 (Money Statement) for against payment.

Any instruction that has not been settled or cancelled remains in suspense for a period of 45 calendar days after the Requested Settlement Date. At the end of this period, the customer who submitted the instruction is requested to either cancel or confirm it. If the instruction is neither cancelled nor confirmed, it remains in suspense for a further 15 calendar days, after which it is automatically cancelled. If confirmation is received from the customer, the 60 calendar-day period (that is, 45 plus 15) starts over again.

Back-to-Back Transactions

Customers cancelling back-to-back instructions that **have** already been released into the market must first cancel the linked delivery instruction. Customers can cancel the linked receive instruction when CBL has received confirmation of the cancelled linked delivery instruction from CBL's depository.

Customers cancelling back-to-back instructions that **have not** been released into the market must follow the same procedure as for the cancellation of a standard non-linked instruction.

Note: If only one of the linked instructions is cancelled the pool is broken so the remaining instruction will stay in the system and not be processed at all unless a new instruction is entered to complete the pool.

It is not possible to amend instructions that belong to a valid back-to-back pool. This includes changes to the Pool ID itself. A Pool ID cannot be added to a valid instruction, and a back-to-back instruction that has already been accepted by CBL cannot be "de-linked". In these cases, the instructions must be cancelled and re-input.

Reporting of cancelled Transactions

The diagram in [Figure 4.1](#) below illustrates the reporting of Transactions that are cancelled, either by the customer or automatically:

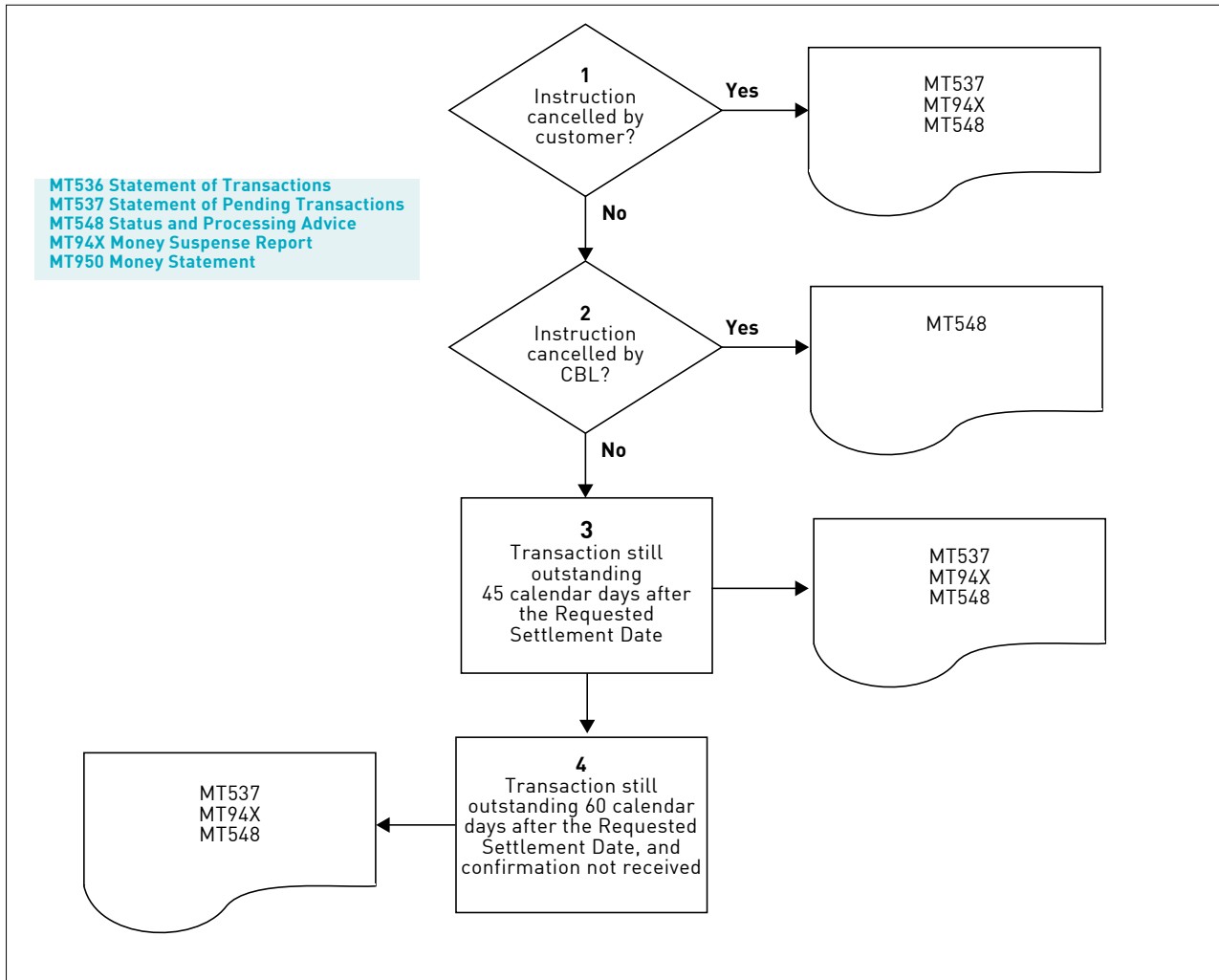


Figure 4.1 Reporting of cancelled Transactions

4.2 Internal and Bridge instructions

The same instruction Types are used for instructions with both Internal and Bridge counterparties:

- MT541 and MT543 instructions are for against payment receipt and delivery respectively;
- MT540 and MT542 instructions are for free of payment receipt and delivery respectively.

All instruction types require Matching on Settlement details, except MT542 instructions (Free of Payment transfer of securities without Matching, where the receiving account is not blocked for MT542 instructions).

Where the same security is held in more than one position on an account, the place of safekeeping and ISIN, or the common code must be provided to identify the relevant account position for the instruction.

Note: MT54x instructions without Matching are not valid for transfers of CFF Qualified Investment Fund Shares.

Internal and Bridge instruction types

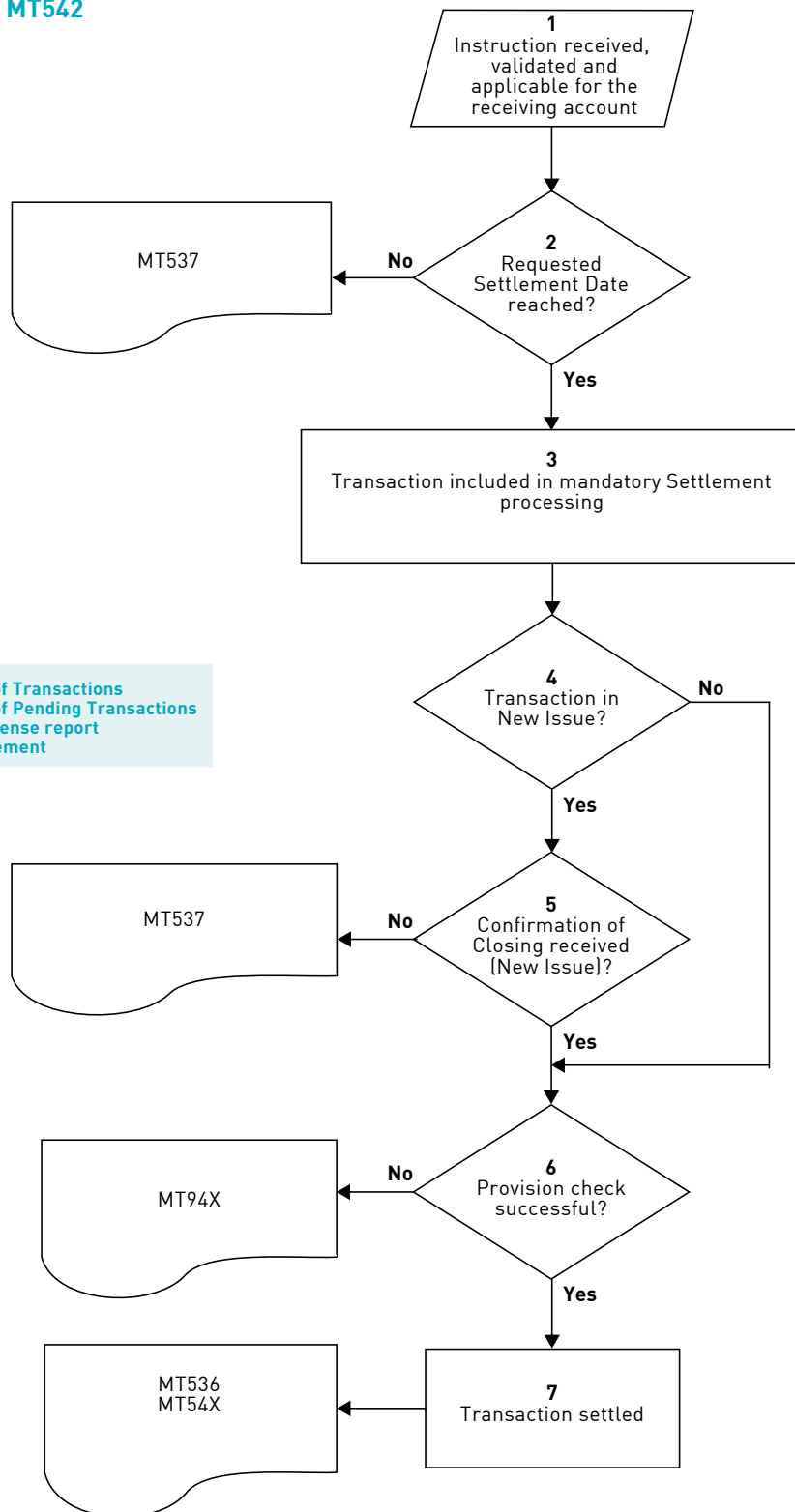
General descriptions of each Internal instruction are presented in the following sections.

Inter-account transfers

MT542 instruction - Free of Payment transfer

MT542 instruction - Free of Payment transfer	
See flowchart, Figure 4.2 on page 4-6	MT542 instruction, which does not require Matching, can be used to execute a Free of Payment transfer of securities between CBL accounts. An MT542 instruction is entered by the delivering party and does not require a corresponding instruction from the beneficiary. Before Settlement, it is reported to the instructing party only. Receipt of securities via an MT542 instruction is only possible for those accounts where a "set of selectively blocked accounts" has not been requested by the Account Holder. The use of MT542 instructions is recommended for transfers of securities between customers' own accounts only, although an MT542 instruction can also be used to transfer securities to a Bridge counterparty. To execute Free of Payment transfers to Internal or Bridge counterparties, customers are advised to use Matching MT540 or MT542 instructions submitted by the beneficiary and the delivering party respectively.
Flowchart box 2	Prior to the Requested Settlement Date, the Transaction is reported via MT537 (Statement of Pending Transactions).
Flowchart box 3	On the Requested Settlement Date, the Transaction is considered for Settlement in the mandatory Settlement period processing (no optional Settlement period is available for free of payment transactions).
Flowchart box 4, 5	If the Transaction is in a New Issue, it is assigned Pending status until confirmation of the Closing is received.
Flowchart box 6, 7	Transactions that fail the provision check are reported to the instructing counterparty under MT537 (Statement of Pending Transactions), while settled transactions appear on the MT536 (Statement of Transactions) and MT54x (Confirmation). Updated positions are given in the MT535 (Statement of Holdings).

Life cycle of an MT542 instruction



MT536 Statement of Transactions
 MT537 Statement of Pending Transactions
 MT94x Money Suspense report
 MT950 Money Statement

Figure 4.2 Life cycle of an MT542 instruction

Receipts

MT541 instruction - against payment receipt

MT541 instruction - against payment receipt	
See flowchart, Figure 4.3 on page 4-8	An MT541 instruction is an order to receive against payment securities purchased from an Internal or Bridge counterparty.
Flowchart box 2	An MT541 instruction can only be executed if there is a matching MT543 instruction from the seller.
Flowchart box 3, 4, 5	If a Transaction is to be included in the optional Settlement processing, both the buyer's and the seller's instruction must have the appropriate flag setting.
Flowchart box 6, 7	If the Transaction is in a New Issue, confirmation of the Closing must be received before it can be executed. On the Closing Date, before confirmation of Closing, the Transaction is assigned Pending status.
Flowchart box 8	Securities to be purchased are included in the collateral provision check.

MT540 instruction - Free of Payment receipt

MT540 instruction - Free of Payment receipt	
See flowchart, Figure 4.3 on page 4-8	An MT540 instruction is used for a receipt of securities from an Internal or Bridge counterparty Free of Payment (or with separate, external cash Settlement), when Matching is required before Settlement can take place.
Flowchart box 2	An MT540 instruction can only be executed if there is a matching MT542 instruction from the delivering party. In the case of external cash Settlement, Presettlement Matching on Countervalue and currency code can be carried out if the delivering and receiving parties have both entered the corresponding information in their instructions. However, Matching on these fields is not a criterion for Settlement.
Flowchart box 6, 7	If the Transaction is in a New Issue, confirmation of the Closing must be received before it can be executed. On the Closing, before confirmation of Closing, the Transaction is assigned Pending status.

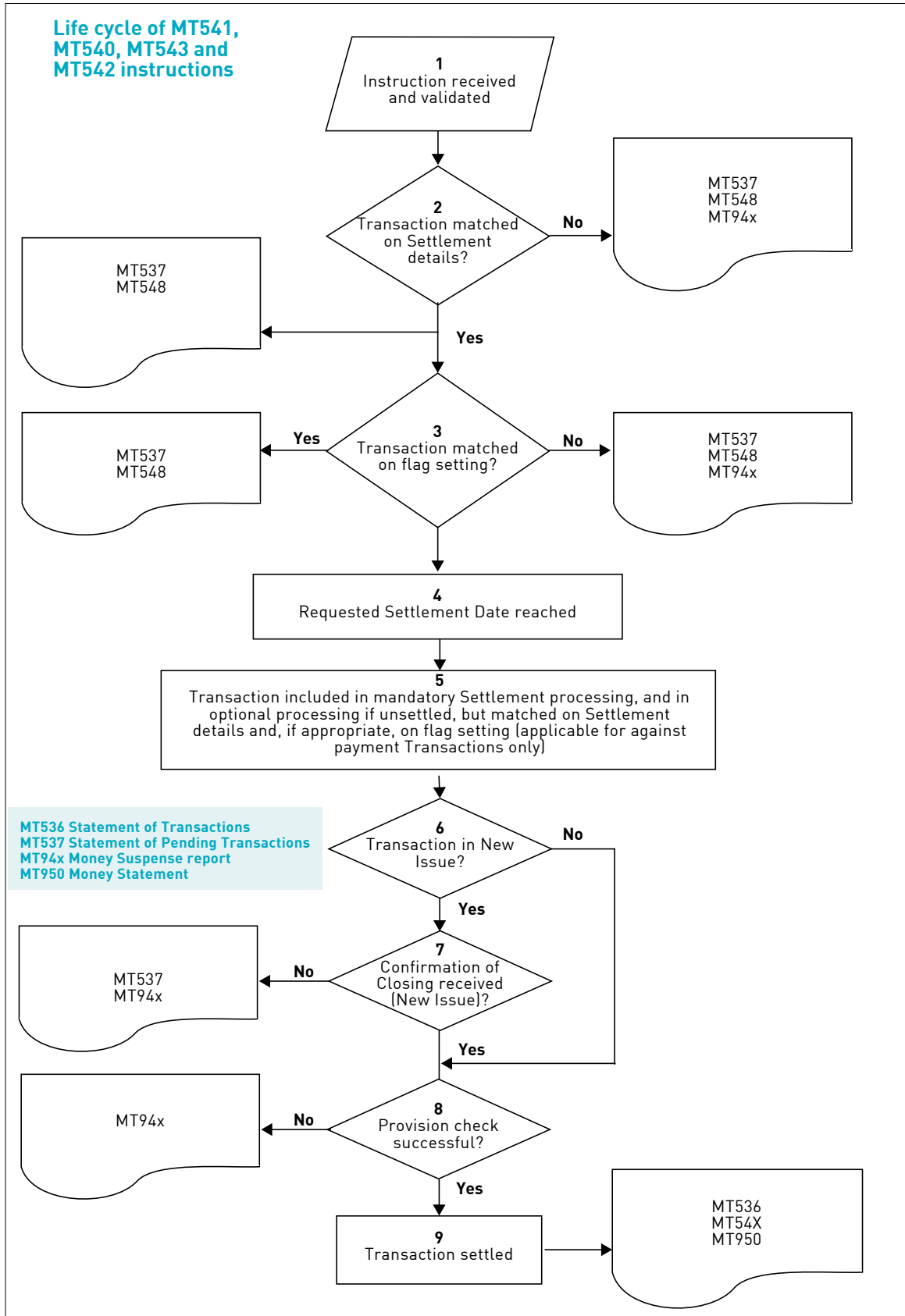


Figure 4.3 Life cycle of MT540, MT541, MT542 and MT543 instructions

MT540, MT541 (Matching only) - free or against payment receipt (temporary instruction)

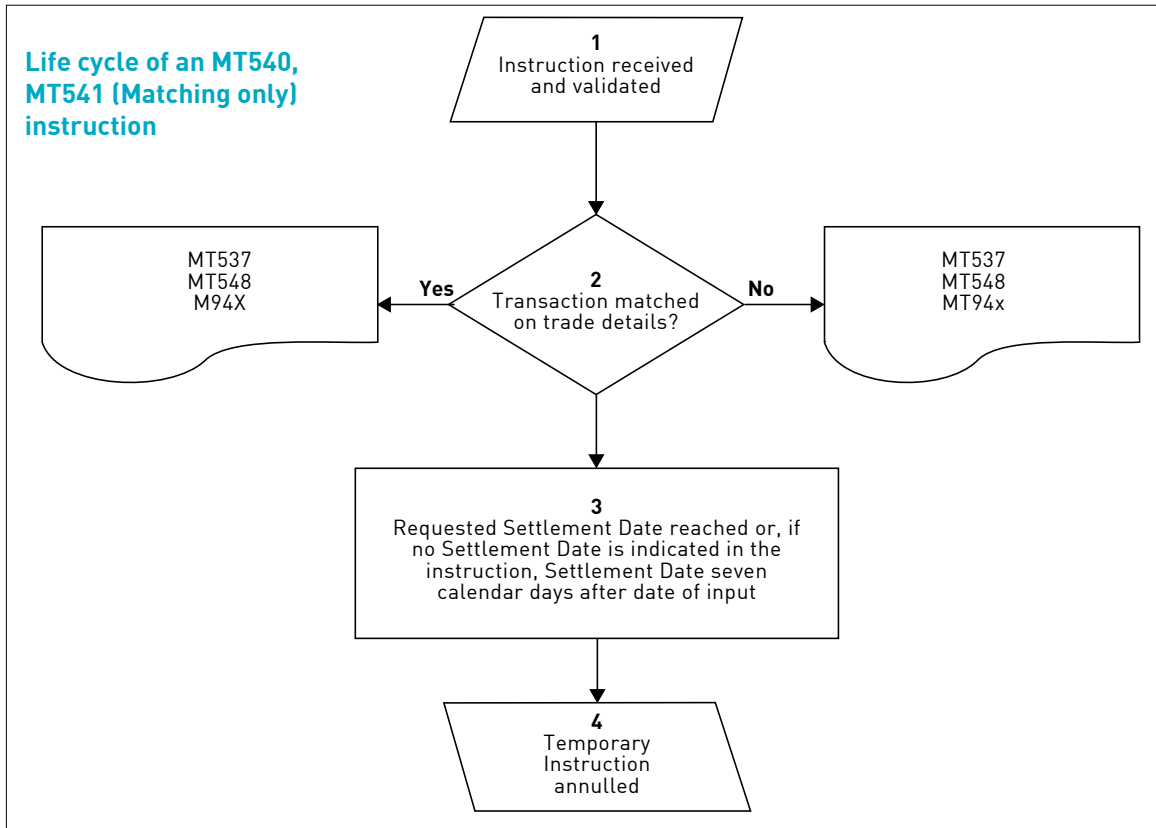


Figure 4.4 MT540, MT541 (Matching only) - free or against payment receipt (temporary instruction)

Life cycle of MT540, MT541 (Matching only) temporary instructions

MT540 / MT541 (Matching only) instruction - free or against payment receipt (temporary instruction)	
See flowchart, Figure 4.4 above.	An MT540 or MT541 (Matching only) instruction is a temporary (or provisional) order to receive securities from an Internal or Bridge counterparty free or against payment. An MT540 or MT541 (Matching only) instruction is used only for trade Matching purposes. It enables customers to submit Transactions when complete Settlement information cannot yet be given (as in the case of Grey Market or some Floating Rate Note trades).
Flowchart box 2	The fields containing Settlement Date, Countervalue, ISO currency code and Trade Price are optional, but if they are not known customers should refer to the appropriate communications user manual for the correct instruction format.
Flowchart box 3	An MT540 or MT541 (Matching only) instruction is only for Matching purposes. Additionally, for Settlement, an MT540 or MT541 instruction (with type of Settlement equal to Trade Settlement) must be submitted.
Flowchart box 4	An MT540 (Matching only) instruction can be cancelled at any time. Otherwise it will be annulled on the Settlement Date indicated in the instruction, or seven calendar days after the date of input if no Settlement Date is given.

Deliveries

MT543 instruction - Delivery Against Payment

MT543 instruction - Delivery Against Payment	
See flowchart Figure 4.5 on page 4-10	An MT543 instruction is an order to deliver securities against payment to an Internal or Bridge counterparty. It can only be executed if there is a matching MT541 instruction from the buyer.
	The life cycle of a Bridge MT543 instruction is identical to Figure 4.3 on page 4-8, except in the case of refused Bridge deliveries. This is illustrated in the flowchart in Figure 4.5 on page 4-10 and continued in Figure 4.6 on page 4-11.
Flowchart box 9	The Transaction is released to Euroclear and counterparty feedback is awaited.

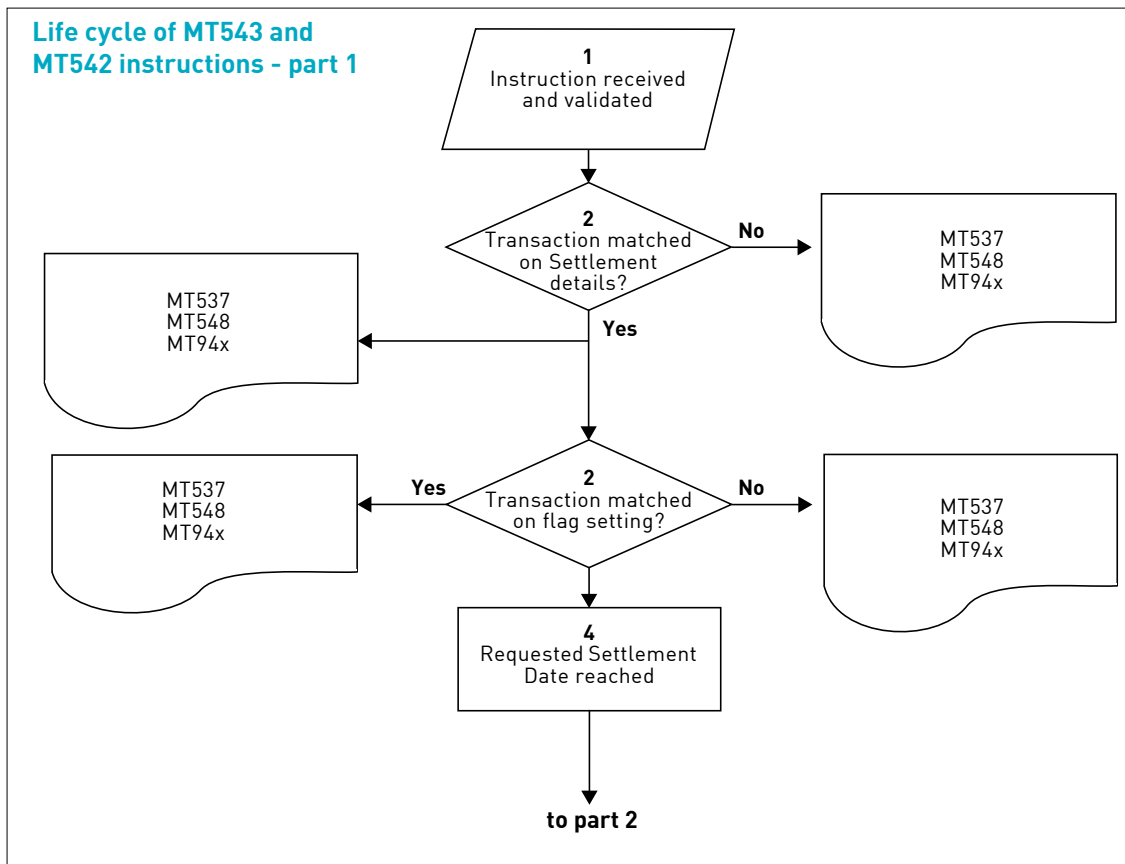


Figure 4.5 Life cycle of MT542 and MT543 instructions (Bridge deliveries) - part 1

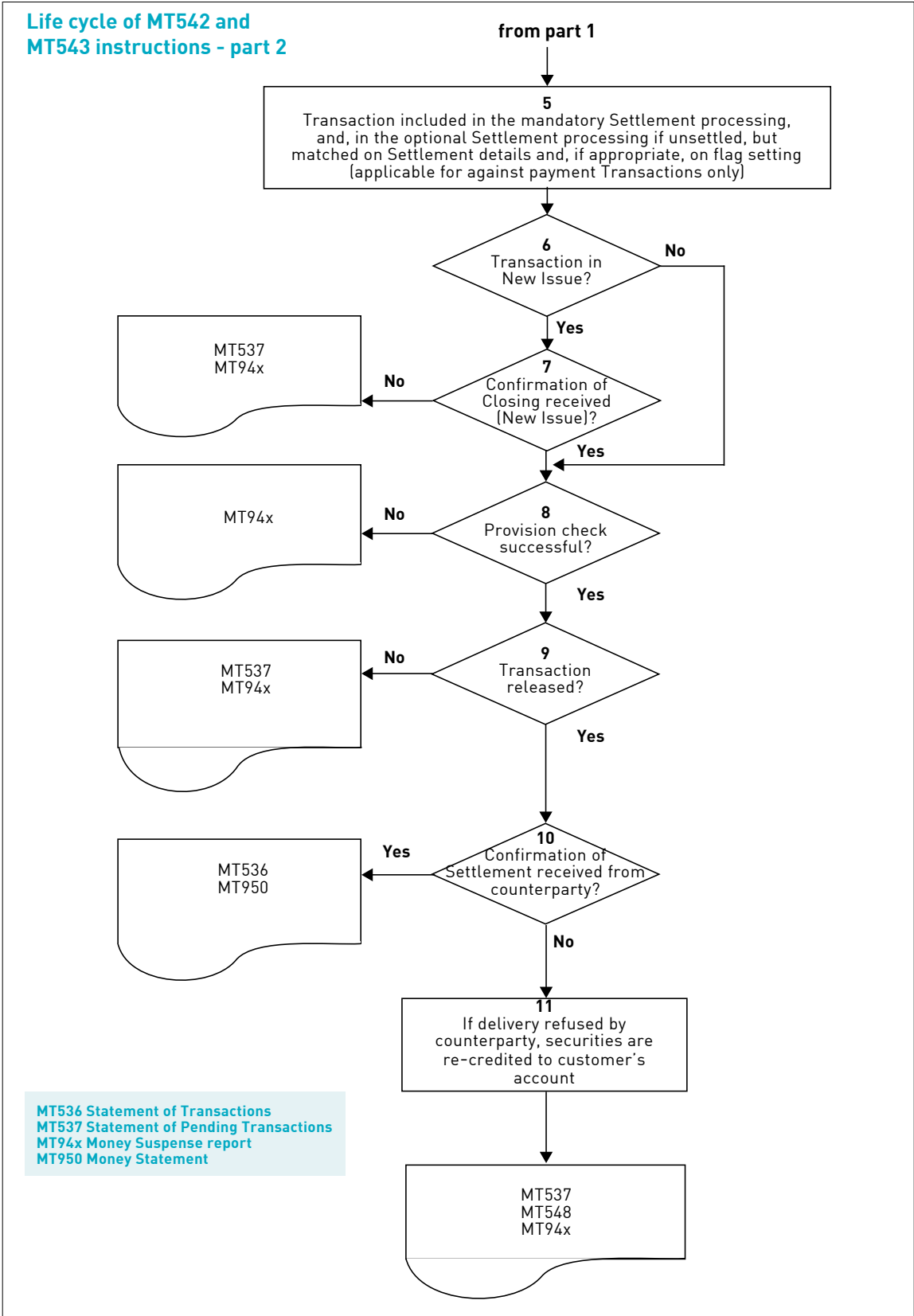


Figure 4.6 Life cycle of MT542 and MT543 instructions (Bridge deliveries) - part 2

MT542 instruction - Free of Payment delivery

MT542 instruction - Free of Payment delivery	
See flowcharts, and Figure 4.6 on page 4-11	An MT542 instruction is used for a delivery of securities to an Internal or Bridge counterparty Free of Payment (or with separate, external cash Settlement), when Matching is required before Settlement can take place.
Flowchart box 2	An MT542 instruction can only be executed if there is a matching MT540 instruction from the receiving party. In the case of external cash Settlement, Presettlement Matching on Countervalue and currency code can be carried out if the delivering and receiving parties have both entered the corresponding information in their instructions. However, Matching on these fields is not a criterion for Settlement.
	The life cycle of an MT542 instruction is identical to that illustrated in Figure 4.3 on page 4-8, except for refused Bridge deliveries, as illustrated in Figure 4.5 on page 4-10.

MT543 and MT542 instructions - refused Bridge deliveries

MT543 and MT542 refused Bridge deliveries	
See flowcharts, Figure 4.5 on page 4-10 and Figure 4.6 on page 4-11	Refused delivery Transactions are reported via MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.

MT542 / MT543 instruction - free or Delivery Against Payment (temporary instruction)

MT542 instruction - Delivery Free of / Against Payment (temporary instruction)	
See flowchart in Figure 4.4 on page 4-9	An MT543 or MT542 (Matching only) instruction is a temporary (or provisional) order to deliver securities to an Internal or Bridge counterparty free or against payment. An MT543 or MT542 (Matching only) instruction is used only for trade Matching purposes. It enables customers to submit Transactions when complete Settlement information cannot yet be given (as in the case of Grey Market or some Floating Rate Note trades).
Flowchart box 2	The fields containing Settlement Date, Countervalue, currency code and Trade Price are optional, but, if they are not known, customers should refer to the appropriate communications user manual for the correct instruction format.
Flowchart box 3	An MT543 or MT542 (Matching only) instruction is only for Matching purposes. For Settlement, an MT543 or MT542 instruction (with type of Settlement equal to Trade Settlement) must be submitted.
Flowchart box 4	An MT543 or MT542 (Matching only) instruction can be cancelled at any time. Otherwise, it will be eliminated on the Settlement Date indicated in the instruction, or seven calendar days after the date of input if no Settlement Date is given.

4.3 External instructions

An external Transaction is a receipt or delivery of securities from or to an External counterparty, other than CBL or Bridge counterparty. To initiate an external Transaction, the customer sends an MT540 or MT541 instruction (for receipts), or an MT542 or MT543 instruction (for deliveries).

Note: External instructions are not valid for transfers of CFF Qualified Investment Fund Shares. For information about the applicable procedures, please see [“9.2 CFF Settlement and custody services”](#) on page 9-7.

Settlement may depend on the domestic counterparty fulfilling certain requirements. These are detailed, for each link, in the Market Guide, under the heading “Procedures for domestic counterparties”.

Where the same security is held in more than one position on an account, the place of safekeeping and ISIN, or the common code must be provided to identify the relevant account position for the instruction.

Full instruction formats for External instructions are also given in the Link Guide.

General descriptions of each External instruction are presented on the following pages.

Receipts and deliveries from/to an External counterparty

Receipts of securities from an External counterparty

The instruction Types to be submitted for external receipts vary according to the domestic link, as described below:

- For against payment receipts, an MT541 instruction must be given;
- For free of payment receipts, an MT540 instruction must be given.

Note: Once a customer initiates an MT540 Transaction in the appropriate circumstances, the CBL depository can verify that the securities presented for credit to the customer’s account are the correct issue and the correct quantity.

However, in exceptional cases where an MT540 instruction is not provided, the CBL depository, as a courtesy, may enter an instruction to credit the securities it receives to a customer account.

For further details, customers should refer to the instruction specifications given in the Link Guide.

Deliveries of securities to an external counterparty

As a general rule, the instruction Types for external deliveries, whether counterparty details are given in text format or the counterparty is identified (as for most Links) by account number with the local CSD, BIC or name, can be summarised as follows:

- For Free of Payment deliveries, an MT542 instruction must be given;
- For against payment deliveries, an MT543 instruction must be given;

However, there are exceptions to these rules and customers should refer to the instruction specifications given in the Link Guide for further details.

Counterparty account numbers are available on our website.

Note: If an MT542 instruction is the only instruction Type available for Free of Payment deliveries to the domestic market, it can represent either a book-entry delivery or a Physical Delivery. If both an MT542 (counterparty text) and an MT542 (counterparty account number) instruction are available for Free of Payment deliveries, the MT542 (counterparty text) instruction always represents a Physical Delivery, and the MT542 (counterparty account number) instruction a book-entry delivery.

Physical deliveries

Physical deliveries to a depository bank

Securities to be received in CBL must be submitted directly to the depository appointed for that particular issue.

When submitting securities physically to a depository, customers must ensure that a shipment advice accompanies each delivery in accordance with ICMA Rule 328, and that the securities are of good delivery. The shipment advice must provide both:

- A full description of the securities delivered, including the attached Coupons; and
- The name and CBL account number of the beneficiary.

The contents of a Physical Delivery are checked by the depository against the information provided on the accompanying description, in accordance to the requirements of the relevant depository bank. All Certificates received are verified and, wherever applicable, the Certificate numbers of the delivered securities are compared with a reference list of Certificate numbers that have been reported lost or stolen.

As soon as CBL is notified by the depository that registered securities of good delivery have been received, the account of the beneficiary is credited.

Depending on the domestic market, it may be necessary to register securities with the depository's nominee. In such cases, it is possible that the credit of the securities may be delayed (by the Registrar in charge) or that securities are credited as blocked until the completion of the registration process. During such period, the securities would not be available for onward deliveries.

If it is determined that the securities received do not constitute good delivery, CBL's depository will refuse the delivery and return the securities unless they have been reported lost or stolen or are subject to a Stop Order in which case the depository may be obliged to seize them.

Any security found to be not of good delivery at any time after its deposit with CBL may be debited to the account of the customer for whose account the security was most recently deposited in the CBL system. The customer will bear the costs of the return of such securities.

Note: There may be additional requirements per depository and therefore customers should refer to the respective Market Guide for further details.

Physical deliveries and securities in global form

As long as an issue exists in global form (that is, no definitive Certificates are available), Physical Delivery of the securities is not possible. Nevertheless, customers can at any time submit instructions (usually MT542) to have the securities delivered physically as soon as this becomes possible, provided that the terms of the issue allow for the exchange of the Global Note into definitive Certificates.

While the instruction is outstanding (that is, until the issue is converted into definitive Certificates), it remains in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.

On Settlement of the Transaction, after the Certificates have become available, the instruction is reported in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment.

Realignment

The securities positions held by CBL and Euroclear in domestic markets and Investment Fund Registers are frequently realigned in accordance with the electronic positions.

Exceptionally, an External instruction or Investment Fund Order in respect of securities cannot be executed, either because specific denominations of the instructed nominal amount are temporarily unavailable or because the Balance held at the depository or Investment Fund Register is insufficient. This can occur, either due to a general insufficiency of the required denominations in the issue, or because the Realignment of the position at the depository or Investment Fund Register is outstanding.

Transactions failing for these reasons are shown in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment. Investment Fund Orders involving a position with an outstanding Realignment may be delayed or rejected by the OHA or CBL.

CBL cannot accept any responsibility or liability to pay claims based on delays, failures or rejections in the execution of External instructions or Investment Fund Orders in respect of securities for reasons of denominations or because the Realignment of the position at the depository or Investment Fund Register is outstanding.

External instruction Types are described on the following pages.

4.4 External instruction types

Receipts

MT541 (external) instruction - against payment receipt

MT541 instruction - against payment receipt (external)	
See flowchart, Figure 4.7 on page 4-19	An MT541 (external) instruction is an order to receive securities against payment from a domestic counterparty, other than CBL.
Flowchart box 2, 3	If, during the provision check when the instruction is processed for release, insufficient collateral to cover the net difference in the collateral value of the funds to be paid and the securities to be received is available, the instruction appears via MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment. Normally, a customer with sufficient collateral only needs to provide the funds Countervalue for the date when the cash is due to be debited from the account. However, at CBL's discretion, a customer may be required to deposit the full cash Countervalue before the instruction is released to the depository.
Flowchart box 4	After the instruction has been released to the domestic depository, the Transaction appears via MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.
Flowchart box 5	The date on which CBL calculates that the Transaction may be expected to settle in the domestic market, after release to the depository, is referred to as the "Estimated Settlement Date". Once the Estimated Settlement Date has been reached, the Transaction is annotated on customer reports as Pending. The Pending annotation indicates that the Transaction is expected to settle in CBL with funds value for the Settlement Date of the processing or earlier, upon receipt of confirmation of Settlement from the depository. In the case of Transactions with some domestic counterparties, the Pending status also indicates the Presettlement Matching status of the Transaction (matched / unmatched).
Flowchart box 6	If Settlement is confirmed, the Transaction is reported via MT536 (Statement of Transactions) and additional MT94x (Money Suspense report) for against payment and MT535 Statement of Holdings. If the depository cannot confirm Settlement on the Estimated Settlement Date, the instruction remains in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.
	For each domestic market, the period after which the instruction may be subject to cancellation is given in the Link Guide.

MT540 instruction - Free of Payment receipt

MT540 instruction - Free of Payment receipt (external)	
See flowchart, Figure 4.7 on page 4-19	<p>An MT540 instruction is an order to receive securities Free of Payment from a domestic counterparty, other than CBL. Please refer to the Market Guide to find out whether this is required for Free of Payment receipts from a specific domestic market.</p> <p>In many domestic markets, the use of the MT540 instruction is not a requirement and, when an MT540 is not provided, the CBL depository, as a service, enters an instruction to credit the securities it receives to a customer's account. However, customers are advised that, if a customer initiates an MT540 Transaction in the appropriate circumstances, the CBL depository can verify that the securities presented for credit to the customer's account are the correct issue and the correct quantity. Therefore, for the receipt of securities Free of Payment, CBL recommends that customers use the MT540 instruction in all domestic markets. Furthermore, customers must ensure that MT540 Free of Payment Transactions are instructed latest with the applicable provisioning deadline.</p>

MT541 (German domestic) instruction - against payment receipt

MT541 instruction - against payment receipt	
	<p>An MT541 instruction represents a Receipt Against Payment instruction by a domestic counterparty (in the German domestic market only/CASCADE), for which a corresponding MT543 instruction from the CBL customer is missing.</p> <p>An MT541 instruction is used for reporting purposes only in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.</p>

Life cycle of MT541 and MT540 instructions

MT536 Statement of Transactions
 MT537 Statement of Pending Transactions
 MT94x Money Suspense report
 MT950 Money Statement

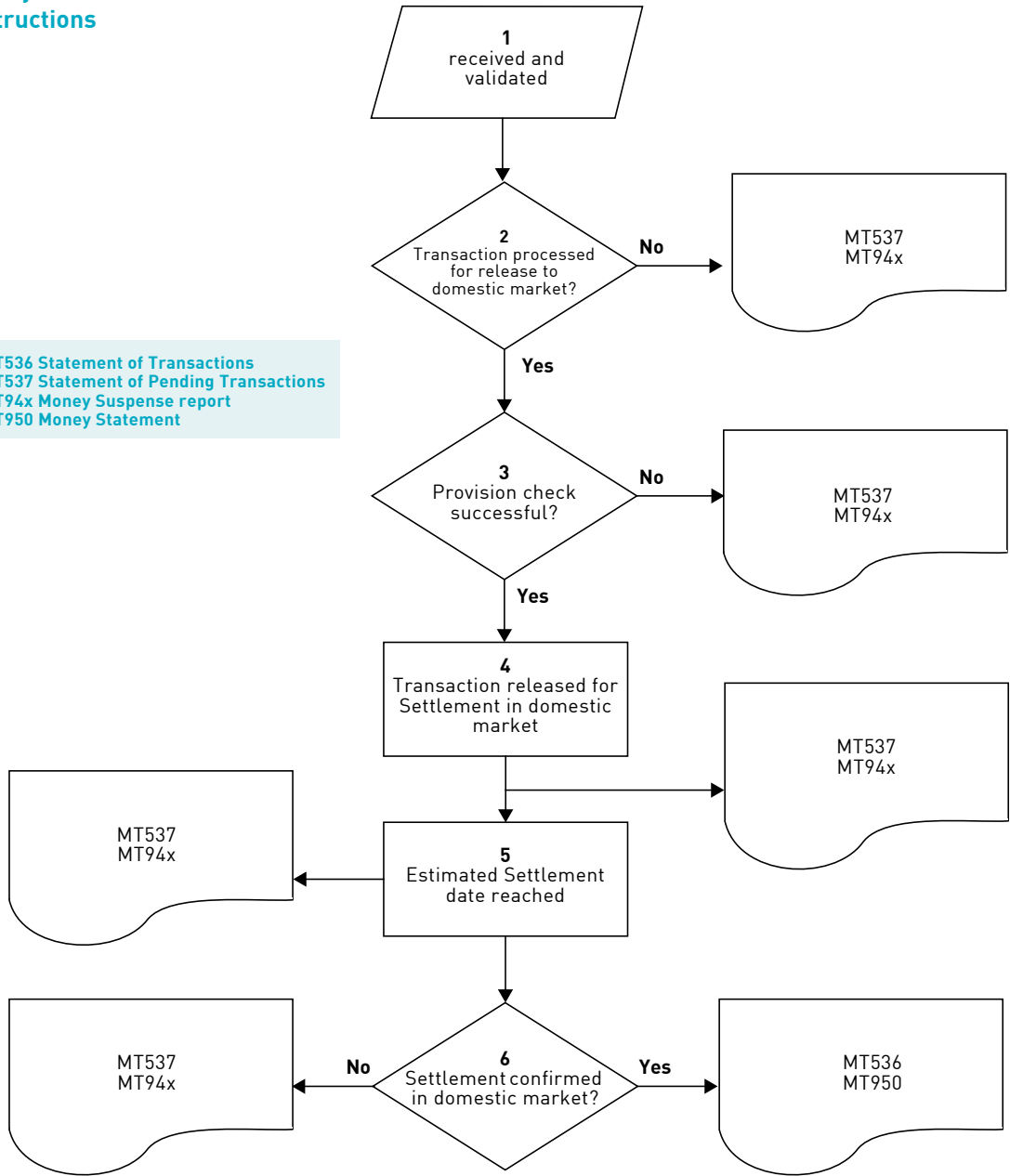


Figure 4.7 Life cycle of MT541 and MT540 instructions

Deliveries

MT542 instruction - Free of Payment delivery

MT542 instruction - Free of Payment delivery (external)	
See flowchart in Figure 4.8 on page 4-21	An MT542 instruction is a Free of Payment delivery of securities to an External counterparty other than CBL. An MT542 instruction may represent either a book-entry Transaction or a Physical Delivery of securities.

MT542 instruction - Free of Payment delivery

MT542 instruction - Free of Payment delivery	
See flowchart Figure 4.8 on page 4-21	An MT542 instruction is used to deliver securities Free of Payment, by book-entry transfer, to a domestic counterparty. In customer instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.
Flowchart box 2	An MT542 instruction is considered for Settlement in the appropriate CBL processing for the Requested Settlement Date in the domestic market.
Flowchart box 3	Provision checks are carried out for securities and collateral. If the CBL customer does not have the necessary securities provision, or if the debit of the securities would cause the collateral level on the account to fall below the required level, the instruction is not transmitted to the depository. Instead it is reported in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment. Any MT542 Transaction in Suspense Provision is reconsidered in all subsequent processings until the securities and collateral provision are sufficient for the Transaction to be released for Settlement or, alternatively, until it is cancelled.
Flowchart box 4	If the provision checks are successful, the instruction is transmitted to the depository. Execution of the instruction is shown in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment.
Flowchart box 5	If the instruction is rejected by the depository and the securities are returned, they are re-credited to the account of the delivering party in CBL from which they were debited. The re-credit of the securities is reported in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment). Customers wishing to re-present the instruction for Settlement must submit a new MT542 instruction.

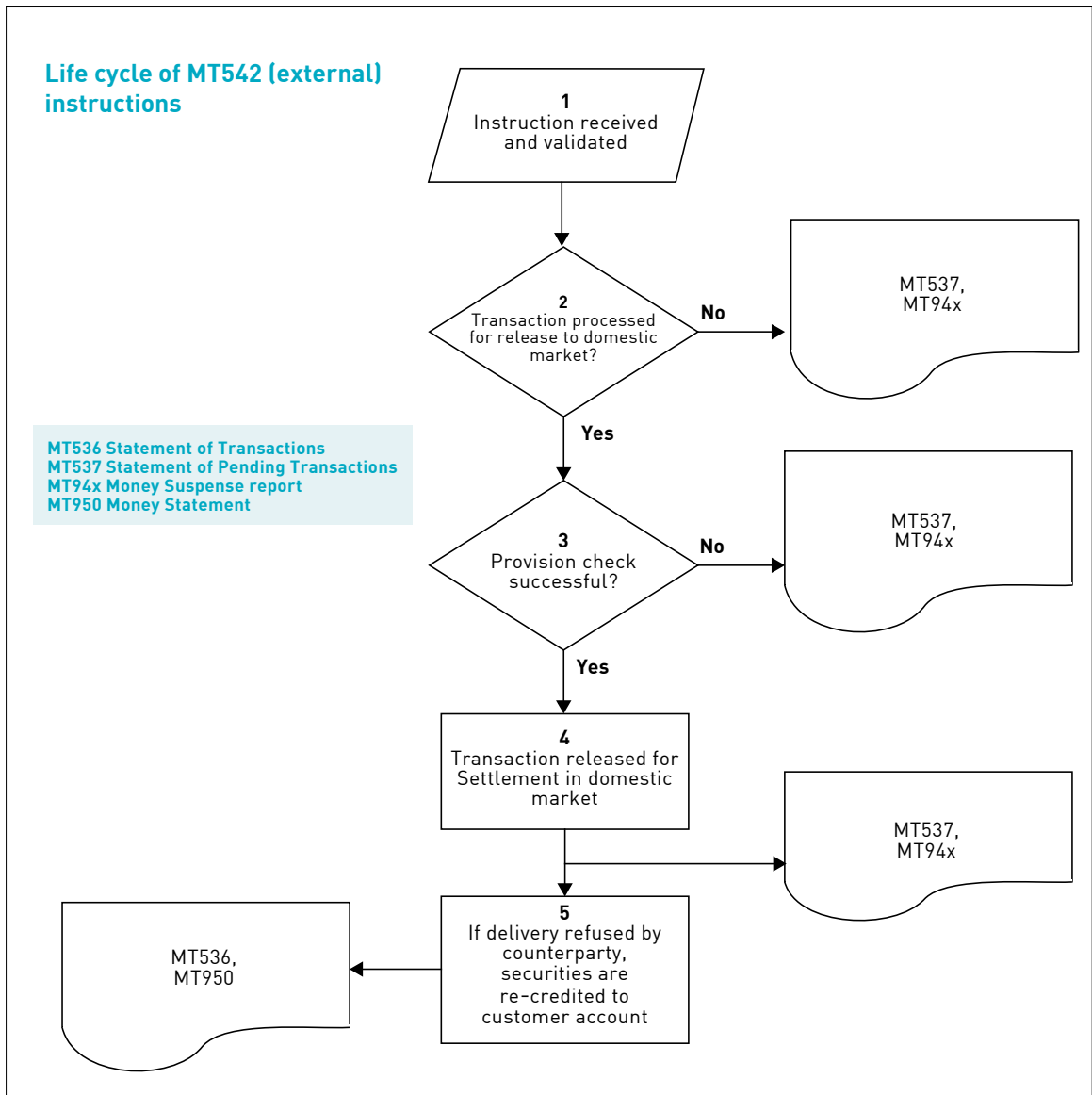


Figure 4.8 Life cycle of MT542 (external) instructions

MT543 (German domestic) instruction - Delivery Against Payment

MT543 (German domestic) instruction - Delivery Against Payment	
See flowchart in Figure 4.9 on page 4-24	<p>An MT543 instruction represents a Delivery Against Payment instruction by a domestic counterparty (in the German domestic market only - CASCADE), for which a corresponding MT541 instruction from the CBL customer is missing.</p> <p>An MT543 instruction is used for reporting purposes only in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.</p>

MT543 instruction - Delivery Against Payment

MT543 instruction - Delivery Against Payment	
See flowchart in Figure 4.9 on page 4-24	<p>An MT543 instruction is used for a Delivery Against Payment of securities to a counterparty in a domestic market.</p> <p>In customer instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.</p>

MT543 instruction - Delivery Against Payment

MT543 instruction - Delivery Against Payment (external)	
See flowchart in Figure 4.9 on page 4-24	<p>An MT543 instruction is a Delivery Against Payment of securities to a domestic counterparty.</p> <p>In customer instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.</p>
Flowchart box 2	<p>In order to effect Settlement in the domestic market on the Requested Settlement Date, an MT543 instruction is processed for release to the domestic depository or clearing system during the appropriate Settlement processing.</p>
Flowchart box 3	<p>Provision checks are made for securities and collateral. If the necessary securities provision is not available, or if the debit of the securities would cause the collateral level on the account to fall below the required level, the instruction is not transmitted to the depository. Instead it is reported in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.</p> <p>Any MT543 Transaction in Suspense Provision is reconsidered in all subsequent processing until the securities and collateral provision are sufficient for the Transaction to be released for Settlement or, alternatively, until it is cancelled.</p>
Flowchart box 4	<p>If the provision checks are successful, the instruction is released to the depository or clearing system and is reported in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment). The collateral value of the securities is maintained in the account until the Transaction is either settled or cancelled.</p>

MT543 instruction - Delivery Against Payment (external)	
Flowchart box 5	<p>Upon release of the instruction, CBL calculates when the Transaction may be expected to settle in the domestic market. This date is referred to as the "Estimated Settlement Date".</p> <p>Once the instruction has been released to the domestic depository, the funds Countervalue on the Transaction appears in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment. until the Estimated Settlement Date has been reached. From the Estimated Settlement Date until confirmation is received from the depository, the cash Countervalue for the Transaction appears in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment.</p> <p>Unconfirmed Funds are also included in the MT536 (and additional MT950 for against payment).</p>
Flowchart box 6	<p>If confirmation of Settlement is received from the depository, the cash Countervalue is credited as Confirmed Funds and is reported in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment). The report indicates the value with which the funds have been credited and shows the details of the customer reference and securities delivered as given on the delivery instruction.</p>
Flowchart box 7	<p>If the instruction is rejected by the depository and the securities are returned, they are re-credited to the account of the delivering party in CBL from which they were debited. The re-credit of the securities is reported in the MT536 (Statement of Transactions) and additional MT950 (Money Statement) for against payment). The MT210 Transaction representing the expected cash Countervalue appears in the MT537 (Statement of Pending Transactions) and additional MT94x (Money Suspense report) for against payment. Customers who want to re-present the instruction for Settlement must submit a new MT543 instruction.</p>

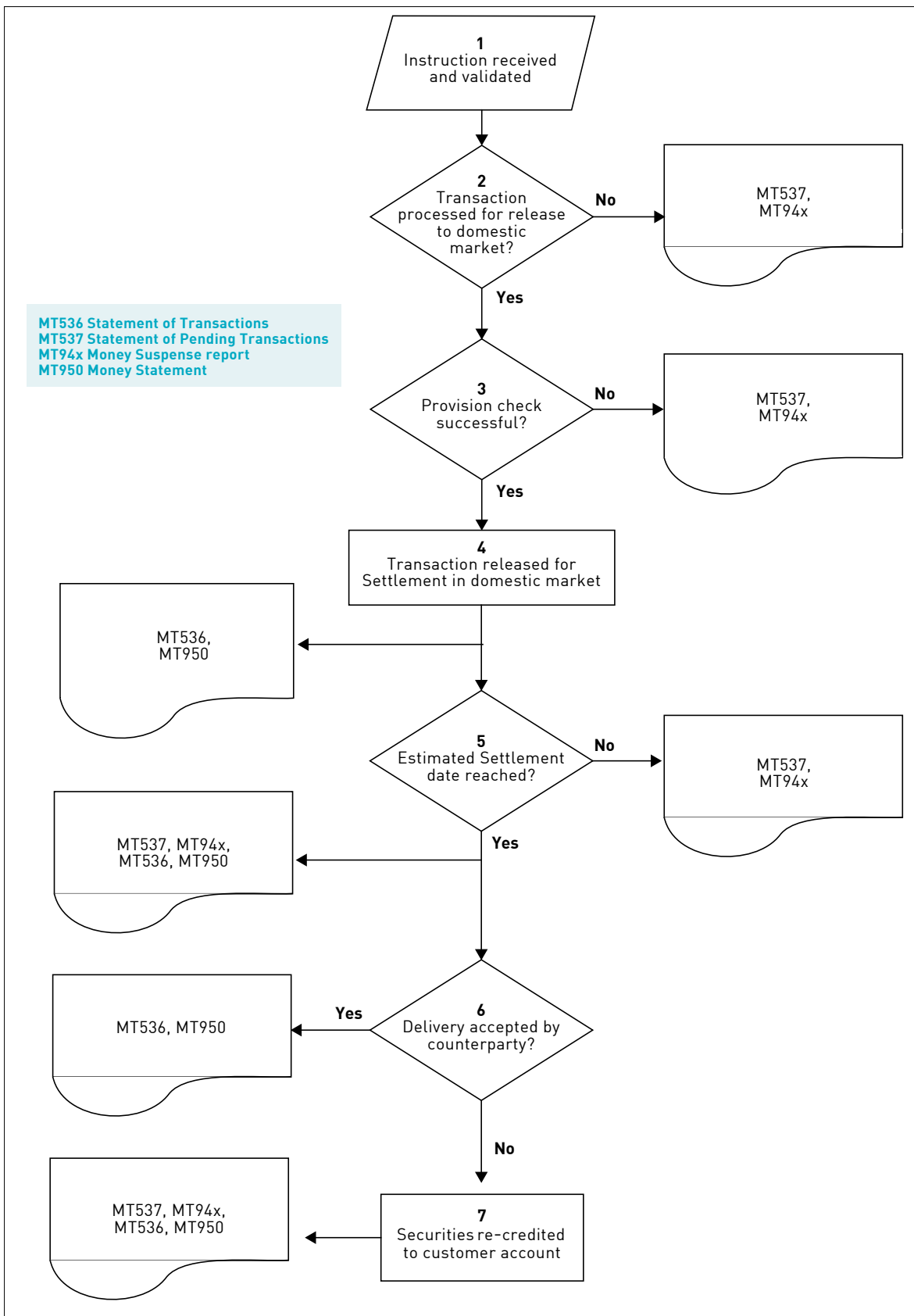


Figure 4.9 Life cycle of MT543 (External) instructions

4.5 Short Selling

Short Selling of income or corporate action proceeds is not authorised for Settlement in CBL. Accordingly, CBL reserves its discretionary right not to settle any instruction related to such Short Selling.

If a Short Selling Transaction is or has been nevertheless settled by CBL, the seller authorises CBL to debit its account in CBL for an amount equivalent to the gross income or gross corporate action proceeds.

In addition, the seller shall indemnify CBL against all liabilities, damages, losses, or any claims that CBL might incur in case other CBL customer(s) or any other third party have either been deprived due to the Short Selling from all or part of their entitlement to tax reclaims (if any) linked to the income or corporate action proceeds received by such CBL customer(s) in respect of the securities of the same description as the ones in which the Short Selling Transaction occurred, or have suffered any other loss, damages, costs or claims due to the Short Selling.

More generally, the seller shall be responsible for all the consequences of the Short Selling on the tax treatment of the tax reclaims under the relevant tax regime.

Please refer to [Chapter 8.Asset servicing](#).

This page has intentionally been left blank.

5. Cash Financing services

CBL acts solely as an ICSD and not as a payment system or a Cash Correspondent Bank. Customers are therefore reminded that the accounts they open with CBL should not be used to perform third party payments or any other cash movement not linked to their securities in deposit with CBL. Without prejudice of any further action under the terms of our General Terms and Conditions, CBL reserves the right to block and/or to reject any payment either received for credit to a customer account in CBL or processed from such account, that could qualify as a third party payment, or where the final beneficiary is not a corporate institution or a financial institution. For the avoidance of doubt, any payment not linked to any security related service or collateral management service provided by CBL as described in the Customer Handbook is also deemed to be a third party payment. Furthermore since only cash transfers are permitted, customers may not instruct via an MT100 series type message and must use the appropriate MT200 series type message unless CBL has specifically agreed otherwise.

The services that CBL provides to customers for the Settlement and custody of securities are complemented by various services for the management of their cash positions and foreign exchange. These services include two alternative Financing arrangements available to customers:

- Unconfirmed Funds Facility.
An intraday Financing facility that is available for settling securities Transactions and cash withdrawal.
- Technical Overdraft Facility (TOF) or Umbrella Credit and Collateral Services Facility (UCCS).
A short-term Financing facility that is available for settling securities Transactions.

Further details are given in this chapter.

Cash correspondents

For every Settlement currency, at least one Cash Correspondent is appointed to handle the external payment and receipt of funds between the domestic banking system for the currency and CBL. Details of the Cash Correspondent banks are provided for each market link on the Clearstream website.

5.1 Cash management and Financing

Each CBL account has a cash as well as a securities component. The cash management services provided by CBL are available for all currencies accepted in CBL (unless specified otherwise).

The subjects covered in this chapter are summarised as follows:

- Currencies accepted in CBL and the network of Cash Correspondent banks, in [Settlement currencies and Cash Correspondent banks](#) on page 5-3;
- Cash instruction deadlines, in [Cash instruction processing](#) on page 5-4;
- Cash instruction Types, including “life cycle” diagrams, in [Cash instruction types - Missed cash deadlines](#) on page 5-9;
- Foreign exchange (FX) services: automatic; case-by-case; service on securities Settlement instructions, in [Foreign Exchange services](#) on page 5-15;
- Financing facilities, including the Unconfirmed Funds Facility and the Technical Overdraft Facility (TOF), in [Technical Overdraft Facility \(TOF\)](#) on page 5-34;
- Collateral valuation, in [Interest calculations and reporting](#) on page 5-40;
- Interest calculation, in [Interest calculations and reporting](#) on page 5-40.

5.2 Settlement currencies and Cash Correspondent banks

Almost all the currencies accepted in CBL are Settlement currencies, which can be used to make clean payments and to settle against payment Transactions, irrespective of the currency in which the securities are issued.

Occasionally, CBL may accept securities for Settlement that are denominated in a non-Settlement currency. In such a case, funds movements in the currency of denomination are not possible in CBL, but the securities can be received or delivered against payment in any other CBL Settlement currency. All currencies are identified by their ISO currency code.

A network of correspondent banks administers external cash Transactions for the various Settlement currencies accepted. The operations carried out by the correspondent banks include the receipt and confirmation of acceptance of funds remitted for credit to customer accounts at CBL and the execution of payments.

A list of the currencies accepted in CBL and the relevant correspondent banks is given in the Cash Timings Matrix on the Clearstream website. A complete list of eligible Settlement and non-Settlement currencies is available on the Clearstream website.

A complete list of cash instruction input deadlines for all currencies is available in the form of the Cash Timings Matrix on the Clearstream website. All timings in this matrix are given in CET unless otherwise noted. Cash instruction input deadlines are aligned with local times which means that Clearstream takes daylight saving time (DST) changes around the world into account when setting its CET deadlines.

Consolidated lists of eligible currencies and their domestic market holidays (in the form of the Cash and Securities Holidays matrix) is available on the Clearstream website.

In case of severe stress causing a (potential) shortage of a non-relevant currency, the CSD may decide that the provisional settlement services in non-relevant currencies could be executed for their equivalent value in a relevant currency as per Article 36.9 of Delegated Regulation (EU) 2017/390.

In such a case, Clearstream will inform customers and provide information which currencies are affected. If feasible, Clearstream will provide an indication of the duration of this measure.

5.3 Cash instruction processing

Cash deadlines

Currencies are grouped according to instruction deadline, stated in Central European Time (CET) and standard for all communications media.

Clearstream's CET instruction deadlines take daylight saving time (DST) changes around the world into account. Therefore, the cash instruction input deadline will not change in local time but, when seasonal time changes occur in the local market, the CET deadline will automatically adjust in order to maintain a consistent local market deadline.

For instruction deadlines (published in CET only) please refer to the Cash Timings Matrix and the Settlement Timings Matrix on the Clearstream website.

For a consolidated list of domestic market holidays, please refer to the Cash and Securities Holidays matrix.

Deadlines are published for the entire year and will be updated in October every year. In the interim, any ad-hoc updates to timings will be performed on a case-by-case basis.

Cash repair performed on customer cash instruction

There are two types of cash repair service, defined in the following sections:

- Automatic, which is performed for all customers and cannot be unsubscribed from.
- Optional, which is performed for customers whose account is flagged with Cash Repair = Yes.

Notes

1. Optional cash repair is set by default to all CBL customer accounts, unless explicitly requested by the customer, via SWIFT, Xact Web Portal or CreationOnline free-format message, to unsubscribe from this service. If the optional cash repair service is unsubscribed, repair services will be disabled in the above-mentioned cases.
2. Cash repair will only be performed on an MT103 solely to the extent that the customers are authorised by CBL to use this message type for payments from CBL.
3. Customers are reminded that the requirements of the Funds Transfer Regulation EU 2015/847 must be met at all times and ensure they provide in their instructions, when applicable, the requested information about the payer and the payee. CBL will not provide any repair service should this information be missing or incomplete. Customers not meeting the requirements of EU Regulation 2015/847 may experience late processing or rejection of their instruction by the CBL Cash Correspondent banks.

1. Automatic cash repair

1.1 Missing Clearstream account number (SWIFT only)

Upon receipt of a SWIFT cash instruction with no instructing account specified, the Clearstream cash processing system will automatically repair the instruction by substituting for the missing account as follows:

- If a principal account has been predefined at the customer's request, this principal account will be used.
- If no principal account has been predefined, the cash instruction is rejected and the sender automatically notified via an authenticated message.

Note: Customers can predefine a principal account, from among their existing accounts, by sending an authenticated SWIFT, Xact Web Portal or CreationOnline free-format message, for the attention of PPIConnect indicating that they want to define a specific account as the "Principal account for the BIC ABCDEFGHXXX". This account will then be used in reference to the repair of cash instructions via SWIFT. For securities instructions, the customer should always indicate the relevant account.

1.2 Free text mentioned in payment party fields

Upon receipt of a cash withdrawal of funds (all media) where payment parties are used with free text, the Clearstream cash processing system will automatically convert the name and address to its corresponding SWIFT BIC code, as long as a corresponding entry is present in the SWIFT BIC book directory. Should the conversion not be applied, the free text will remain in the SWIFT message that is sent out to Clearstream's Cash Correspondent and potentially delay further the payment of the funds.

1.3 Missed cash deadlines (Non-STP EUR withdrawal of funds only¹)

A special handling applies to non-STP EUR withdrawal of funds instructions received after the standard customer EUR deadline (16:00).

- If instruction is eligible² and received before the customer TARGET2 deadline (16:30), the late non-STP withdrawal instruction (without /RT indication) will be automatically repaired to be processed via TARGET2.
- If instruction is not eligible (not TARGET2 format compliant²) or if the non-STP EUR withdrawal instruction arrives after the TARGET2 customer deadline, then normal handling is applied (see [5.4 Cash instruction types - Missed cash deadlines](#) on page 5-9).

2. Optional cash repair

2.1 Missed cash deadlines

Instructions eligible for the automatic cash repair service, described above, are excluded.

Late pre-advices and withdrawal of funds instructions that are subject to the optional cash repair service will be automatically repaired. Instructions that have missed the customer deadline will be accepted for next available processing with next applicable value, the sender is not automatically notified.

If the optional cash repair service flag is set to NO, pre-advices and withdrawal of funds instructions that arrive later than the published deadline for the currency are automatically rejected and the sender is automatically notified via an authenticated message.

1. For a description of non-STP EUR withdrawal of funds instructions, see [MT103 or MT200/202 instructions - Withdrawal of funds](#) on page 5-10.

2. TARGET2 SWIFT format is compliant when the first content in the Intermediary and Account With Institution fields is a valid TARGET2 direct participant and when only BIC codes are used to specify Ordering, Intermediary, Account With and Beneficiary Institutions.

2.2 Pre-advices without Cash Correspondent details (SWIFT only)

SWIFT Pre-advices received with no Cash Correspondent details that are subject to the optional cash repair service will be automatically repaired, as follows:

- Upon receipt of a cash Pre-advice (MT210) where no Cash Correspondent is specified, the cash processing system will, as long as only one Cash Correspondent is appointed for the specific currency, automatically repair the instruction.
- If several Cash Correspondents are available (for example, for EUR), the Clearstream cash processing system will not be able to repair the instruction.

Pre-advices of funds that cannot be repaired and invalid Pre-advices whose optional cash repair service flag is set to NO will, in each case, be automatically rejected and the sender automatically notified via an authenticated message.

Compliance screening of customer cash instruction

A withdrawal of cash instruction that contains free text in field :72: will be stopped and checked for compliance purposes.

Cancellations and amendments to instructions

Customers cannot amend a cash instruction already sent to CBL.

Cash instructions can be cancelled and a new instruction sent provided that the cancellation instruction and the new instruction are received before the deadline for the relevant instruction Type (or, in the case of Pre-advices, the earliest deadline for the value date given in the MT210 instruction - Pre-advice of entry of funds) (see [Cash instruction types - Missed cash deadlines](#) on page 5-9 for details).

An MT103 or MT200/MT202 instruction - withdrawal of funds cannot be cancelled or amended in the following circumstances:

- If it has been reported as settled; **and**
- If it has been released for payment.

In these circumstances, the MT103 or MT200/MT202 instruction - withdrawal of funds is considered by CBL to be irrevocable.

An MT210 Pre-advice of funds cannot be cancelled or amended when it is already settled. In case a settled MT210 Pre-advice of funds is nonetheless subject to a cancellation request, the latter will be reported by CBL as "rejected" by MT295. A close monitoring is therefore required by the customer for any such cancellation/amendment requests. In the event a cancellation request is rejected unexpectedly, the customer should immediately contact Client Services.

Cancellation of uncovered Pre-advices

Standard rule

Pre-advices that are not covered just before the currency deadline on the third Business Day following the theoretical¹ value date are automatically cancelled in CBL unless reconfirmed via SWIFT (MT299) or free format message to CBL's Nostro Operation Department.

Exceptions

Currencies affected are:

1. EUR (TGT)

Where funds should have been sent to the CBL account on the Single Shared Platform (TARGET2). Pre-advices that are not covered by 18:00 CET on theoretical¹ value date are cancelled in CBL next Business Day (VD+1) at 09:00 CET.

2. Please see the following table:

AED	AMD	ARS	BGN	BHD	BWP	CNY	CZK	GEL	HRK	HUF	IDR	ILS	ISK	KRW	KWD
KZT	MYR	MXN	OMR	PEN	PHP	PLN	QAR	RON	RUB	SAR	SGD	THB	TRY	UYU	ZAR

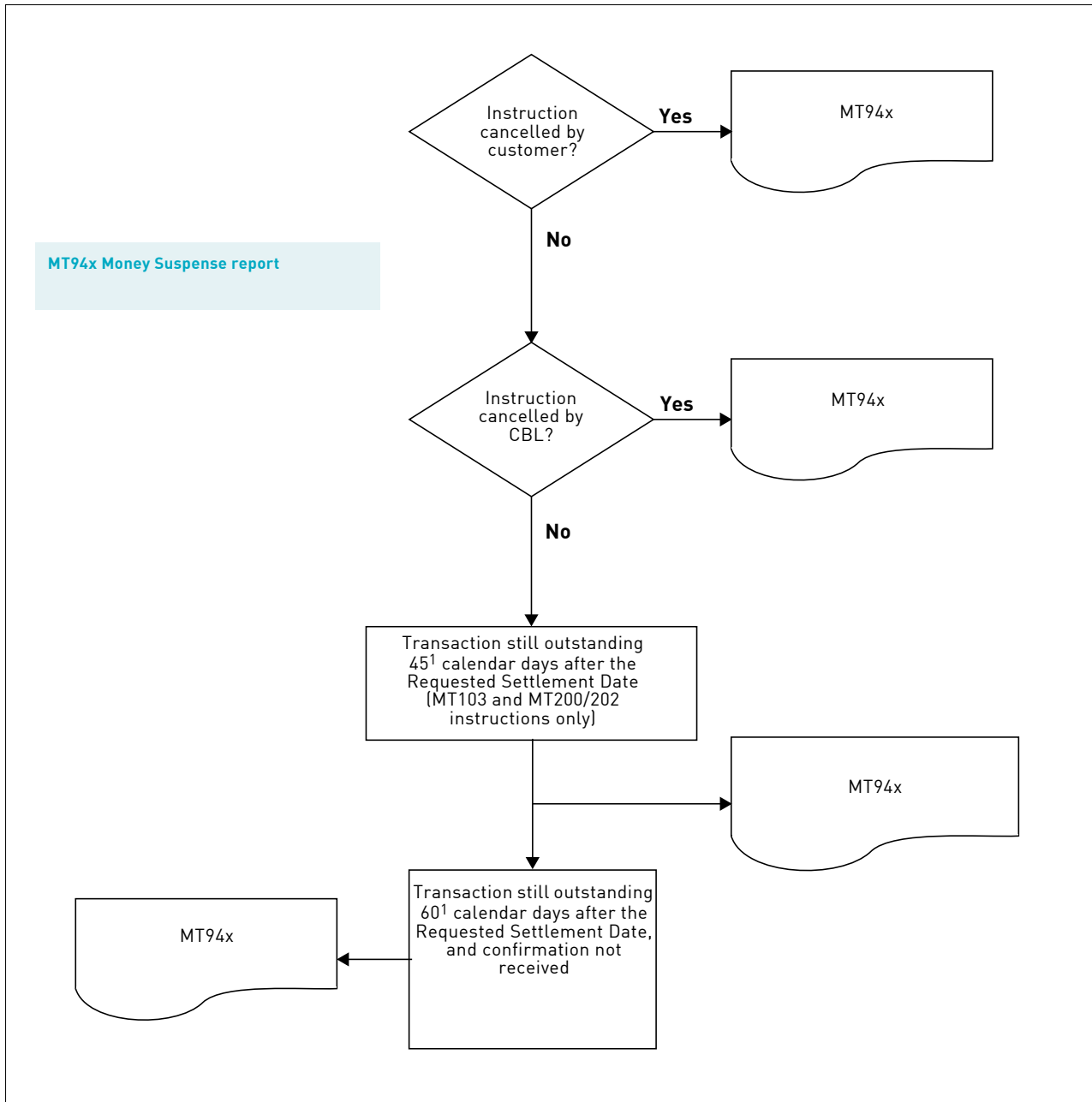
For these above-listed exceptions, pre-advices that are not covered just before the currency deadline on the next Business Day following the theoretical¹ value date are automatically cancelled in CBL.

Charges, as shown in the Clearstream Banking Fee Schedule, are debited to customers should a cancellation of an uncovered Pre-advice be performed by CBL.

1. Calculated by the CBL system.

Reporting of cancelled cash instructions

Cancelled cash instructions are reported as illustrated in [Figure 5.1](#).



1. Only applicable to cash withdrawals and transfers

Figure 5.1 Reporting cancelled cash instructions

5.4 Cash instruction types - Missed cash deadlines

MT210 instruction - Pre-advice of entry of funds

An MT210 instruction from a customer is a Pre-advice of an entry of funds coming from outside CBL for credit to a customer's CBL account. Funds are remitted through CBL's Cash Correspondent bank for the relevant currency.

Pre-advice are sent by customers to ensure that funds that they have instructed their correspondent bank to pay to CBL's Cash Correspondent bank for the relevant currency are considered as Unconfirmed Funds for Settlement purposes, and they will receive the same value once CBL receives confirmation from its Cash Correspondent bank.

The amount of a Pre-advice must equal the amount transferred. If a customer uses a single fund transfer to cover several Pre-advice, the amount transferred will differ from any of the amounts pre-advised and consequently a late covering charge may be incurred.

If a Pre-advice has been received before the applicable deadline, then funds are credited with good value after confirmation of their receipt with good value by the Cash Correspondent. If pre-advised funds are received after the value date for the Pre-advice, then funds are nevertheless credited with the value date of the Pre-advice but a late covering charge will be incurred.

Funds not pre-advised before the applicable deadline will not be credited with good value. If there is no Pre-advice within the deadline, any funds paid to CBL's Cash Correspondent bank will be subsequently identified and applied with the first available value date following that of the missed deadline.

Funds expected by book transfer from another CBL customer (MT103 or MT202 instructions) must not be pre-advised. The same applies to credits such as Coupon payments and Redemptions, which are made automatically by CBL.

Transfers of funds only (that is, without an associated movement of securities) cannot be executed across the Bridge to counterparties in Euroclear. They can only occur via the Cash Correspondent banks of CBL and Euroclear.

The diagram in [Figure 5.2](#) on page 5-10 illustrates the life cycle of an MT210 instruction as described above.

Note: As a general rule, customers are advised to submit Pre-advice on the basis of the net value of Transactions to be settled in each currency for each Settlement Date (rather than on the basis of individual Transactions).

Non-receipt of pre-advised funds

A customer who pre-advice funds is responsible for ensuring that the funds are paid as advised. CBL takes all Pre-advice into account in the management of its treasury, thereby enabling customers to be credited with good value.

Non-receipt, however, adversely impacts CBL's actual funds positions with Cash Correspondents and, for this reason, CBL may, at its discretion, levy a penalty debit interest charge on pre-advised funds that have not been received. Customers should therefore ensure that pre-advised funds are actually paid, even if they discover after sending the Pre-advice that sufficient funds are already available on their account.

For cancellations, see [Cancellations and amendments to instructions](#) on page 5-6.

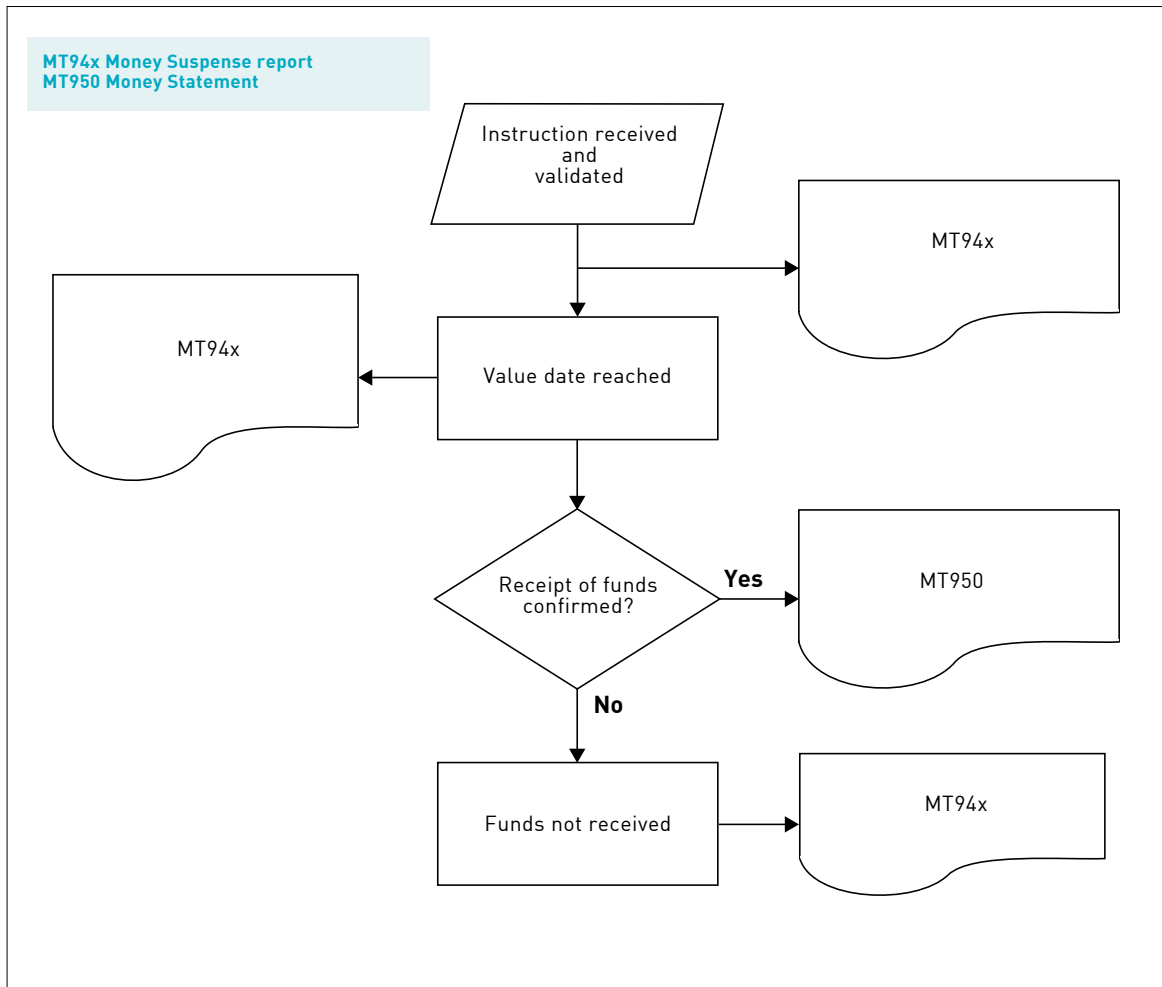


Figure 5.2 Life cycle of an MT210 instruction (Pre-advise of entry of funds)

MT103 or MT200/202 instructions - Withdrawal of funds

An MT103 or MT200/202 instruction is a withdrawal of funds from the customer's CBL account for payment outside CBL. A withdrawal of funds via MT103 is only allowed if the customer is authorised by CBL to use this message type for payments from CBL.

Execution of the cash instruction is conditional on a cash Settlement Provision check on the customer's account. According to the Settlement Provision sequence (see [Settlement sequence](#) on page 3-29), cash available on the account will be used first to provision securities purchases to maximise Settlement efficiency, provided that the security instruction fulfils the conditions to settle.

MT103 or MT200/202 instructions are processed by the CBL correspondent bank on the Business Day corresponding to the value date in the country of the relevant currency. If the value date requested is a Business Day in CBL, but not in the country of the currency of payment, funds will be paid with the next available value date.

After each Settlement processing, CBL carries out a review of outstanding funds payments. On an exceptional basis, further payments may, at CBL's discretion, be released **after** the Settlement processing, when the Settlement results are known. Any such payments are reported after the following Settlement processing. The value date applied is that which would have applied in the preceding Settlement processing.

Customers are reminded that CBL will process payments only related to securities Transactions and corporate events. Furthermore, CBL will not process payments when it identifies that the final beneficiary is not a financial institution.

Customers are reminded that the requirements of the Funds Transfer Regulation EU 2015/847 must be met at all times and ensure they provide in their instructions, when applicable, the requested information about

the payer and the payee. CBL will not provide any repair service should this information be missing or incomplete. Customers not meeting the requirements of EU Regulation 2015/847 may experience late processing or rejection of their instruction by the CBL Cash Correspondent banks.

To determine whether a BIC (Bank Identifier Code) corresponds to a qualifying financial institution, customers should check the category of participant (please refer to paragraph 9 of the preface to the white pages of the BIC Directory). Some of the categories relate to financial institutions and others to non-financial institutions (please refer to the yellow pages of the BIC Directory). Some categories of non-financial institutions are: TRCO; BEID; MCCO; and TESP.

Other categories have restricted access to SWIFT services and customers will find the restrictions in the FIN matrix restrictions. A non-connected BIC not belonging to the above listed categories is considered a financial institution. For an exhaustive list of codes, please refer to the latest BIC Directory.

Customers are reminded of the importance of using BICs whenever possible for payment details (fields Pay to, For account of and In favour of). If no BIC exists to identify a party, all possible information (bank's full name and city) should be used to identify it.

For EUR withdrawals of funds, CBL applies a better cash deadline if the EUR withdrawal of funds instructions are STP. To be considered STP, an instruction must follow the format below:

- The Ordering Institution BIC is equal to the Beneficiary Institution BIC.
- Fields that correspond to the payment parties contain a published BIC (no account number should be input in these fields).
- No narrative fields are present.

CBL reserves the right to amend the above mentioned criteria at any given time with notice to its customers. Any EUR withdrawal of funds instructions that do not follow this format will be considered as non-STP.

The diagram in [Figure 5.3](#) below illustrates the life cycle of an MT103 or MT200/202 instruction as described above.

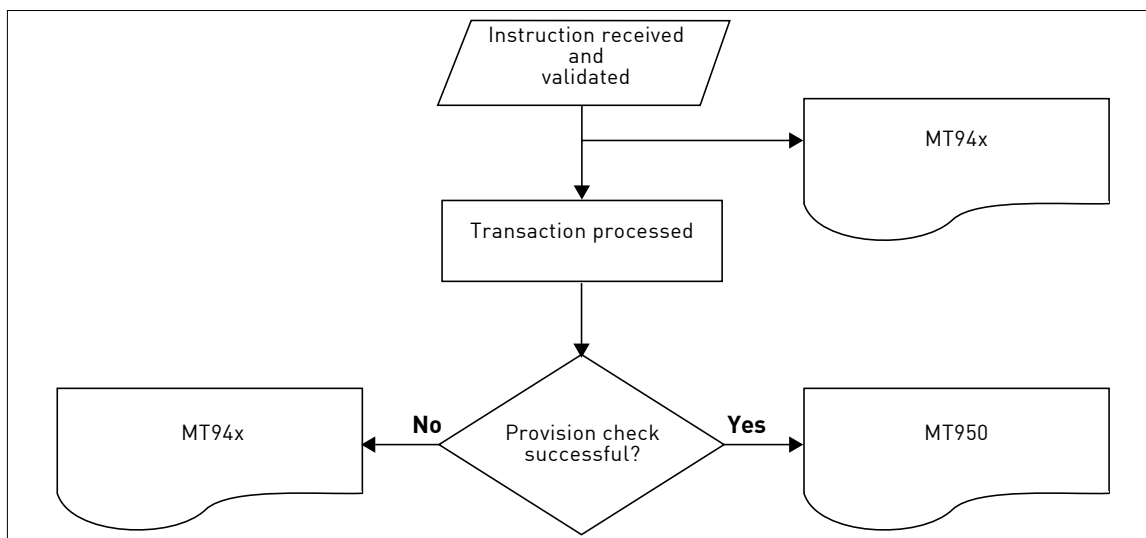


Figure 5.3 Life cycle of an MT103 or MT200/202 instruction

- Withdrawals of funds in currencies **ARS, AMD, BGN, BHD, CAD, CHF, CZK, DKK, EUR, GBP, GEL, HRK, HUF, ILS, ISK, KZT, MXN, NOK, OMR, PEN, PLN, QAR, RON, RUB, SAR, SEK, TRY, USD, UYU** and **ZAR** are processed from the first available processing for the value date (and continuously thereafter).
- Withdrawals of funds in currencies **AED, AUD, BWP, CNY, HKD, IDR, JPY, KRW, MYR, NZD, PHP** and **SGD** are first processed at the end of day, on the Business Day before the value date and the real-time processing for the value date. Exception: Payment instructions received via MT103 in JPY and NZD will not be processed for same day value in the real-time processing.

- Withdrawals of funds in currencies **KWD, THB** and **XAU** are processed at the end of day, on the Business Day before the value date.

For cancellations, see [Cancellations and amendments to instructions](#) on page 5-6.

MT299 instruction - Foreign Exchange (FX)

An MT299 instruction is provided to request currency conversion in a standardised format.

An MT299 instruction (for the attention of Forex) is used to instruct a FX Transaction on a case-by-case basis (not automatic). The customer will define the currency and amount to convert, and indicate both the buy and the sell currencies. The FX request must be for the customer's own CBL account.

Example FX instruction:

Account	12345	
Amount/Currency	1,000,000.00	USD
Action buy/sell	buy	
Requested value date	30.10.2015	
Counter currency		EUR

The instruction deadline for this type of service is two Business Days before the requested value date (VD-2), timing depending on the currency. The FX instruction will first undergo a credit and collateral provision check. After the deadline, CBL effects the FX Transaction and debit instructions are generated. Pending instructions are reported in the MT94x (Money Suspense Report). On value date, a credit and debit are posted to the customer's account and reported in the MT950 (Money Statement).

An MT299 instruction, once sent, must be considered as irrevocable (unless rejected during the validation process) and cannot be cancelled.

Note: More detailed information about the FX Service is provided in [Foreign Exchange services](#) on page 5-15.

The diagram in [Figure 5.4](#) below illustrates the life cycle of an MT299 instruction as described above and should be viewed in conjunction with [Figure 5.6](#).

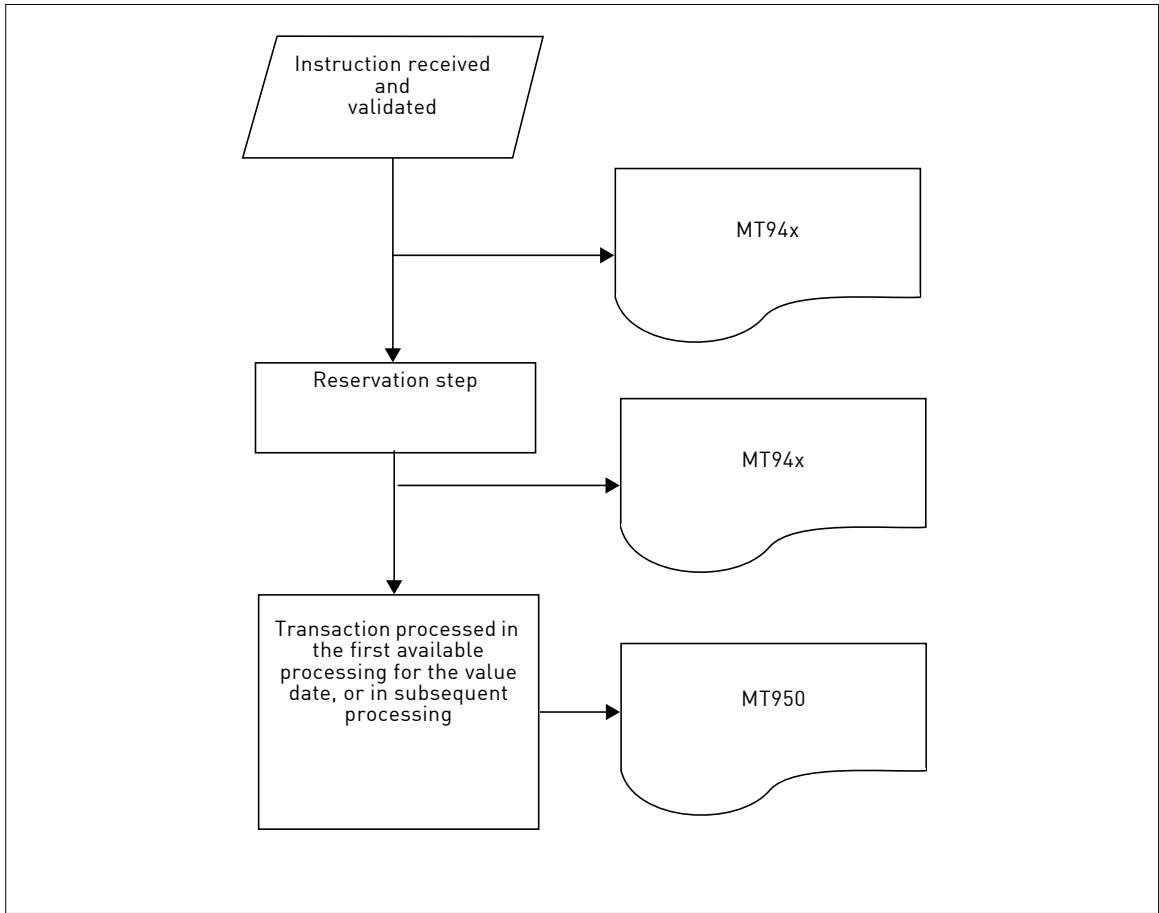


Figure 5.4 Life cycle of a foreign exchange instruction

MT103 or MT202 instruction - Book-entry transfer of funds

Customers must use an MT103 or MT202 instruction to transfer funds from one CBL account to another. These transfers are in Confirmed Funds. A book-entry transfer of funds will create simultaneous entries on both debit and credit accounts. These entries are reported via MT940/MT942, with the related life cycle status, immediately upon receipt of a valid transfer instruction.

Only the customer requesting the payment should submit an MT103 or MT202 instruction, by means of which the beneficiary's account will automatically be credited. **The beneficiary must not pre-advise funds to be received by book-entry transfer.** An invalid transfer instruction will be rejected to the instructing party only.

The MT103 or MT202 instruction cannot be used for cash transfers to Bridge counterparties. Customers who want to transfer funds to a Bridge counterparty must remit funds through the respective Cash Correspondent banks of the two ICSDs.

Note: The value date applied to MT103 or MT202 instructions is the Settlement Date of the processing. The MT103 or MT202 instruction is not available for book-entry transfer of funds with back value.

For cancellations, see [Cancellations and amendments to instructions](#) on page 5-6.

The diagram in [Figure 5.5](#) below illustrates the life cycle of an MT103 or MT202 instruction as described above and should be viewed in conjunction with [Figure 5.6](#).

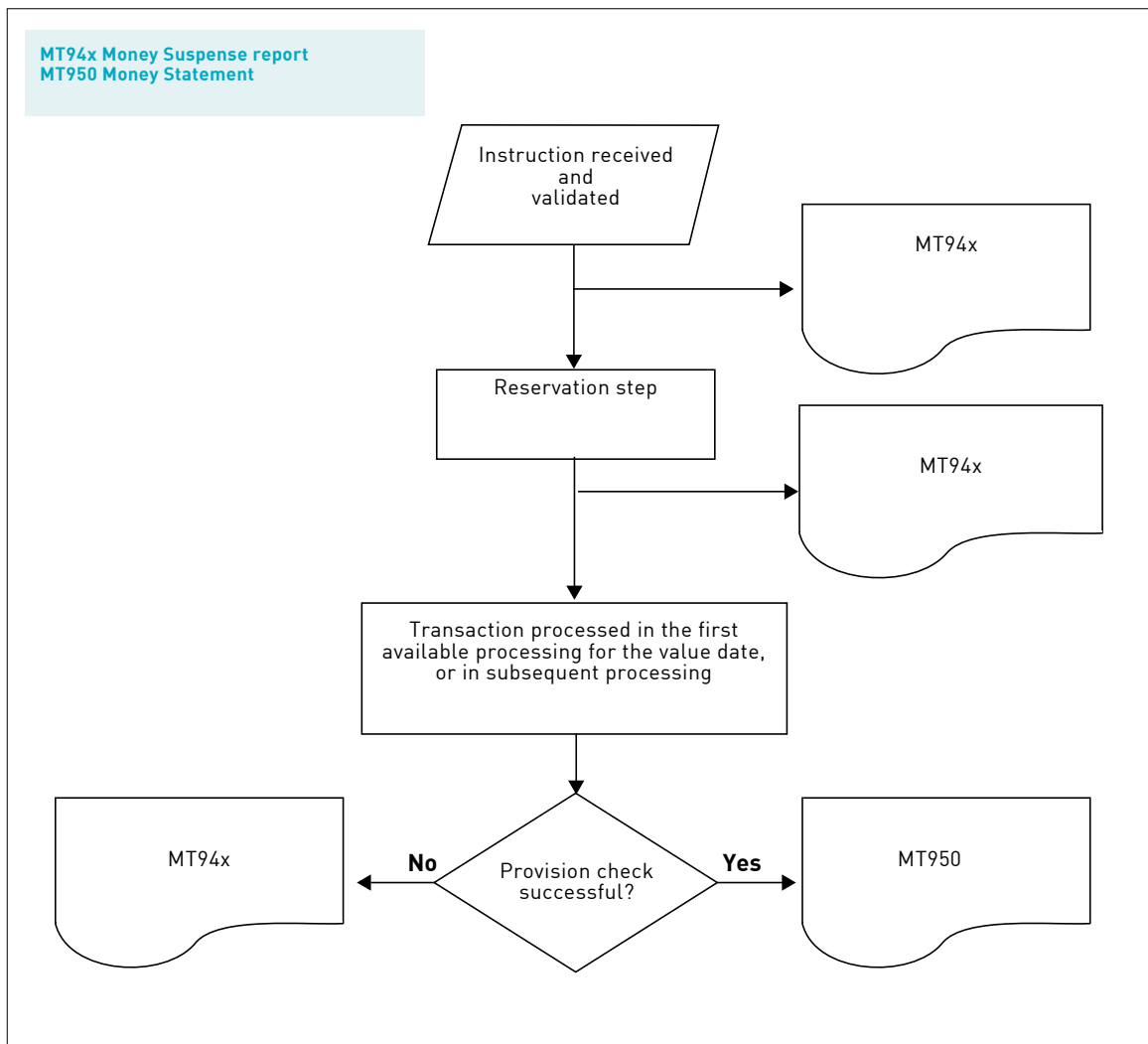


Figure 5.5 Life cycle of an MT103 or MT202 instruction

5.5 Foreign Exchange services

CBL offers the following Foreign Exchange (FX) services:

- Automatic FX service for custody proceeds;
- Automatic FX service for interest charges;
- Automatic FX service for standard monthly fees;
- FX service for securities Settlement instructions;
- Case-by-case FX service.

For CBL to process FX instructions, the customer must either have sufficient cash on its account or sufficient credit facility from the Trade Date which is two Business Days before value date (VD-2).

Communications media

Customers can use the services via the following communications media:

- **Automatic FX services**

Customers must submit a completed FX service application form.

- **Case-by-case**

Customers must submit either a free format message, or send a SWIFT MT299 for the attention of Forex.

- **FX service for securities Settlement instructions**

For SWIFT ISO 15022, customers must add the FX request in the field :11A: of against payment securities Settlement instructions.

Overview of FX Processing

The following figure represents the life cycle of an FX instruction. On Trade Date when a valid instruction is input, it will be checked against cash and credit availability. As a result, the required cash amount is reserved based on a provisional rate. This reservation attempt is made once a day for three¹ (3) consecutive Business Days. If none of the three (3) attempts is successful, then the FX instruction will be rejected.

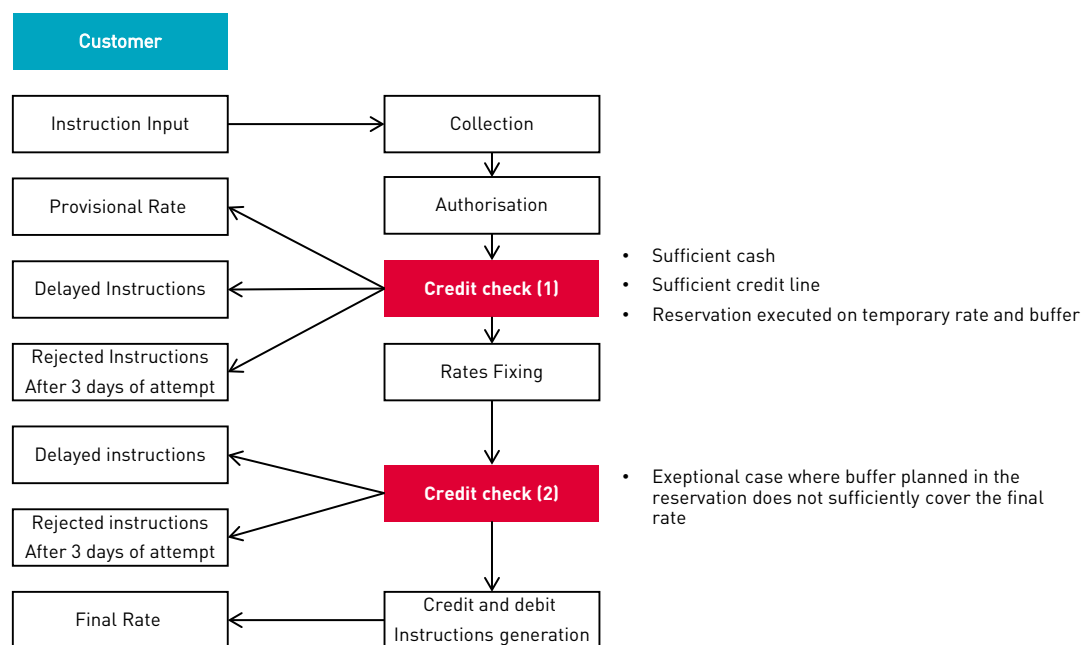


Figure 5.6 Life cycle of FX processing

Automatic FX service for custody proceeds

Custody proceeds eligible for this service

The following custody proceeds are eligible for this service:

- Custody proceeds from the following events: INTR, DVCA, CAPG, DECR, SHPR, REDM, PRED, PCAL, MCAL and DRAW;
- Custody proceeds from Collective Safe Custody (CSC) securities in foreign currencies (valid for CBF customers only).

This includes:

- Reversals and value date adjustments of custody proceeds;
- Tax adjustments related to custody proceeds;
- Compensation payments if processed via cash instructions only.

Customers have the ability to have a) only interest and Dividend payments (and related compensations) automatically converted, and/or b) only Redemptions automatically converted.

The conversion applies to both credit and debit custody payments. Custody proceeds are converted on itemised basis.

The automatic FX instruction will only be initiated once the custody proceeds are credited to the account, that is, once the MT566 has been generated and sent to customers, this may delay the processing of the FX by up to one (1) day.

1. Three days is the total number of days for credit check (1) and credit check (2)

Reversals and value date adjustments

In the case of a reversal on a given custody payment, the original payment and the reversal are performed on two different days. The FX rates used to convert the original income and the reversal amount may vary according to market conditions.

For errors originating from a third party, CBL will apply the FX rate fixed on the date of the processing of the reversal. The results of any fluctuations in exchange rates will be passed on to customers as appropriate. In exceptional cases where CBL is deemed responsible for an error, CBL will apply the FX rate used for the original payment.

Using the Automatic FX service for custody proceeds

The Automatic FX service for custody proceeds enables customers to arrange for interest and Dividend payments and/or Redemption to be automatically exchanged either:

- On payment date, D, into a base currency of their choice with value two days later (D+2); or
- On D+1 with value three days later (D+3).

This service is used as described below.

The automatic FX instruction will only be initiated once the MT566 confirmation of proceeds from CBL's depositories and agents has been received and fully reconciled and credited to the account of the customer.

Step 1

CBL identifies custody proceeds (debits and credits) eligible for the Automatic FX service:

Credits:

On D/D+1, CBL generates an MT103 or MT200/202 (Withdrawal of funds) instruction in the original currency and an MT210 (Pre-advise of entry of funds) instruction in the converted currency for value D+2/D+3 respectively for each custody proceeds on which an FX Transaction is to be executed.

Debits:

On D/D+1, CBL generates an MT210 (Pre-advise of entry of funds) instruction in the original currency and an MT103 or MT200/202 (withdrawal of funds) instruction in the converted currency for value D+2/D+3 respectively for each custody proceeds on which a FX Transaction is to be executed).

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to the conversion of custody proceeds are identified by the original custody Instruction Transaction number in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the Security Code of the underlying custody proceeds.

Step 2

On D+2/D+3 respectively, the withdrawal of funds instruction and the Pre-advise of entry of funds instruction are posted to the customer's account. The same value date is applied to both credit and debit FX instructions.

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to conversion of custody proceeds are identified by the original custody Instruction Transaction number in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the Security Code of the underlying custody proceeds.

Automatic FX service for interest charges

The Automatic FX Service for interest charges allows for a conversion on a monthly basis of all interest charges on customers' cash Balances into a base currency. The converted charges will have the same value date as the original interest charge (except for a currency holiday, in which case the next possible conversion date will be used).

Using the Automatic FX service for interest charges

CBL identifies interest charges eligible for conversion two days before the value date, which is the 15th of the following month (or the next Business Day should the 15th not be a Business Day for CBL and/or the currency is closed). The credit and debit instructions resulting from the conversion will have the same value date as the original interest charge (except for a currency holiday, in which case the next possible conversion date will be used).

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to conversion of interest charges are identified by the unique four-letter code word INTC in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the underlying interest charge Transaction number.

Automatic FX Service for monthly standard fees

The Automatic FX Service for monthly standard fees allows for a conversion on a monthly basis of monthly fees into a base currency. The converted fees will have the same value date as the original monthly fee (except for a currency holiday, in which case the next possible conversion date will be used).

Using the Automatic FX service for monthly fees

CBL identifies monthly fees eligible for conversion two days before the value date, which is the 15th of the following month (or the next Business Day should the 15th not be a Business Day for CBL and/or USD is closed). The credit and debit instructions resulting from the conversion will have the same value date as the original monthly fee (except for a currency holiday, in which case the next possible conversion date will be used).

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to conversion of monthly fees are identified by the unique four-letter code word MFEE in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the underlying monthly fee Transaction number.

Automatic FX services: optional features

The following additional features are optional and available upon request:

Limitations on currencies

All currencies accepted by CBL for FX service can be converted into a base currency. Customers can choose which currencies should be included in the automatic conversion procedure.

Limitations on amount

Customers can specify minimum and maximum amounts by currency, below and above which FX Transactions will not be carried out by CBL.

Minimum amount

If a minimum amount is specified, the Automatic FX service will only be effected when the currency amount of the single underlying instruction is equal to, or greater than, the minimum amount specified by the customer. Amounts below the minimum amount specified by the customer will not be converted at any time throughout the service.

Maximum amount

If a maximum amount is specified, the Automatic FX service will only be effected when the currency amount of the single underlying instruction is equal to, or less than, the maximum amount specified by the customer. Amounts above the specified maximum amount will not be converted at any time through the service.

Registration for Automatic FX services

Registration

To register for the Automatic FX services, customers must send a completed Automatic FX application form (available on request). The form should be received by CBL at least two Business Days before the requested start date and should be sent to:

Clearstream Banking S.A.
Account Administration
42, avenue JF Kennedy
L-1855 Luxembourg

Application forms are available from CBL Client Services Officers or Customer Relationship Managers.

Cancellation

Cancellation of the Automatic FX service can only be effected by a written notification signed by authorised signatories, via a SWIFT MT299 or free format message. The cancellation will be effective two Business Days following the receipt of the cancellation notice.

If a single specific FX instruction presented for the Automatic FX service is requested to be cancelled on an exceptional basis, not a general cancellation of the service, the customer is requested to send a SWIFT MT299 by the FX instruction deadline on the requested Settlement Date at the latest. The FX instruction will be cancelled on a "best efforts" basis, if it has not yet been executed.

Admittance

Admittance to any of the FX services is at the discretion of CBL.

Amendments to the Automatic FX services application form

Amendments to the application form (such as requests to use one of the optional features) should be sent in writing, requested via a written notification by registered letter signed by authorised signatories, or via a SWIFT MT299 or free format message to the address above.

Any request to change the contents of the application form must be received by CBL at least two Business Days before the date on which the change should take effect and may be accepted at CBL's sole discretion.

FX service for securities Settlement instructions

This service gives customers the ability to synchronise the value date of the FX Transaction with the Requested Settlement Date of the securities instruction.

Customers can request the conversion of the currency of the underlying Settlement Transaction provided that the currency is eligible for FX services in CBL and the base currency of their choice is eligible for FX services without any restrictions. Please see [FX services offered, per currency](#) on page 5-25

Using the FX service on securities settlement instructions

The FX service for securities instructions allows customers to include a FX request in any against payment securities Settlement instruction for the associated FX instruction to be generated automatically instead of sending a separate FX instruction. Customers need to enter appropriate information in the securities Settlement instruction as shown in the following figure. With this information, the cash Countervalue of a securities Settlement instruction will become eligible for conversion.

The SWIFT ISO 15022 securities Settlement instruction field designated for FX requests is Currency field :11A: with qualifier FXIB or FXIS.

Please see [DVP securities Settlement instructions with an FX request](#) on page 5-22 and [RVP securities Settlement instructions with an FX request](#) on page 5-22 for detailed information.

Eligibility of all against payment securities instructions

The FX operation will be executed irrespective of the Settlement status of the securities instruction associated with it. The original against payment securities instruction will settle in the original currency and amount specified in the cash Countervalue field. The FX operation will be executed on the same customer account as the associated securities instruction.

FX deadline

The instruction deadline is 11:30 CET two Business Days before value date (VD-2) except for the following currencies: IDR, MYR and THB (see [Case-by-case FX service](#) on page 5-23). For these currencies, the instruction deadlines mentioned in all of the following articles must be adjusted accordingly.

For instructions received after the instruction deadline, CBL will execute the FX operation on a “best efforts” basis.

Amendments and cancellation of FX operations

Securities Settlement instructions sent on day D before the 11:30 deadline

A securities instruction with its associated FX instruction that was already sent on day D before the 11:30 deadline can still be amended or cancelled between the time the instruction was sent and the FX deadline 11:30 on day D.

After the 11:30 deadline on day D the FX instruction associated with a securities instruction sent on day D before the 11:30 deadline must (unless either of the instructions is rejected during the validation process) be considered as irrevocable and cannot be cancelled.

In order to cancel an already executed FX operation, an “opposite” FX instruction must be sent. The value date and exchange rate of the “opposite” instruction may be different from those applied at the execution of original FX operation specified in the securities Settlement instruction. The results of any fluctuations in exchange rates will be passed on to customers as appropriate.

Securities Settlement instructions sent on day D after the 11:30 deadline

A securities instruction with its associated FX instruction that was already sent on day D after the deadline 11:30 can still be amended or cancelled between the time the instruction was sent and the next FX deadline 11:30 on day D+1.

After the 11:30 deadline on day D+1 the FX instruction associated with a securities instruction sent on day D after 11:30 deadline must (unless either of the instructions is rejected during the validation process) be considered as irrevocable and cannot be cancelled.

In order to cancel an already executed FX operation, an “opposite” FX instruction must be sent. The value date and exchange rate of the “opposite” instruction may be different from those applied at the execution of original FX operation specified in the securities Settlement instruction. The results of any fluctuations in exchange rates will be passed on to customers as appropriate.

Timeline for securities settlement instructions with FX request

For a trade on day T and Settlement on T+3, if the securities instruction is to be settled and the associated FX operation executed for the same date, the customer should submit the securities instruction before the T+1 11:30 CET FX deadline.

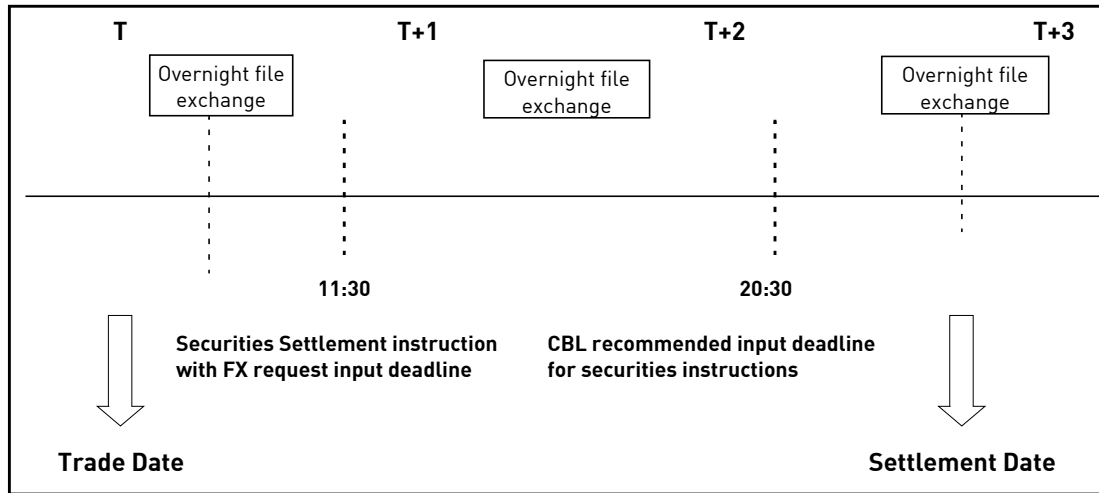


Figure 5.7 Timeline for securities Settlement instructions with FX request

FX execution timeline

Securities Settlement instructions sent on day D before the 11:30 deadline

Securities Settlement instructions received at CBL on day D before the 11:30 deadline with a valid FX request will have MT210 and MT103 or MT200/202 instructions¹ resulting from the conversion generated for value date as per the following figure:

Requested Settlement Date (RSD) of the securities instruction	FX execution	Generation of the FX-related MT210 and MT103 or MT200/MT202 instructions	Value date of the FX-related MT210 and MT103 or MT200/MT202 instructions
RSD = D	RSD	RSD	RSD+2
RSD = D+1	RSD-1	RSD-1	RSD+1
RSD = D+2	RSD-2	RSD-2	RSD
RSD = D+n ^a	RSD-2	RSD-2	RSD

a. "n" is greater than two Business Days.

Securities Settlement instructions sent on day D after the 11:30 deadline

Securities Settlement instructions received at CBL on day D after the 11:30 deadline with a valid FX request will have MT210 and MT103 or MT200/202 instructions¹ resulting from the conversion generated for value date as per the following figure:

Requested Settlement Date (RSD) of the securities instruction	FX execution	Generation of the FX-related MT210 and MT103 or MT200/MT202 instructions	Value date of the FX-related MT210 and MT103 or MT200/MT202 instructions
RSD = D	RSD+1	RSD+1	RSD+3
RSD = D+1	RSD	RSD	RSD+2
RSD = D+2	RSD-1	RSD-1	RSD+1
RSD = D+3	RSD-2	RSD-2	RSD
RSD = D+m ^a	RSD-2	RSD-2	RSD

a. "m" is more than three Business Days.

FX will not be executed:

1. MT210 instruction: Pre-advise of entry of funds; MT103 or MT200/MT202 instructions: withdrawal of funds.

- If a securities Settlement instruction containing the FX request is both sent and cancelled on day D before the 11:30 deadline; or
- If a securities Settlement instruction containing a FX request is sent on day D after the 11:30 deadline and cancelled prior the next day D+1 11:30 deadline.

FX processing

Note: EUR must always be one of the two currencies in the FX operation.

DVP securities Settlement instructions with an FX request

On a DVP (Delivery Versus Payment) instruction, the currency and amount specified as the cash Countervalue (Sell currency) will be debited from the customer's account and the converted amount in the currency specified as the Buy currency will be credited to the customer's account.

An MT103 or MT200/202 instruction will be created for the amount and currency given in the cash Countervalue field of the securities Settlement instruction and an MT210 instruction will be created with the equivalent amount in the Buy currency.

For DVP instructions, use the qualifier/code word **FXIB** followed by the ISO code of the Buy currency. The following tables show the values to use:

ClearstreamXact CreationOnline	DVP securities instruction currency (Sell currency)	Buy currency	FX request
Case A	EUR	ISO currency code	FXIB//ISO currency code
Case B	ISO currency code	EUR	FXIB//EUR

RVP securities Settlement instructions with an FX request

On a RVP (Receipt Against Payment) instruction, the currency and amount specified as the cash Countervalue (Buy currency) will be credited to the customer's account and the converted amount in the currency specified as the Sell currency will be debited from the customer's account.

An MT210 instruction will be created for the amount and currency given in the cash Countervalue field of the securities Settlement instruction and an MT103 or MT200/202 instruction will be created with the equivalent amount in the Sell currency.

For RVP instructions, use the qualifier/code word **FXIS** followed by the ISO code of the Sell currency. The following tables show the values to use:

ClearstreamXact CreationOnline	RVP securities instruction currency (Buy currency)	Sell currency	FX request
Case C	EUR	ISO currency code	FXIS//ISO currency code
Case D	ISO currency code	EUR	FXIS//EUR

Validation criteria for ISO 15022 instructions

The cash Countervalue on a securities against payment instruction will be eligible for FX only if the instruction is validated successfully and has a correctly formatted FX request.

Format requirements

Currency field :11A: of the securities against payment instructions will be scanned for the FX request details. If provided in the correct format, this will be a valid FX request.

MT541 messages

The information must be provided in the field :11A: with the qualifier FXIS followed by the ISO currency code of the Sell currency.

Example: :11A::FXIS//USD

MT543 messages

The information must be provided in the field :11A: with qualifier FXIB followed by the ISO currency code of the Buy currency.

Example: :11A::FXIB//EUR

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to the conversion of the cash Countervalue of a securities instruction are identified by the unique four-letter code word SETT in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the exchange rate and CBL 7-digit transaction reference of the securities transaction.

Case-by-case FX service

The case-by-case FX (foreign exchange) service allows customers to arrange, for a specific event, the conversion of cash Balances or income proceeds into a currency of their choice.

The case-by-case FX service is available for an FX between two currencies eligible for this service (for the complete list of currencies eligible please see [FX services offered, per currency](#) on page 5-25).

Using the case-by-case FX service

To effect an FX Transaction using the case-by-case FX service, customers must send either a SWIFT MT299 instruction Type (for the attention of Forex) or a free format message.

The instruction deadline for the case-by-case FX service is 11:30 CET two Business Days before value date (VD-2), except for the following currencies: CNY¹, IDR¹, MYR¹, and THB¹. The customer can input instructions at any time up to the 11:30 deadline (VD-2) described above.

The currencies are converted according to spot market procedure for value date two Business Days later (except for a currency holiday, in which case the next possible conversion date will be used).

The FX request must be for the customer's own account. The customer defines the Buy and Sell currency and the amount to be converted up to a maximum of EUR 10,000,000 or the equivalent in another currency:

Buy currency: Currency that will be credited to the customer's account.

Sell currency: Currency that will be debited from the customer's account.

To effect an FX Transaction exceeding the EUR 10,000,000 or its equivalent in another currency customers must either:

- Submit several instructions in the system for lower amounts, or
- Telephone CBL Treasury Department immediately upon receipt of the rejection message, to confirm the FX request and amount. Customers must then submit as written confirmation, a SWIFT MT299 Instruction Type (Attn: Treasury Back Office).

Provided the applicable deadlines have been met and based on the usual credit approval the FX instruction will still be executed with good value. In case of receipt of the confirmation after the deadline, the FX instruction will be executed with good value on a best efforts basis, but with a different FX rate from the daily CBL foreign exchange fixing rate.

Once an instruction is sent, it must be considered as irrevocable unless rejected during the validation process and cannot be cancelled. Manual cancellation may be possible on request, on a "best efforts" basis, if the FX instruction has not yet been executed at that stage.

N.B.: Customers need nevertheless absolutely to recheck with their Client Services Officer or directly with Treasury the status of the FX instruction (already rejected, suspended, valid but not yet executed or executed) before sending a reverse FX instruction.

Reporting

Pending FX instructions are reported in the MT94x (Money Suspense report). Book-entry movements are reported in the MT950 (Money Statement).

FX instructions related to the case-by-case FX service are identified by a unique four-letter code word FX9E in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate.

1. CBL may be forced to square the FX positions in the respective domestic markets, therefore, the instruction deadline for the case-by-case FX service in these currencies is 10:00 CET Winter (VD-2) and 11:00 CET Summer time VD-2). For instructions received after the instruction deadline, CBL will execute the FX operation according to spot market procedures and on a "best efforts" basis.

Additional information on the FX services

Exchange rates

Provisional rate

On Trade Date when a valid instruction is input, it will be checked against cash and credit availability and the required cash amount is then reserved based on a provisional rate.

Final rate

Once reservation is successful, a final provisioning will take place with the final rate.

The FX rates obtained for a conversion are indicated in the narrative field of the MT210 and MT103, MT200/202 instructions that accompany the details of the Transaction.

All FX rates are published daily on the [Clearstream Codelist website](#) at around 16:30 each Business Day.

The FX rates fixed will be as quoted in the foreign exchange market against the EUR between the FX instruction deadline of the currency and 13:00 CET and will apply to both buy and sell instructions.

Any exception to this rule is outlined in the section [FX services offered, per currency](#) on page 5-25. For FX instructions of currency pairs where the EUR is not part of the pair, the system will calculate a cross rate using the fixed rates against the EUR.

Withdrawal of converted funds

Instructions to withdraw funds resulting from a FX Transaction are subject to the normal deadlines for each currency.

Suspension of FX services

CBL may temporarily suspend and/or cancel any outstanding FX service instruction if circumstances do not permit orderly trading and/or trade execution. In this event, CBL will notify customers as soon as possible.

Refusal of an FX instruction

CBL may refuse an FX service instruction if it has been rejected during the validation process.

CBL holidays and currency holidays

If the conversion value date falls on a day that is not a Business Day for CBL and/or for the original or resulting currency, the next possible value date will be used. Customers are recommended to consult a currency holiday schedule before submitting an FX instruction. No FX instruction will be handled on an EUR holiday and, as a consequence, FX instructions sent after the FX instruction deadline on the day before an EUR holiday (or on the day of an EUR holiday itself) will be delayed and executed with the next possible value date.

FX services offered, per currency

Eligible currencies for the Automatic FX service, case-by-case and FX services for securities Settlement instructions are shown below. The list of eligible currencies may be modified at any time without prior notification by CBL depending on market conditions.

Currency	FX Service offered?	Restrictions or special handling details?
AED	YES	None.
AMD	YES	Except FX services for securities
ARS	NO	Due to current capital and FX restrictions this service is not available until further notice.
AUD	YES	None.
BGN	YES	No - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
BHD	YES	No - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
BRL	NO	
BWP	YES	No - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding day) may be delayed and the requested value date cannot be guaranteed.
CAD	YES	None.
CHF	YES	None.
CNY	YES	
Special deadline: 10:00 CET winter time / 11:00 CET summer time.		
Instructions received after this deadline will be executed with the requested value on a "best efforts" basis only.		
COP	YES	No automatic FX for monthly fees, custody proceeds and interest charges and no 9E Instructions; SWIFT MT599/MT299 and FX service on securities settlement instructions only. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding day) may be delayed and the requested value date cannot be guaranteed.
CZK	YES	None.
DKK	YES	None.
EUR	YES	None.
GBP	YES	None.
GEL	YES	No - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
HKD	YES	None.
HRK	YES	No - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
HUF	YES	None.

Currency	FX Service offered?	Restrictions or special handling details?
IDR	YES	<p>Buy IDR FX instructions are possible to cover domestic Securities purchases (61) or to cover charges on its CBL account. Buy IDR FX instructions related to non-domestic Securities purchases (41) securities purchases are possible, but CBL cannot guarantee execution as the Indonesian Central Bank does not recognise any other purchase (41) as underlying operation to accept buy IDR FX.</p> <p>CBL can only execute buy IDR FX instructions not related to a domestic Security purchase if the customer's counterparty has also sent a sell IDR FX instruction related to the respective non-domestic Security sale (51).</p> <p>The agent in Jakarta may refuse the buy FX instruction or, if he does accept it, may come back to cancel the deal or do a reverse deal at a different FX rate if an underlying domestic trade is missing. For this reason, FX instructions from both seller and buyer related to internal trades (41/51) will be executed by CBL at the same time (buy IDR and sell IDR, even if the related 51 has not yet settled).</p> <p>Upon agreement from the agent in Jakarta, all FX instructions sent by the customer will be executed even in the absence of related securities instructions.</p> <p>Customers must ensure that their buy IDR FX instruction is in relation to a domestic Securities purchase or to cover charges on its CBL account. Customers are responsible to comply to the regulatory requirement.</p> <p>CBL cannot be held responsible for any loss, claim or damage suffered by the customer as a result of the customer not complying with the above regulations. The customer furthermore agrees to indemnify CBL against losses, liabilities, damages, penalties, judgments, suits, expenses and all other costs on any kind suffered by CBL as a result of the customer not complying with the above requirement. Any penalty suffered by CBL as a result of the non-observance of the regulations by the customer will be charged to the customer account.</p> <p>Sell IDR FX instructions are possible if there are sufficient funds on the CBL customer account at the FX instruction deadline.</p> <p>If the cash Balance on the customer account is not sufficient at the FX instruction deadline, sell IDR FX instructions related to securities sales will be suspended until the securities sale has settled. Sell IDR FX instructions exceeding IDR 50,000,000 directly linked to a securities instruction (FX instruction directly set on the securities instruction) will be suspended until the securities instruction has settled. Depending on the agreement from the agent in Jakarta, the FX will then be executed with good value.</p> <p>N.B.: Same-day FX is only possible where an underlying domestic sell securities trade has settled on that day. Sell IDR FX instructions sent for a value date different from that of the related securities instruction may be delayed and executed with an other than requested value date.</p> <p>If the customer sends buy and sell IDR FX instruction for the same value date, CBL will execute the buy instruction first to unblock the securities purchase and will suspend the sell FX instruction until the money is as confirmed Balance on the account. Depending on the agreement from the agent in Jakarta, the FX will then be executed with good value but with an FX rate other than that on the buy FX instruction.</p> <p>FX instructions for amounts less than or equal to IDR 50,000,000 may nevertheless, if CBL Treasury estimates that the CBL overall liquidity position with the agent in Jakarta allows it to do so, be executed immediately without awaiting the securities Settlement or the available Balance.</p> <p>Special deadline: 10:00 CET winter time / 11:00 CET summer time.</p> <p>Instructions received after this deadline will be executed with the requested value on a "best efforts" basis only.</p> <p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
ILS	YES	<p>No - with one exception.</p> <p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>

Currency	FX Service offered?	Restrictions or special handling details?
ISK	YES	No automatic FX and no 9E instructions; SWIFT MT599/MT299 instructions only.
JPY	YES	None.
KRW	NO	For security Transactions, an automatic FX against USD is initiated by the agent in South Korea; there is no need to send FX instructions. Buy KRW FX instructions may be accepted in very exceptional circumstances (for example, if CBL's own KRW currency position would allow CBL to satisfy the customer request). Before sending such an instruction, the customer must first verify, with his Relationship Officer or with CBL Treasury, that it will be accepted.
KWD	NO	Buy KWD FX instructions may be accepted in very exceptional circumstances (for example, if the CBL's own KWD currency FX position would allow CBL to satisfy the customer request). Before sending such an instruction, the customer must first verify, with his Relationship Officer or with CBL Treasury, that it will be accepted.
KZT	YES	None.
MXN	YES	None.
MYR	YES	Buy and Sell FX instructions are possible under the condition that prior to instructing, the customer must send an MT599 to the attention of Treasury desk, stating the following: "Attn: Clearstream Banking Treasury Desk. Clearstream Account Number: Clearstream account(s) number(s). We, (entity name), hereby unconditionally represent and warrant that we do not and will not conduct or transact in any offshore MYR non-deliverable forwards and / or offshore MYR foreign exchange derivatives contracts, as well as any future product of financial instruments of similar substance. We, (entity name), agree to indemnify Clearstream Banking and to hold Clearstream Banking harmless for any claims, fines, penalties, damages or losses, whether direct or indirect, resulting from an untrue, incomplete or inaccurate representation." Once the MT599 is recorded with CBL Treasury desk, then the following rules apply to MYR currency for FX instructions: Sell MYR FX instructions are possible if there are sufficient funds on the CBL customer account at the FX instruction deadline. If the Balance is not sufficient, sell MYR FX instructions related to securities sales will be suspended until the securities sale has settled. Sell MYR FX instructions exceeding MYR 10,000 directly linked to a securities instruction (FX instruction directly set on the securities instruction) will be suspended until the securities instructions has settled. Depending on the agreement from the agent in Malaysia, the FX will then be executed with good value. N.B.: Same-day FX is only possible where an underlying domestic sell securities trade has settled on that day. Sell FX instructions sent for a value date different from that of the relating securities instruction may be delayed and executed with an other than requested value date. If the customer sends buy and sell MYR FX instructions for the same value date, CBL will execute the buy instruction first to deblock the securities purchase and will suspend the sell FX instruction until the Balance on the CBL customer account is sufficient to execute the FX. Depending on the agreement from the agent in Malaysia, the FX will then be executed with good value but with a different FX rate than that of the buy FX instruction.

Currency	FX Service offered?	Restrictions or special handling details?
		<p>FX instructions for amounts less than or equal to MYR 10,000 may nevertheless, if CBL Treasury estimates that the CBL overall liquidity position with the agent in Malaysia allows it to do so, be executed immediately without awaiting the securities Settlement or the available Balance.</p> <p>Special deadline: 10:00 CET winter time / 11:00 CET summer time.</p> <p>Instructions received after this deadline will be executed with the requested value on a “best efforts” basis only.</p> <p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p> <p>Special deadline: 10:00 CET winter time / 11:00 CET summer time.</p> <p>Instructions received after this deadline will be executed with the requested value on a “best efforts” basis only.</p> <p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
NOK	YES	None.
NZD	YES	None.
OMR	YES	None.
PEN	YES	No - with one exception.
		<p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
PHP	NO	<p>With one exception:</p> <p>No automatic FX and no 9E instructions; SWIFT MT599 instructions only.</p> <p>Only restricted sell PHP FX instructions are allowed.</p> <p>Only custody proceeds resulting from securities with a Bangko Sentral Registration Document (BSRD) can be requested for FX. The exact details clearly mentioning the origin of the funds must be set on the FX order.</p> <p>When completing its FX instruction, the customer must strictly comply with the procedure as described in the Link Guide - Philippines under “Foreign exchange and repatriation of income proceeds”.</p> <p>Clearstream Banking Luxembourg will forward the details with the FX request to the agent in the Philippines. Upon his reply, the FX will be executed with best possible value date.</p> <p>Buy PHP FX instructions may be accepted in very exceptional circumstances (for example, if CBL’s own PHP currency FX position would allow CBL to satisfy the customer request).</p> <p>Before sending such an instruction, the customer must first verify, with his Relationship Officer or with CBL Treasury, that it will be accepted.</p>
PLN	YES	None.
QAR	YES	No - with one exception.
		<p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
RON	YES	No - with one exception.
		<p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
RUB	YES	No - with one exception.
		<p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>

Currency	FX Service offered?	Restrictions or special handling details?
SAR	NO	<p>Buy SAR FX instructions may be accepted in very exceptional circumstances (for example, if CBL's own SAR currency FX position would allow CBL to satisfy the customer request).</p> <p>Before sending such an instruction, the customer must first verify, with his Relationship Officer or with CBL Treasury, that it will be accepted.</p>
SEK	YES	None.
SGD	YES	None.
THB	YES	<p>Forced FX:</p> <p>If the overall CBL Balance at the Cash Correspondent Bank in Thailand exceeds the maximum regulatory amount, CBL will be forced to do a same-day FX at a penalty FX rate in order to reduce the balance. This forced FX will be booked, without prior advice, to the customer accounts presenting the largest balances. The FX will consist of a sale of THB against USD value D at a penalty FX rate, fixed by the Bank of Thailand. These operations may be repeated as often as necessary.</p> <p>Measures to avoid forced FX:</p> <ul style="list-style-type: none"> • Customers are advised to be extremely careful to keep their THB Balances at the lowest practicable levels. • Customers are requested to match value dates of FX instructions and security instructions. • If the customer sends buy and sell THB FX instructions for the same value date, CBL will execute the buy instruction first to unblock the securities purchase and will suspend the sell FX instruction until the money is as confirmed balance on the account. Depending on the agreement from the agent in Thailand, the FX will then be executed with good value but with an FX rate other than that on the buy FX instruction. • Customers should take care that they send buy THB FX instructions only if they need THB on their account to cover securities purchases or charges on their CBL account. • For internal trades (41/51) with related FX instructions from both buyer and seller, CBL will, in order to avoid the overall balance at the CCB exceeding the regulatory maximum amount and a partially forced FX being performed with a penalty FX rate, execute both FX instructions at the same time. <p>Special deadline: 10:00 CET winter time / 11:00 CET summer time.</p> <p>Instructions received after this deadline will be executed with the requested value on a "best efforts" basis only.</p> <p>As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.</p>
TRY	YES	None.
UAH	NO	<p>With one exception:</p> <p>Due to currency control imposed in Ukraine by the National Bank of Ukraine, only income proceeds (redemption and interest) received from UAH denominated Government Debt are eligible for FX services. No automatic FX and no 9E instructions; SWIFT MT599/MT299 instructions only.</p> <p>Note: The SWIFT MT599/MT299 must indicate the ISIN related to the income proceeds received.</p>
USD	YES	None.
UYU	YES	No - with one exception.
		As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
ZAR	YES	None.

Contact details

For further information about the FX services, please contact CBL's Treasury Desk:

Telephone: +352-243-32099 Fax:+352 243 38211

Customers should note that, as is normal practice within financial organisations, CBL has implemented telephone line recording. The main purpose of telephone line recording is to ensure that the interests of CBL and of its customers are protected against misunderstanding or miscommunications under the provisions of the applicable laws.

Clearstream may access recordings of telephone calls uniquely for the purpose of clarifying the content of business dealings.

- Determine whether business dealings have been conducted;
- Determine the content of business dealings that have been conducted;
- Collate evidence in preparation for arbitration, litigation or private settlement negotiations;
- Determine what information has been provided to third parties including statements made to the press.

5.6 Financing: availability of funds

Figure 5.8 below illustrates the availability of funds for securities Settlement, FX Services and cash withdrawal under the various Financing facilities available to customers, and the corresponding requirements for Collateral on the account to cover use of these facilities.

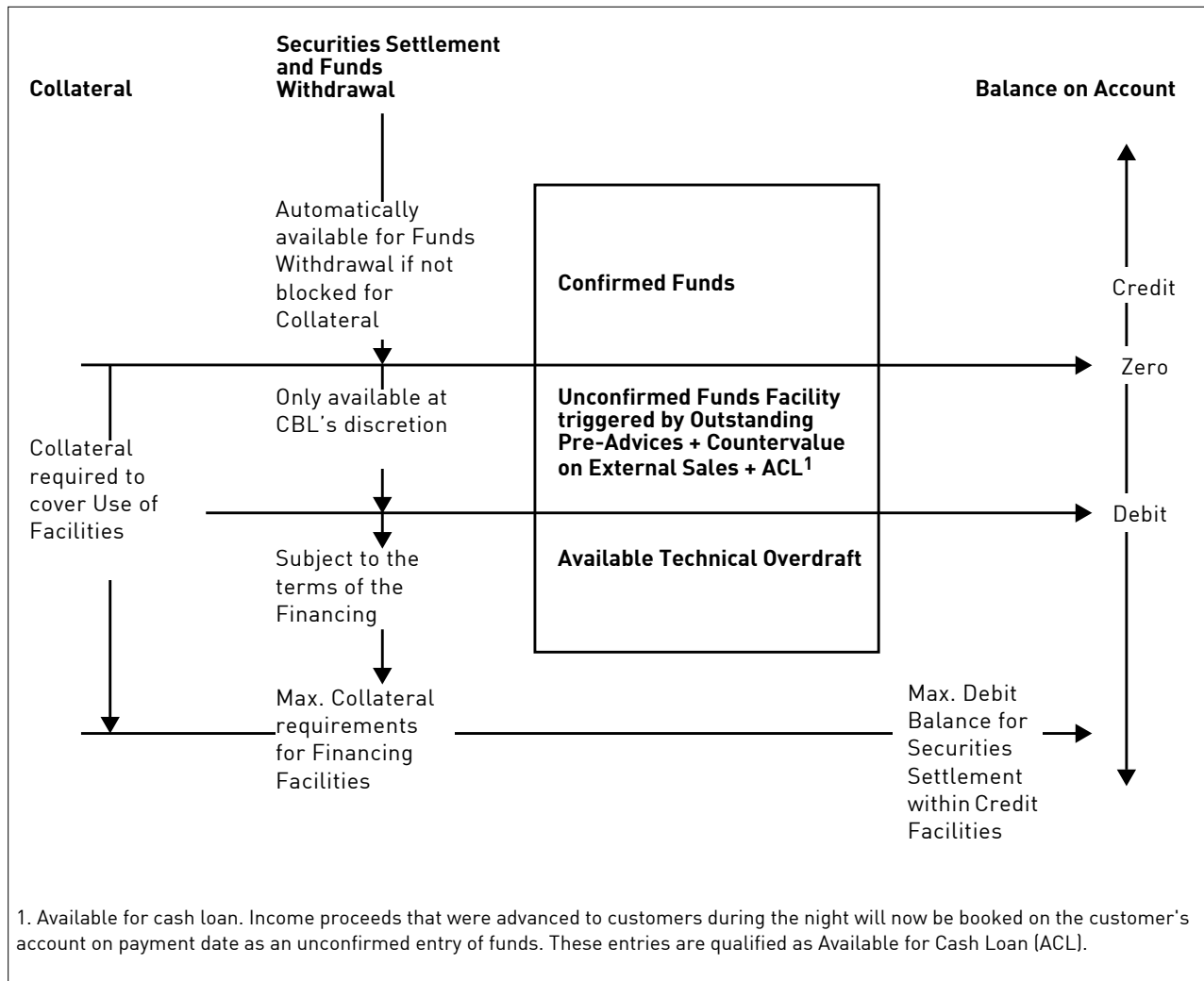


Figure 5.8 Financing: availability of funds

Each type of Financing facility is described in greater detail on the pages that follow.

Customers are reminded that all Financing undertaken by CBL is at its sole and absolute discretion. All credit facilities must be secured. Unless explicitly agreed otherwise by CBL, such Financing facilities may therefore be cancelled unconditionally without notice, at any time.

Customers should note that Financing facilities may be unavailable or restricted in less liquid currencies. The Technical Overdraft Facility (TOF) Agreement specifies which currencies are available for Financing.

Customers who intend to undertake Settlement requiring the use of Financing facilities in currencies that are not included in these Financing agreements should consult CBL Client Services or their Relationship Officer.

Unconfirmed Funds Facility

Unconfirmed Funds can be used for securities Settlement, withdrawal of funds linked to ACL (Available for Cash Loan) income events and related FX services, in addition to the customer's Technical Overdraft Facility,

the latter cannot be used for withdrawal of funds. This additional credit facility is known as the Unconfirmed Funds Facility. It can be used, for example:

- On an intraday basis, to purchase securities at the start of the Settlement processing overnight against covering funds to be confirmed by the end of real-time processing on value day;
- On an intraday basis, to withdraw the funds linked to ACL income events;
- On an intraday basis, for FX services linked to ACL income events.

Unconfirmed entries qualified as ACL are, by default, part of the unconfirmed facilities (see Figure 5.7).

Customers that do not want to use the ACL facility for securities Settlement and withdrawal of funds have to opt out and send an MT599 to the attention of Banking Operations (Account Administration), which shall read as follows "Please de-select ACL facility for a/c..." (please ensure in this case that the relevant accounts are listed), otherwise this message will be ignored by CBL.

Debit positions must not continue beyond the end of real-time processing on value date.

Technically, a currency or the account may be blocked from the start of the third Settlement day if either the individual currency overdraft or the overall net overdraft Balance on the account (offsetting debit and credit Balances in each currency) is not repaid within that timeframe, either by proceeds from against payment deliveries or by pre-advised funds.

Note: Any overnight borrowing will be subject to debit interest rates that are subject to a yearly review.

Collateral of sufficient value to cover the outstanding cash amount must be available on the account. Only the actual amount of credit drawn under the Unconfirmed Funds Facility must be collateralised.

The Unconfirmed Funds Facility is discretionary and its limit and conditions very much depend on the financial standing of the customer in whose name the account is opened and the liquidity of the respective currency. It can be cancelled unconditionally, at any time, without previous notice. CBL may also suspend the Unconfirmed Funds Facility for any given currency, at any time, without previous notice.

Definition of Unconfirmed Funds

Without prejudice of CBL's General Terms and Conditions funds are reported as unconfirmed if, on the date a report is retrieved, confirmation of the receipt of funds is outstanding. Unconfirmed Funds are constituted on the basis of the following outstanding instructions:

- Pre-advice instructions, between their value date and the time when the receipt of funds is confirmed by CBL's Cash Correspondent;
- Instructions for against payment deliveries of securities, between the expected value date of funds to be received and the time when confirmation of Settlement is actually received by CBL from the clearing system or depository;
- Unconfirmed funds linked to ACL income events, between their value date and the time when the receipt of funds is confirmed by the Paying Agent or CBL's Cash Correspondent.

Until confirmation is received, such funds appear on customer reports as Unconfirmed Funds. When confirmation has been received, the funds are credited as Confirmed Funds, with value date of the Pre-advice, or if for a Delivery Against Payment of securities instruction, with the value date on which the funds were received by CBL.

Individual Transactions in Unconfirmed Funds are reported and so customers can monitor amounts that are outstanding and, where appropriate, take action to ensure payment.

Life cycle of Unconfirmed Funds

Before value date

The Pre-advise of Funds instruction is created:

- By customer Pre-advices;
- By CBL, linked to ACL income events;
- By CBL, through release of an external Delivery Against Payment Transaction;

and is reported in the MT94x (Money Suspense report).

On value date

The Pre-advise of Funds instruction enters Unconfirmed Funds Status at the start of the real-time processing for the value date of the Pre-advise or external Delivery Against Payment Transaction.

Becomes available for securities Settlement if:

- The aggregate of all Unconfirmed Funds is within the limit of the customer's Unconfirmed Funds Facility; **and**
- Sufficient Collateral cover is available.

Becomes available for cash withdrawal if:

- The aggregate of all Unconfirmed Funds from ACL income events is within the limit of the customer's Unconfirmed Funds Facility; **and**
- Sufficient Collateral cover is available.

In any case the lowest value will be considered.

Is reported in the MT94x (Money Suspense report).

After value date

The Pre-advise of Funds instruction remains in Unconfirmed Funds Status until either:

- **Confirmed:**
 - By the CBL Cash Correspondent if a Pre-advise; **or**
 - By the Paying Agent or CBL Cash Correspondent if an ACL event; **or**
 - By the clearing agent or depository if an external Delivery Against Payment Transaction.

Confirmed Funds are reported, with the value date indicated, in the MT950 (Money Statement).

or

- **Cancelled:**
 - If pre-advised funds are not received by the Cash Correspondent, the customer incurs a debit interest charge to cover the cost of Funding the overdraft.
 - If the external Delivery Against Payment Transaction is refused by the clearing system or depository.¹

Cancelled Transactions are reported in the MT94x (Money Suspense report).

1. For the conditions covering cancellation of failed deliveries in each domestic market, please refer to the Market Guide.

Eligible currencies

The following currencies¹ are eligible for use in the Unconfirmed Funds Facility:

02	USD	15	NOK	26	NZD	49	ILS	77	RON
03	CHF	16	SEK	27	ZAR	54	HRK	78	BWP
07	GBP	19	JPY	33	SGD	63	BGN		
10	AUD	20	HKD	36	CZK	68	AED		
11	CAD	23	MXN	37	PLN	75	CNY		
12	DKK	25	EUR	40	HUF	76	TRY		

Figure 5.9 Currencies eligible for use in the Unconfirmed Funds Facility

Technical Overdraft Facility (TOF)

The purpose of the Technical Overdraft Facility (TOF) is to facilitate the Clearance of securities Transactions against payment. It is intended to be used exclusively for securities Settlements, and not for cash withdrawals.

The exact terms governing the TOF are described in the legal documentation signed by customers before the facility is made available.

Characteristics of the Technical Overdraft Facility (TOF)

The principal characteristics of the TOF are as follows:

- The TOF is an intraday credit line made available for the purchase of securities at the start of the Settlement day against covering funds to be confirmed by the end of real-time processing on value date. The time limit applies at two levels:
 - To individual currencies;
 - To the overall net positions across all debit and credit Balances on the accounts, through CBL's right of set-off.
- Debit positions must not continue beyond the end of real-time processing on value date. Technically, a currency or the account may be blocked from the start of the third Settlement day if either the individual currency overdraft or the overall net overdraft Balance on the account (offsetting debit and credit Balances in each currency) is not repaid within that timeframe, either by proceeds from against payment deliveries or by pre-advised funds.

Note: Any overnight borrowing will be subject to debit interest rates that are subject to a yearly review.
- The value of every currency overdrawn, or drawn, under the terms of the facility is revalued in USD on a real time basis and compared against the value of available Collateral on the customer's account. Only the amount actually drawn needs to be collateralised.
- The credit line is fixed in USD, but can cover other currencies as agreed by the customer and CBL. Some currencies eligible for Settlement in CBL may not be eligible for TOFs, or may be eligible only for a reduced amount. The exchange rate used is determined daily by CBL.
- It applies to only one account. Separate applications must be made for overdraft facilities that apply to other accounts of the same customer.

1. Subject to revision depending on market conditions.

Umbrella Credit and Collateral Services (UCCS)

Umbrella Credit and Collateral Services (UCCS) are Clearstream services available to facilitate customer's credit and Collateral management requirements. The services provide:

- An umbrella credit line at customer level, that is, accessible from any account the customer has with CBL, and
- A Collateral pool to secure the use of above credit line. The Collateral pool can be credited from any account of the customer's choice.

In addition to CBL providing global credit lines on individual accounts, an umbrella credit line is accessible from any account the customer has with CBL and offers customers the choice of five account set-up options. As illustrated below, where the Settlement account (SA in the diagram), credit and Collateral behaviours under the different options are specified.

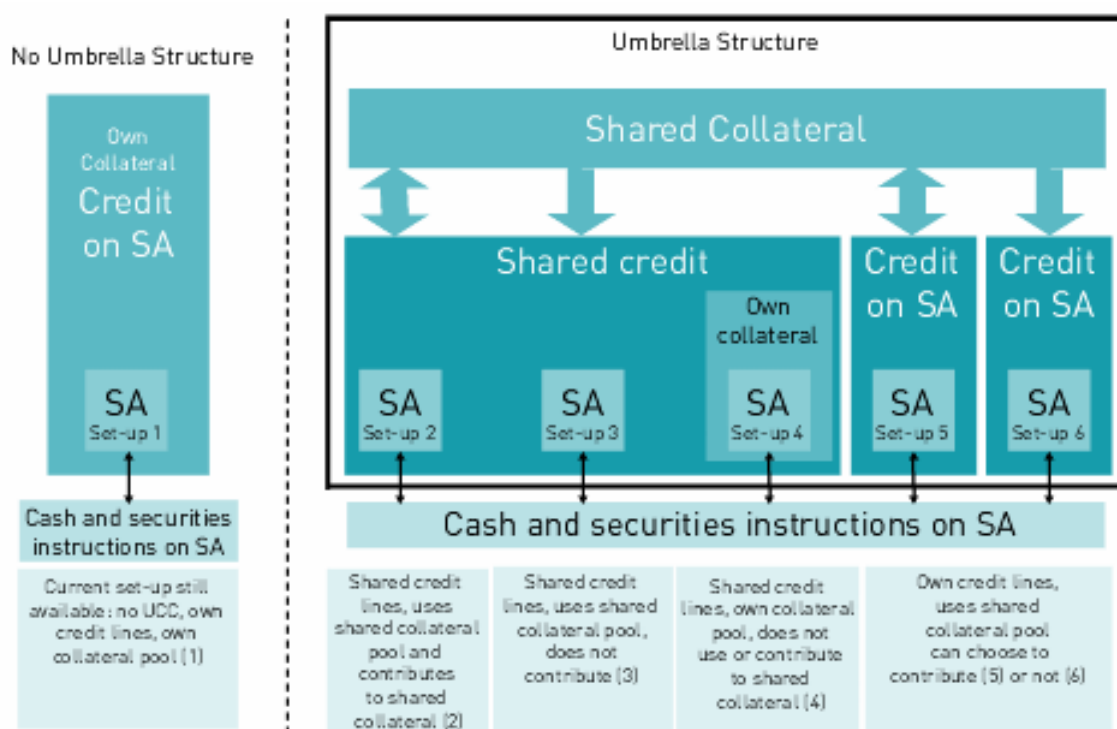


Figure 5.10 UCCS account set up options

Each individual account linked to an umbrella structure can configure three options. These options define the individual accounts credit or Collateral behaviour as being stand alone or shared within the structure.

The monitoring of both the credit line throughout participating accounts and of the available Collateral are fully automated and processed on an on-line basis.

For more details on CBL's UCCS please contact Clearstream Client Services or your Relationship Officer.

How to arrange a Technical Overdraft Facility (TOF) or an Umbrella Credit and Collateral Services facility (UCCS)

Customers who would like to arrange a TOF or a UCCS facility must apply in writing to their Client Services Officer or Relationship Officer stating the account number and the amount of the credit line required in USD. The latest available annual report or audited financial statements, including an income statement and balance sheet, must also be provided.

When an application for a TOF or a UCCS facility is approved, a **Technical Overdraft Facility Agreement** is forwarded in duplicate to the applicant for signature. This document must be endorsed with authorised signatures. One copy of the **Technical Overdraft Facility Agreement** is returned to the customer's Client Services Officer or Relationship Officer and the other is kept by the customer.

A TOF or a UCCS facility is only implemented after CBL receives the properly completed agreement(s) and sends the customer an authenticated message confirmation.

5.7 Collateral valuation

Through the General Terms and Conditions, CBL has a general right of retention and set-off on all assets held on the customer's account that secure obligations towards CBL by the customer for the services rendered by CBL. All assets held by the customer in CBL are Pledged in favour of CBL to the extent of any credit facilities granted to the customer.

The customer is required to notify CBL if there are any assets, held by CBL in any account, that the customer is not entitled to use as Collateral against his own obligations towards CBL. This may apply, for example, to securities held on behalf of the customer's own clients.

The calculation of Collateral values is illustrated in [Figure 5.11](#) below.

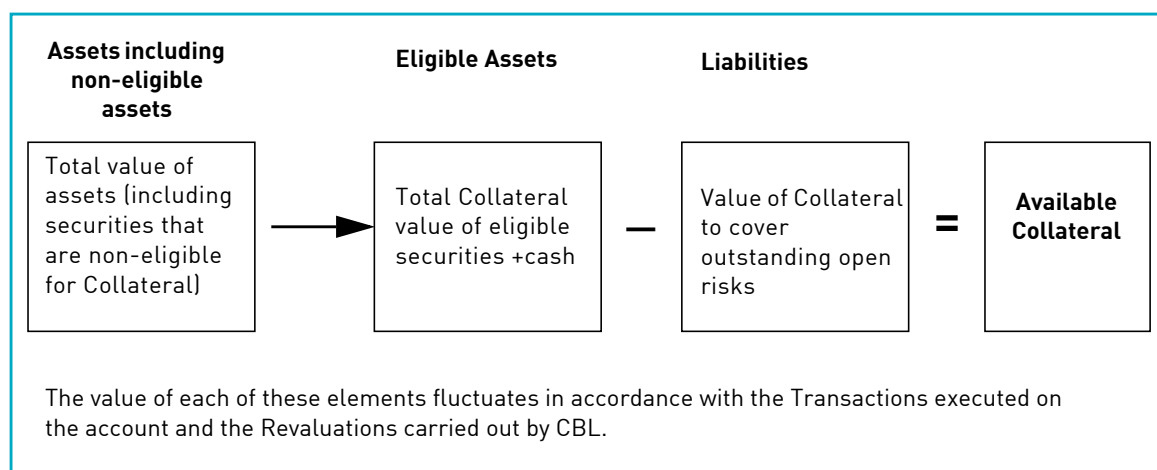


Figure 5.11 Calculation of Collateral values

Clients' securities and other holdings that cannot be Pledged to secure the obligations of the customer should be segregated into a separate safe custody account, under notification to CBL that this is a client account. If the customer fails to inform CBL that securities and other holdings are not available for pledging, then CBL is entitled to assume that all the securities and other holdings are available to be taken as Collateral when conducting business on behalf of the customer.

Clearstream Banking Luxembourg/Clearstream International monitors Collateral to support:

- Clearing and Settlement activity;
- Technical Overdraft Facilities or temporary overdrafts;
- The ASL programme;
- ASLplus programme;
- Triparty Agency Services.

Securities and other holdings that are Pledged against a credit facility provided for securities borrowing are excluded from the calculation of Collateral to cover any other credit arrangements. The process of controlling Collateral for securities borrowing and the conditions under which Clearstream Banking Luxembourg/Clearstream International administers Collateral with regard to Triparty Agency Services, ASLplus, are described in the relevant product documentation.

The Collateral value of all securities and other holdings on the customer's account must at all times be equal to, or greater than, the total value of all obligations that CBL undertakes on behalf of the customer.

The enforcement of any pledge granted in favour of CBL pursuant to its Governing Documents or other customer documentation is carried out in accordance with such documentation and (unless otherwise agreed) by Luxembourg law, it being understood that such enforcement methods may be carried out alternatively or cumulatively. Unless expressly agreed otherwise, if such enforcement is carried out by:

- private sale, CBL will determine the price by selecting and accepting in good faith offer(s) for any collateral determined by CBL to be liquidated. The value of the Pledged Collateral will be the price obtained in such sale.
- appropriation, such appropriation will be made at the value determined by CBL at its absolute discretion and acting in good faith, or by any neutral third party appointed by CBL, or any other pricing information services selected by CBL, each time selected by CBL at its sole discretion for the purposes of making or assisting it in making such determination, considering inter alia any listed price (if any), any published net asset value (if any), the respective market spreads and any liquidation impacts. Such determinations shall be binding on the customer absent manifest error.

For the avoidance of doubt, such determination process can be carried out before or after the appropriation. The value of the Pledged Collateral will always be determined as at the date of the appropriation. CBL may elect, in its sole discretion, to appoint another person to which the right to appropriate the Pledged Collateral shall be transferred in lieu of CBL, it being understood that such appointment shall not affect CBL's rights and obligations against the relevant pledgor.

Eligibility of securities

Type of instrument

CBL decides whether a security is accepted as Collateral. The security rating and the conditions of the security, such as the size of the issue, its currency of denomination, its special characteristics, its liquidity or its volatility may be decisive factors in accepting a security as eligible for Collateral. The fact that an issue is not accepted as Collateral should not necessarily be taken as an indication that the paper is of poor or doubtful quality.

The eligibility for Collateral purposes of specific securities is indicated by the collateral value in the MT535 (Statement of Holdings) and also in the Xact Web Portal and CreationOnline reference data query Financial Instruments indicated in the field Collateral Percentage.

The following instruments are eligible as Collateral to support cash Financing facilities and the ASL Programme:

- Fixed income securities with a minimum S&P, Fitch or Moody's rating of BBB-/Baa3:
 - issued by sovereigns and central banks;
 - issued by local and regional governments;
 - issued by government agencies and supranational institutions;
 - issued by corporate and credit institutions;
 - European covered bonds.
- Selected Equities included in STOXX Europe 50 and STOXX North America 50 indices.

The following instruments are not eligible:

- Investment funds;
- Warrants;
- Structured securities, for example CDO, CLO, CLN, MBS;
- Own paper (excluded).

Collateral margins

Securities that are eligible are subject to “margin” deduction from their market value when the Collateral value of a holding is calculated. The following standard haircuts are applied:

High-rated government bonds:	3% to 10%	Equities:	30%
Supranational bonds:	3% to 10%	AA rated corporate bonds:	13% to 32%
Other government bonds:	6% to 37%	A rated corporate bonds:	14% to 35%
AAA rated corporate bonds:	9% to 29%	BBB rated corporate bonds:	18% to 40%

These are indicative haircuts, and additional margins are applied for Securities issued in other currencies. CBL reserves the right to make exceptions to eligibility rules and haircuts at its own discretion.

Securities prices are collected daily from recognised external information suppliers such as Bloomberg, Interactive Data Corporation and WSS. If no new price is available from the above sources, CBL will maintain the most recent available price received, in that case the standard haircut will be increased according to the scale below.

Price age	Additional margin
0-2 days	0%
3 days	25%
4 days	50%
Over 4 days	100%

Eligibility of account positions

The position within an account Balance is also, along with the type of instrument, a critical factor in determining eligibility for Collateral calculation. The available Balance on the account is included in the valuation for Collateral purposes. Other Balances or positions can be included in or excluded from the calculation of Collateral as follows:

- The Collateral value of drawn securities and positions blocked for Redemption is also maintained.
- Pledged positions taken as Collateral, normally against securities borrowing positions, are excluded.
- The Collateral value of securities debited on Bridge/external deliveries is maintained until confirmation of Settlement or, in the case of fails, re-credit of the securities.

Eligibility of cash

As a general rule, Settlement currencies are eligible as Collateral. However, CBL may decide, without notice, not to accept a particular currency as Collateral if there are political, economic or other factors that may restrict its free convertibility. In addition, depending on the currency, a haircut of between 2% and 5% will be applied.

All cash borrowings are valued in USD.

Euro Night-Time Funding Link

The Euro Night-Time Funding Link to TARGET2 allows the customer to access their TARGET2 RTGS account liquidity as Collateral for credit granted by CBL to settle Transactions in EUR during the overnight processing. The customer uses standard TARGET2 tools to determine how much EUR liquidity is provided as Collateral to CBL, either automatically or on a case by case basis. Any liquidity remaining in use for EUR Settlement after overnight processing is automatically debited from the RTGS account with Settlement Date value, and all unused liquidity is returned. The service completes this cycle ahead of TARGET2 opening for cash payments, avoiding conflict with RTGS payment activities. Use of the service reduces or replaces the need for customer Pre-advice of EUR payments to CBL, ahead of CBL night time processing.

Please refer to the Euro Night-Time Funding Link service guide on the Clearstream website.

Valuation

Prices and exchange rates

CBL obtains price quotation information on a daily basis from major information suppliers. Exchange rates to evaluate all currencies in USD are determined daily by CBL based on market conditions.

Revaluation

Updated information on prices and currency exchange rates is incorporated in the Settlement processing and is reflected in the MT535 (Statement of Holdings). Security prices reported in this statement are for information only. During each Settlement processing, a Revaluation is undertaken of both the value of the eligible securities on the account and the value of the cash borrowing and risks against which that Collateral is held, based on the updated information on prices and currency exchange rates.

Included in the Revaluation are changes that have occurred in the eligibility of securities for Collateral purposes. CBL reviews the list of eligible securities on an ongoing basis and may enter changes at any time during the real-time processing. CBL may change the eligibility of any issue for Collateral at its sole discretion.

Changes in Collateral eligibility of securities, as well as movements in prices and currency exchange rates used in the calculation, may cause the value of Collateral to fall below that of the outstanding borrowing against which Collateral is held. In such cases, the account may be blocked in the Settlement processing and Transactions may remain unsettled.

5.8 Interest calculations and reporting

The calculation of interest for a given month is reported to customers in the Monthly Interest Scale report, Notification of Interest (MT935), which is available in the morning of the tenth calendar day of the following month (or, if that is not a Business Day, on the next available Business Day after that).

After the interest calculation has been made and reported, subsequent Backvaluations will not be included in the interest scales. Adjustments can only be made by separate book-entry over the account.

Back valuation of funds movements on Transactions between CBL counterparties that fail to settle on the Requested Settlement Date is not possible. In each Settlement processing, the value date for funds movements on internal and Bridge book-entry Transactions is determined by the Settlement Date of the processing, with the exception of Primary Market Transactions, which can be backvalued to Closing Date. For this reason, customers who want to make compensation adjustments for late Settlement should arrange to pay compensation by a separate transfer of funds, rather than request CBL to execute back valuation adjustments.

Debit interest is charged on value dated debit Balances and is reported as an MT103, or MT200/202 Transaction. However, where the total amount of monthly debit interest in a currency is less than USD 10.00 or equivalent, no charge is made.

6. Global Securities Financing services (GSF)

CBL undertakes all the administrative and operational burdens required for securities Financing and this chapter details CBL's Global Securities Financing services, comprising securities lending and Collateral management services as follows:

- **Automated Securities Lending and Borrowing Programme**

Through its Automated Securities Lending (ASL) Programme, CBL acts as an agent to arrange loans of securities to customers in order to maximise the number of Transactions settled and to provide revenue to lenders. Integration of the securities lending and borrowing programme into the Settlement processing optimises the use of customer securities Balances for lending and Settlement purposes.
- **ASL principal Programme**

Through the ASL principal Programme, CBL acts as principal in the loan to the lender and to the borrower. The ASL principal Programme aims to support settlement efficiency both in the ICSD and in CBF/T2, by making a pool of liquidity composed of assets held by CBL customers in the ICSD, as well as in CBF and in LuxCSD available for automatic borrowing, and providing lenders with enhanced revenue opportunities.
- **ASLplus Programme**

Through the ASLplus Programme, lenders have the opportunity to increase revenue streams by making their portfolio available to the wholesale market for strategic lending purposes. CBL acts as principal and single borrower, negotiating rates on a loan by loan basis. Complementing the existing ASL service, lenders can off-set custody fees with the enhanced revenues.
- **Agency Lending Programme**

Through its Agency Lending Programme, CBL enables customers to maximise the use of their securities through strategic lending thus enhancing revenue opportunities. Lenders are in full control of the risk. They are free to select their counterparties and, impose tailored credit limits. They also set collateral eligibility criteria as well as haircuts and concentration limits.
- **Agency CCP Lending Programme**

Agency lending via a central counterparty (CCP) such as Eurex Clearing is an attractive means of enhancing yield through strategic lending while minimising credit and systemic risk since the CCP is the legal counterparty to all loans.
- **Collateral Management Services**

The Triparty Collateral Management Services simplify the administration of various multi currency agreements for Collateral Receivers and Collateral Givers alike, and reduces the operational risks associated with such Transactions by offering true Delivery Free of / Versus Payment Settlement and a comprehensive securities safekeeping service.

CBL can agree, subject to the Securities Lending and Borrowing Rules, to act as the agent for a CBL customer who wants to make securities available for borrowing by other customers of CBL. As the agent, CBL would effect the lender's loans from time to time, either automatically or on a case-by-case basis, to enable a borrower, for example:

- To fulfil a contract to sell such securities; or
- To replace an existing loan of securities to a third party.

CBL would also monitor Collateral for all such loan activity.

6.1 Automated Securities Lending Agency model

The Automated Securities Lending and Borrowing Programme (ASL) contributes to CBL's Settlement processing that provides opportunities for borrowers to avoid Settlement failures, and for lenders to earn additional income from their portfolios.

ASL is a fails prevention service that enables Settlement efficiency to be maximised and the predictability of Settlement results to be improved. ASL carries no incremental counterparty risk because the Guarantors underwrite all loans.

Every collateralised loan of securities in CBL is guaranteed by CBL in the ASL Programme. The eligibility criteria for the Collateral on these loans is set out in section [5.7 Collateral valuation](#) under [Eligibility of securities](#) on page 5-37.

Concentration limits are applied on all Collateral.

ASL is a flexible service. Lenders can decide which securities they wish to make available for lending by currency, Security Code or percentage of portfolio. The approval of loans can be on a fully automatic basis or on a case-by-case basis as the need or opportunity arises.

Loaned securities are not subject to custody fees for the lender. The lender can recall loans according to the Securities Lending and Borrowing Rules and is not committed for any fixed duration. Borrowers have access to a large pool of lenders and, since the administration of the programme is undertaken by CBL, both lenders and borrowers avoid the substantial overhead costs of arranging securities loans independently.

Integrated lending provides a number of benefits, notably increased Settlement efficiency and improved turnaround on back-to-back Transactions. Intraday lending, which includes all instruments, can enable customers to overcome differences in Settlement timings in different markets.

Lenders recognise that an automated service increases the number of opportunities to lend, which increases revenues, and borrowers appreciate the ready availability of securities, which prevents Settlement fails.

To start using this service, customers of Clearstream Banking need only sign one legal agreement, the Securities Lending and Borrowing Rules, available for Premium users only on the Clearstream website.

For further details about this product, please consult the ASL Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

6.2 Automated Securities Lending principal model

ASL principal is a unique fails coverage service that forms part of Clearstream's CSD and ICSD securities lending services enabling customers to borrow from or lend to a single pool of securities regardless of their settlement and custody location.

CBL acts as a principal single borrower to the lender, and principal single lender to the borrower.

CBL undertakes both the Settlement and the administration of the loaned securities, including income payments and corporate actions.

Loans are fully collateralised and Clearstream International acting as Collateral agent assumes responsibility for the daily mark-to-market and top up/down.

Loaned securities are not subject to custody fees for the lender.

The lender can recall loans according to the legal agreement.

The lender profiling works in conjunction with ASL.

The ASL principal Programme as a lending service for an external settlement platform (T2S) is complementary to the existing ASL Agency product (section [6.1 Automated Securities Lending Agency model](#)).

For further details about this product, please consult the ASL Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

6.3 ASLplus

In addition to ASL, CBL can offer lenders ASLplus which is complementary to the existing ASL Programme.

The ASLplus Programme provides lenders with the opportunity to enhance their revenues by offering access to the wholesale trading market. This market is driven by demands for strategic lending and is designed to increase revenues by matching the high demand in this market with the supply in the lender portfolios.

CBL acts as a principal single borrower to the lender, negotiating rates on a loan by loan basis. CBL undertakes both the Settlement and the administration of the loaned securities, including income payments and corporate actions. Loans are fully collateralised and Clearstream International acting as Collateral agent assumes responsibility for the daily mark-to-market and top up/down. Loaned securities are not subject to custody fees for the lender. The lender can recall loans according to the legal agreement and is not committed for any fixed duration. The lender profiling works in conjunction with ASL.

Lenders must sign the CBL Securities Lending Principal Agreement to start using the service and to start optimising their portfolio fully.

For further details about this product, please consult the ASLplus Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

6.4 Agency Lending

In addition to ASLplus, CBL can offer Agency Lending allowing for more structured trades offering term and equity loans. This means that lenders can maximise their revenue opportunities by reacting quickly to evolving market demand.

CBL acts as agent to both borrower and lender, negotiating rates on a loan by loan basis and lenders benefit from a more attractive fee split compared to the principal lending services. CBL undertakes both the settlement and the administration of the loaned securities, including income payments and corporate actions. Loans are fully collateralised and CBL acting as Collateral agent assumes responsibility for the daily mark-to-market and top up/down. Lenders will benefit from a transfer of title on all collateral and loaned securities are not subject to custody fees for the lender. Lenders must sign the CBL Umbrella Agency Agreement for Securities Lending Transactions to start using the service and to start optimising their portfolio fully, thereby removing the need for cumbersome bilateral negotiations with each borrower.

Borrowers have an additional liquidity source and if they are already a principal customer they can leverage their existing procedures and merely sign an annex to start using this Agency Lending Programme. Borrowers can feel comfortable in the knowledge that this product is an Agency Lending Disclosure (ALD) compliant service, supporting the borrowers in the approval process of the underlying principal lenders and in their daily calculation of regulatory capital requirements.

For further details about this product, please consult the Agency Lending Product Guide, and the Reporting Guide for Agency and CCP Lending, both available on the Clearstream website.

6.5 Agency CCP Lending

CBL's Agency Securities Lending Service via Eurex Clearing offers customers the best of both worlds: a fully automated strategic lending service and the security of centrally cleared trading. The service enables customers to make the most of their securities in a safe and fully automated environment.

In the Agency CCP set-up, CBL acts as agent to the lender, negotiating rates on a loan by loan basis. Eurex Clearing acts as the central counterparty (CCP) in all loans, giving borrowers relief to capital requirements on their balance sheet. Eurex Repo fulfils the role of the third party flow provider, trading with borrowers via their automated platform. This is completely transparent for the Lenders since the platform is operated by the agent lender. CBL undertakes both the settlement and the administration of the loaned securities, including income payments and corporate actions. Loans are fully collateralised and CBL acts as Triparty Collateral Agent. Loaned securities are not subject to custody fees for the lender. The lender must sign CCP Securities Agency Service Agreement for Specific Lender License Holder and as such can benefit from a specific lender license from Eurex Clearing which is issued to beneficial owners who are lending-only clearing participants. Specific Lending License holders receive pledged securities as collateral. As this does not create a risk position for the CCP, lenders are neither required to pay margin for the underlying transactions nor to contribute to the CCP's default fund.

For further details about this product, please consult the Agency Lending through Eurex Clearing CCP, and the Reporting Guide for Agency and CCP Lending, both available on the Clearstream website.

Borrowers in all lending programmes tend to be high volume, high turnover broker-dealers or trading houses, whilst lender types typically are financial institutions and custodian banks with large amounts of securities.

The following figure provides a comparison of the lending services:

Product features	
Automated Securities Lending (ASL)	<ul style="list-style-type: none"> • Short term fails prevention lending. • Rates are not negotiable. • A Guarantor underwrites counterparty risk. • Loans between customers are on an undisclosed basis. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
ASL principal	<ul style="list-style-type: none"> • Short term fails prevention lending. • Rates are not negotiable. • Clearstream Banking acts as principal in the loan to the lender and to the borrower. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
ASLplus	<ul style="list-style-type: none"> • Long term strategic lending opportunities. • Rates are negotiated on a loan-by-loan basis. • Clearstream Banking acts as principal and single borrower. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
Agency Lending	<ul style="list-style-type: none"> • Long term strategic lending opportunities. • Rates are negotiated on a loan-by-loan basis, more attractive fee split for lenders. • Lenders get transfer of title on collateral. • Clearstream Banking acts as agent. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
Agency CCP Lending	<ul style="list-style-type: none"> • Long term strategic lending opportunities. • Rates are negotiated on a loan-by-loan basis. • Clearstream Banking acts as agent. • Clearstream Banking handles all administrative and operational functions, including income events. • Eurex Clearing acts as the central counterparty (CCP) in all loans. • Eurex Repo fulfils the role of the third party flow provider via their trading platform.

Figure 6.1 Comparison of lending services

6.6 Collateral Management Services

CmaX (Collateral management eXchange) is Clearstream Banking's state-of-the-art triparty Collateral management system, centralising the following Collateral management services:

- Triparty Repo Service (TRS);
- Triparty Securities Lending Services (TSL1, TSL2);
- Triparty Collateral Management Services (TCMS);
- General Collateral (GC) Services;
- Pledge to central banks.

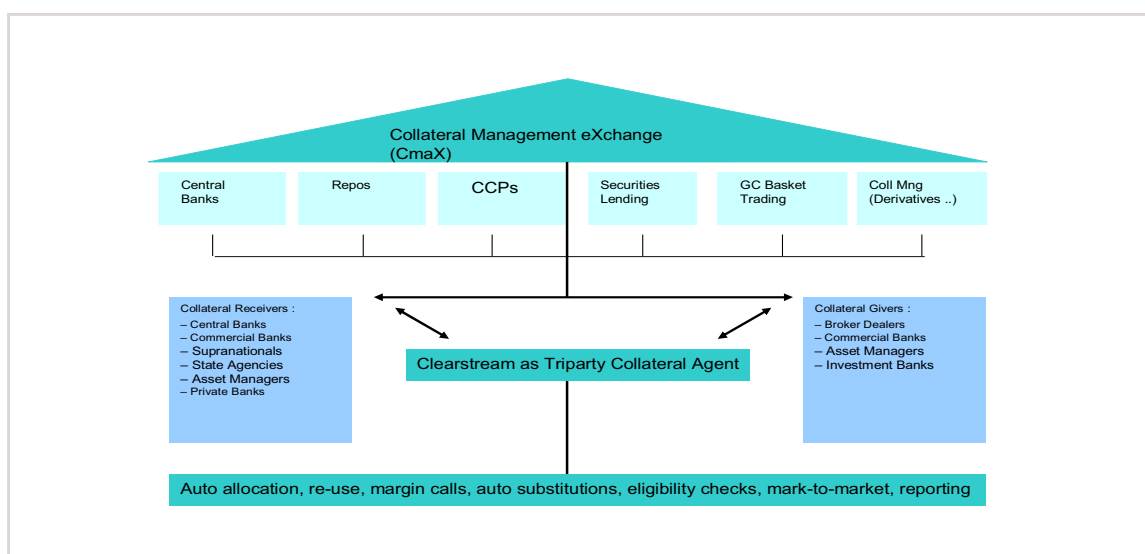


Figure 6.2 Overview of CmaX

The Triparty Collateral Management Services simplify the administration of various multi currency agreements for Collateral Receivers and Collateral Givers alike, and reduces the operational risks associated with such Transactions by offering true Delivery Free of / Versus Payment Settlement and a comprehensive securities safekeeping service.

Main features of the services are:

- True Delivery Against Payment (Repo and TSL1) and Free of Payment (TSL2 and TCMS) Settlement, Pledge to central banks and GC services.
- Use of the sophisticated AutoAssign (AA) Facility, which provides automatic selection, allocation and substitution of securities for triparty Transactions.
- Proactive margin calls for customers that have subscribed to the AutoAssign (AA) Facility.
- Pre-Record Date substitutions of taxable securities for Autoassign (AA) Facility customers.
- Daily mark-to-market using different pricing feeds and detailed daily valuation reports by Transaction and by net exposure.
- Unlimited substitution facilities (Delivery Against Payment).

Value added services:

- Flexible customer-defined eligibility profiles, concentration limits and margins.
- A “state-of-the-art” Collateral Reuse Service enabling Collateral Givers to reuse securities received in triparty Transactions to collateralise other triparty Transactions (the Collateral can only be reused within Clearstream Banking’s triparty Collateral management services)
- Proactive counterparty introduction service, whereby carefully selected counterparties are introduced to one another
- Flexible communication options, including SWIFT, secure email Xact Web Portal, CreationOnline, Xact File Transfer and fax.

Details of the service can be found in the Triparty Collateral Management Service (CmaX) Product Guide and the relating supplements, available on the Clearstream website.

Triparty Collateral Management Services

The Triparty Repo Service (TRS)

TRS is designed to simplify the process of administering multi-currency Repurchase Agreements for both Collateral Givers and Collateral Receivers and to reduce the operational risks associated with Repurchase Agreements by offering a comprehensive Delivery Against Payment and securities safekeeping service.

Triparty Securities Lending Service 1 (TSLS1)

TSLS1 is a comprehensive service that provides complete Settlement and valuation of a securities loan as well as the related Collateral management for the duration of the trade.

Simultaneous exchange of loan principal against Collateral enables Settlement of both sides of the Transaction, thus reducing risk and increasing efficiency.

Triparty Securities Lending Service 2 (TSLS2)

TSLS2 provides valuation, but not Settlement, of loan securities and Collateral management services to customers that want to settle the loan securities on a bilateral basis.

Triparty Collateral Management Service (TCMS)

Triparty Collateral Management Service (TCMS) simplifies Collateral administration for both Collateral Receivers and Collateral Givers. Clearstream Banking’s TCMS can be used to cover various types of principal agreements that the counterparties may have entered into, such as:

- Bilateral cash loans;
- ISDA/CSA margining;
- Collateralisation for central discount borrowing window;
- Collateralisation of securities lending Transactions etc.

Collateral is delivered from the Collateral Giver’s account to the Collateral Account.

Settlement of the Collateral is Free of Payment.

General Collateral (GC) Services

Customers benefit from anonymous electronic trading on trading platforms (for example, Eurex Repo) in the major currencies (Euro, CAD, GBP, CHF and USD) combined with the Central Counterparty (CCP) services (for example, Eurex Clearing AG or RepoClear) and CBL’s fully automated Collateral management and Settlement services.

Central Counterparty (CCP) margining

Clearing members can collateralise their exposures towards Central Counterparties (CCPs) under Luxembourg Law via CBL's Triparty Collateral Management Services.

The Triparty Collateral Management Service engine (CmaX), acting as Collateral location, enables clearing members to cover initial margin requirements for centrally cleared derivatives using the triparty collateral management model.

Pledge to Central Banks

This service enables triparty customers to Pledge Collateral in favour of central banks to gain access to intraday or overnight liquidity, participate in tender operations and discount windows, for risk management purposes, etc.

Provided the participation criteria of the central are met, customers can outsource the full exposure management process to Clearstream Banking, from eligibility checks and Collateral valuation to Settlement and full reporting.

Cross-product Collateral reuse

CmaX offers an innovative cross-product Collateral reuse functionality that enables Collateral Receivers to reallocate Collateral received in triparty Transactions to collateralise other triparty exposures.

Unlimited Collateral reuse is available both to Collateral Givers that have subscribed to the AutoAssign Facility and to Collateral Givers using manual selection of Collateral.

Cross-product Collateral reuse enables customers to reuse any Collateral received in triparty Transactions across the different Collateral management products (TRS, TSLS, TCMS, GC services and Collateral Pledge to central banks).

Collateral Givers can allocate assets that have been received in triparty Transactions (reuse of Collateral) and/or own Collateral to cover exposures.

6.7 Client Services

The daily administration and operational aspects of Clearstream Banking's Collateral Management Services/Securities Lending Services are handled by a dedicated team in Luxembourg.

Assistance is directly available from the **Luxembourg**, as follows:

Luxembourg	Collateral Management	Securities Lending
Group telephone:	+352-243-38113	+352-243-38112
Group fax:	+352-243-38262	+352-243-38201
Group email:	cmax@clearstream.com	asl@clearstream.com aslplus@clearstream.com
SWIFT address	CEDELULL	CEDELULL

For further information about any of our Global Securities Financing solutions, or if you have specific questions regarding Clearstream Banking's Global Securities Financing Services, please contact your local Global Securities Financing sales team, as follows:

	Luxembourg	London	Frankfurt
Telephone:	+352-243-36868	+44-(0)20-786 27626	+49-(0)69-2 11-1 72 50
	Dubai	Singapore	New York
	+971-4-331-0644	+65-6597-1621	+1-212-309-8882
Email:	gsf@clearstream.com		

The Clearstream website is at www.clearstream.com.

7. Custody business operations - New Issues

Custody business, together with Clearing and Settlement, constitute the core areas of CBL's business.

7.1 Admission and distribution of New Issues

Before securities become available for Secondary Market Settlement and for CBL's custody management services, both the Closing operations and the distribution of allotments in New Issues can be handled by CBL and are described in this chapter.

7.2 New issues services

A comprehensive range of services is provided in connection with the eligibility assessment, issuance and distribution of New Issues inclusive of international and domestic markets. Instruments accepted for these services include euro-, global and domestic instruments (Certificates of Deposit, Depository Receipts, Treasury Bills, Commercial Paper, short- term and medium-term notes, bonds, Equities, Warrants, Equity linked notes and Investment Fund Shares).

CBL requires that all new issues are serviced by agents that are AML regulated financial institutions. Issuer Agents (for example Issuing and Paying Agents, Principal Paying Agents, Lead Managers) will be expected to support the issuer in the eligibility and confirmation process and in some instances in the primary settlement. CBL will assess all such entities as part of the eligibility process.

Acceptance of a prospective Issuer or Issuer agent on a particular issuance does not guarantee conditional acceptance for future issuances.

Issuers and Issuer Agents must refer to the ISMAG¹ Market Practice Book (including the tailored versions of the checklists established for issuance under programme and standalone to assist in evaluating the completeness of security information thereby allowing for more timely and accurate servicing of the security)

When accepting New Issues, CBL assists Lead Managers, lawyers and Issuing Agents. CBL reviews issue structures and can provide additional information on operational procedures for specific features or requirements of New Issues. CBL also advises on the documentation of these procedures in the Offering Documents such as Prospectus, Offering Circulars or equivalent upon submission for review. Lead managers should not finalise these documents until CBL has reviewed them, commented on them and confirmed its acceptance of them. However CBL's advice shall be limited to technical and operational aspects of the New Issue. CBL does not make any representation nor does it have any duty to monitor or investigate

- i) the underlying commercial Transaction;
- ii) the validity or binding effect of any security issued via CBL or any guarantee thereof or any related document; and
- iii) the compliance of the issuers to the Regulation (EU) 909/2014 on improving securities settlement in the EU and on central securities depositories (CSDR).

1. ISMAG was launched aimed at creating standardisation and efficiency for eligibility requirements and asset servicing processes for international securities deposited in the International Central Securities Depositories (ICSDs). The initiative, which is supported by key market players, associations and sponsored by the ICSDs, has the longer term aim of achieving a high level of straight-through processing (STP) in the interactions between market participants, from the issuing community through to investors. The programme was launched to achieve these objectives through harmonisation, standardisation and automation of operational processes. The Market Practice Book (MPB), issued by the two International Central Securities Depositories (ICSDs), CBL and Euroclear Bank SA/NV, describes the best practices for operational processes in new issues, corporate actions and income for international securities primarily issued through and deposited with the ICSDs.

Note: Non-compliance with CBL's procedures may result in the security not being made eligible for Clearing and Settlement, in particular, a security cannot be made eligible if not recorded in book-entry form in CBL or the acceptance of the issuance represent a legal, operational and/or financial risks.

CBL administers the distribution of securities on a free or against payment basis following the recommendations of the May 1984 report of the International Primary Markets Association Task Force on Primary Market Settlements and of subsequent updates to the report produced from time to time.

CBL administers, on behalf of the Lead Manager of a New Issue, the collection in a Syndication Account of subscriptions from Allottees. The funds are transferred on Closing Date and onward delivery can occur from the Syndication Account to the depository in favour of the Issuer.

Whenever there is a syndicated primary distribution, CBL provides an Irrevocable Commitment to Pay (ICP) on behalf of the Lead Manager to the Common Depository or Common Service Provider. Only when this condition is met, will the Common Depository or Common Service Provider

- a) credit the newly issued securities to the Lead Manager's Syndication Account at CBL; and
- b) pay the issuer.

If the sale of newly issued securities to the Allottees cannot be completed by the cash deadline, CBL will only finance the Lead Manager to pay the Common Depository or Common Service Provider when sufficient credit limits and collateral are in place.

Syndicated new issues distribution related credit exposures have to be fully collateralised by the Lead Manager. To ensure that all potential payments by CBL on behalf of the Lead Manager to the Common Depository or Common Service Provider are collateralised, at the time the irrevocable commitment to pay is issued, the countervalue of the haircut applied by CBL on the newly issued securities will automatically be blocked from the existing collateral pool designated or made available by the Lead Manager. The amount of collateral blocked will be released only upon successful closing of the transaction.

Lead Managers have to ensure that Syndicated Accounts are linked to secured umbrella credit structures. If at time of issuance there is no (sufficient) collateral, then the ICP cannot be issued.

In accordance with ICMA Rule 221, CBL enables customers to chain New Issue allotments with Secondary Market Transactions for Settlement with value Closing Date.

Primary Market Transactions must not be effected over the Bridge with Euroclear counterparties except for money market instruments.

Note: Customers are reminded of the importance of the following paragraph. Customers need to understand the impact of such distributions and their impact on other business activities.

The distribution of New Issues takes place as soon as possible after the completion of the closing ceremony. Distribution and onward delivery can occur in the real-time or End of day processing on Closing Date, (the date defined in the agreement between the Issuer, the Guarantor (if applicable), the Lead Manager and the other managers setting out the terms and conditions on which the Managers agree to subscribe to the securities) with same-day value, and/or in the real-time processing beginning in the evening of the Closing Date to allow for Bridge Settlements and related internal Transactions. The real-time processing beginning in the evening of the Closing Date includes Transactions in the New Issue both for value Closing Date and for value the Business Day after Closing Date (which is the normal Settlement Date for the processing).

For more particular details on CBL's New Issue services and procedures, and the advantages of using CBL for the distribution of New Issues, please consult your Relationship Officer or the New Issues departments in Luxembourg or London.

7.3 The Issuance Form of International Securities: CGN vs. NGN

As of 1 June 2006, Issuers can choose between two legal and holding structures for the representation of their international Debt Securities in bearer form, namely the Classical Global Note (CGN), a structure that has been in use for a number of years, and the New Global Note (NGN), a new structure launched in response to a recommendation by the Eurosystem with respect to the custody structure of international Debt Securities.

Any Issuer that wants its debt to qualify as eligible Collateral for Eurosystem monetary policy and intraday credit operations is required, since 1 January 2007 to issue the debt using the new NGN form. The new structure will also be available in conjunction with the CGN form for all other securities.

The related safekeeping and asset servicing functions will depend on the form of the Global Note chosen, and are described in detail in the following subsections.

The Classical Global Note (CGN)

A Classical Global Note (CGN) is a security represented by a Global Certificate that requires physical annotation to the attached schedule in order to legally evidence (changes to) the total indebtedness (that is, the Issue Outstanding Amount - IOA) of the Issuer.

Common Depositories are appointed by CBL and Euroclear to support the issuance and the distribution of, and to provide asset servicing for, International Securities issued in CGN form. Any questions regarding a Common Depository or CGN should be addressed directly to CBL or to Euroclear and not to the Common Depository.

As a general rule, mandates are allocated to Common Depositories by giving priority to the entity acting as the Issuing Agent for the issue. The New Issue will be allocated to the Common Depository (if any) that fulfils one of the agency roles listed below for the issue and in the following order of priority:

- Registrar or TA;
- Issuing and Paying Agent (IPA), Principal Paying Agent (PPA) or Fiscal Agent;
- Conversion, Exchange or Warrant Agent; or
- Any other Issuing Agent function.

If no entity in the Common Depository network has been identified in the information provided at the acceptance or in the issue documentation as performing one of the above Issuer agency functions for a particular issue, the Common Depository mandate will be allocated in accordance with the preference of the Lead Manager or the IPA, as the case may be.

When no such preference exists, the Common Depository mandate will be allocated at the joint discretion of CBL and Euroclear Bank. Notwithstanding the above guidelines, CBL and Euroclear reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

A Common Depository:

- Is appointed jointly by CBL and Euroclear Bank;
- Represents CBL and Euroclear at the closing ceremony for syndicated issues;
- Receives the CGN from the Issuing Agent;
- Provides asset servicing throughout the life of the security (for example, income and corporate actions processing, tax processing);
- Maintains the Issue Outstanding Amount of the CGN and reconciles it with the Issuing Agent;
- Records transfers of interest in the CGN between CBL and Euroclear according to concordant notification from both Clearing systems.

After completion of the Settlement processing at the end of each day, CBL and Euroclear inform the relevant Common Depository of their respective positions in each security held in CGN form. The Depository adjusts its records to reflect the current position of each ICSD.

A list of depositories appointed by CBL and Euroclear is available on the Clearstream website under Key documents/ICSD/ Reference Data.

The New Global Note (NGN)

A New Global Note (NGN) is a security represented by a Global Certificate that refers to the records of the ICSDs for evidence of (changes to) the total indebtedness (that is, the Issue Outstanding Amount - IOA) of the Issuer.

Issuers are required to submit an Issuer-ICSDs agreement to request acceptance of the securities with the ICSDs. Since 1 January 2007, the use of the NGN form is required to ensure compliance with Eurosystem¹ Collateral eligibility criteria for the conduct of monetary policy operations. Issuers that want their debt to qualify as eligible Collateral in the Eurosystem must issue in NGN form.

Two agents are appointed by the ICSDs to provide safekeeping and asset servicing respectively for securities issued in NGN form:

- The Common Safekeeper (CSK);
- The Common Service Provider (CSP).

The New Safekeeping Structure (NSS)

After the introduction of the New Global Note (NGN) structure, which applies to international debt securities in global bearer form, the Eurosystem required the ICSDs to review the current custody arrangements for international debt securities in global registered form.

Further to such review, the ICSDs proposed new safekeeping arrangements for such securities, alongside the existing Classical Global Note (CGN) structure.

Since 1 October 2010, the use of NSS for registered issues is required to ensure compliance with Eurosystem Collateral eligibility criteria for the conduct of monetary policy operations.

The registered form global notes will be safekept by an ICSD as the Common Safekeeper (CSK) and serviced by a Common Service Provider (CSP);

Registered securities held under the NSS will have the same legal form as existing Classical Global Notes (CGNs) in registered form. The registrar is the legal record keeper.

The registered owner will be a nominee of the ICSD CSK.

In order to standardise market processing, the record date for NSS must be clearly indicated in the terms and conditions as payment date minus one business day (Record Date = Payment Date - 1 Business Day).

Issuers are required to submit an Issuer-ICSDs agreement to request acceptance of the securities with the ICSDs.

The Common Safekeeper (CSK)

Common Safekeepers (CSKs) are appointed by CBL and Euroclear to support the issuance of the NGN and the NSS, to perform the Effectuation upon receipt of the authorisation from the Issuer or its Issuing Agent, and to provide safekeeping for it in its vaults.

For an NGN or an NSS security issued by an EEA or G-10 resident or a supranational entity, denominated in an ECB-eligible currency and whose issue documentation indicates that it is intended to be held in such a manner that it would qualify for eligibility as Collateral for intraday credit and monetary policy operations in the Eurosystem, the CSK mandate will be allocated to CBL or Euroclear in accordance with the preference of the Issuing Agent in charge of depositing the NGN or NSS

1. The European Central and national central banks of member states that have adopted the single currency.

Certificate; that is, the Issuing and Paying Agent for securities issued under programme and the Principal Paying Agent or the Fiscal Agent for securities issued on a stand-alone basis.

Note: The allocation of the CSK mandate to CBL or Euroclear is a pre-condition to allow the debt to be considered as eligible Collateral by the Eurosystem.

Notwithstanding the above guidelines, CBL and Euroclear reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

For all other NGN securities, the CSK mandate will be allocated in accordance with the same guidelines as apply to CSP mandates (see [“The Common Service Provider \(CSP\)”](#) on page 7-5).

The CSK:

- is appointed jointly by CBL and Euroclear Bank;
- receives the NGN from the Issuing Agent and holds it in safe custody on behalf of the ICSDs;
- effectuates the NGN (when the documentation indicates that Effectuation is required);
- disposes of the NGN at maturity as per the Issuer Agent’s instructions

Please refer to the Clearstream website for a list of CSKs and agents appointed by CBL and Euroclear Bank.

The Common Service Provider (CSP)

Common Service Providers (CSPs) are appointed by CBL and Euroclear to support the issuance and distribution of, and to provide asset servicing for, international bearer Debt Securities issued in NGN or NSS form.

As a general rule, mandates are allocated to CSPs by giving priority to the entity acting as the Issuing Agent for the issue. The New Issue will be allocated to the CSP (if any) that fulfils one of the agency roles listed below for the issue and in the following order of priority:

- Issuing and Paying Agent (IPA), Principal Paying Agent (PPA) or Fiscal Agent;
- Conversion or Exchange Agent; or
- Any other Issuing Agent function.

If no entity in the CSP network has been identified in the information provided at the acceptance or in the issue documentation as performing one of the above Issuer agency functions for a particular issue, the CSP mandate will be allocated in accordance with the preference of the Lead Manager or the IPA, as the case may be.

When no such preference exists, the CSP mandate will be allocated at the joint discretion of CBL and Euroclear Bank. Notwithstanding the above guidelines, CBL and Euroclear reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

A CSP:

- is appointed jointly by CBL and Euroclear Bank;
- receives the IOA mark-up/down instructions from the Issuing Agent and communicates them to CBL and Euroclear Bank;
- provides asset servicing throughout the life of the security (for example, income and corporate actions processing, tax processing).

After completion of the Settlement processing at the end of each day, CBL and Euroclear inform the relevant CSP of their respective positions in each security held in NGN or NSS form.

A list of CSPs and agents appointed by CBL and Euroclear is available on the Clearstream website under Key documents/ICSD/ Reference Data.

7.4 General procedure for the admission and distribution of New Issues

Admission of a New Issue

The admission procedure for New Issues usually begins at the request of the Issuer Agent.

The Issuer Agent must highlight any special feature(s) of the New Issue to CBL and must provide CBL with the information indicated in the following figure:

Type of information required for:	Bonds	Warrants	Equity-Linked Products
Name of Issuer and Issuer's Legal Entity Identifier	X	X	X
Nationality and location of the Issuer	X	X	X
Governing law of the issuance	X	X	X
Issue price	X	X	X
Form of security (CGN or NGN)	X		
(If NGN or NSS) whether the security is intended to be held in a manner permitting Eurosystem eligibility	X		
(If NGN or NSS fulfilling the Eurosystem eligibility criteria), the Issuing Agent's preference for CSK allocation ^a	X		
Where issue is listed	X	X	X
Issuer's ratings	X	X	X
Selling restrictions	X	X	X
Nominal Amount or number of Certificates	X	X	X
Currency of the issue ^b	X	X	X
Closing Date and Closing procedure	X	X	X
Final Redemption date or expiry date	X	X	X
Interest rate and interest payment dates	X		X
Partial Redemption dates	X		X
Denomination of Certificates and minimum tradable denomination	X	X	X
Paying agency and other agency networks	X	X	X
Information on taxation	X	X	X
Certification requirements (TEFRA D or any other)	X		X
Special options or characteristics	X	X	X

a. That is, between CBL and Euroclear (see "The New Safekeeping Structure (NSS)" on page 7-4).

b. For a full list of Settlement/denomination currencies eligible in CBL, please refer to www.clearstream.com, [Eligible currencies](#), or contact your Client Services or Relationship Officer.

Figure 7.1 Information required for admission of a New Issue (international instrument)

CBL also requires the Issuer Agent to provide the following information and documentation in a timely manner before Closing Date to allow CBL staff to assess the eligibility of the issue:

- The draft offering documentation or terms and conditions;
- The use of proceeds must be detailed clearly in the terms and conditions;
- An Issuer-ICSD agreement (for NGNs and NSS): one per security issued on a stand-alone basis or one per programme (and per Issuer, in the case of multi-Issuer programmes); this document must be received by CBL before the Closing Date;
- Where applicable, a copy of the usual legal opinion on the validity and enforceability of the securities delivered to the Issuer, such copy required only once per Issuer's country of domicile and per issue's governing jurisdiction¹ (for NGNs only);
- Instructions to Allottees;
- The schedule for the Closing;
- Other documents that may be necessary for CBL in relation to the Closing or administration of the issue after the Closing.

Note: Final pricing details are required for all instruments, especially for issues that are subject to Italian Tax calculation and reporting requirements.

All final documentation should be submitted to CBL and to the Common Depository (for CGNs) or CSP (for NGNs and NSS) at the latest on Closing Date +1 Business Day. Late or untimely submissions of complete documentation may affect CBL's ability to administer and continue with the further admission of the security for Clearing and Settlement purposes.

The Lead Manager or Issuing and Paying Agent must also advise CBL of any substantial changes to the final documentation that were not included in the preliminary terms provided to CBL for the eligibility review.

This includes any changes to the operational processes originally listed in the documentation as well as any amendments or additions that have an impact on the regulatory and compliance framework surrounding the parties involved in the issuance.

Allocation of common codes and ISINs

A Security Code can be a common code or an ISIN. A "common code" is allocated to every security that is accepted in CBL and/or in Euroclear Bank, and is eligible in either one ICSD system or both.

The common code is also used as the basis for the calculation by CBL and Euroclear of the ISIN (International Securities Identification Number) for Euro-instruments, for which CBL and Euroclear act as the joint numbering agency. ISINs allocated by CBL and Euroclear consist of the nine-digit common code for the issue, preceded by "XS" and followed by a numeric check digit. CBL is also the numbering agency for domestic Luxembourg issues for which an "LU" ISIN is allocated. For other types of securities, ISINs are allocated by the appropriate national numbering agency. All ISINs allocated by CBL are issued in accordance with the ISO 6166 rules for which ANNA (Association of National Numbering Agencies) acts as the registration authority. Customers can use either the common code or the ISIN to identify securities.

If no ISIN has been allocated to the issue, customers must use the common code.

The allocation of an ISIN or common code by CBL, or the validation by CBL of an ISIN or common code allocated by Euroclear Bank, does not guarantee that the issue will be accepted for admission by CBL. A New Issue can only be accepted for admission by CBL if the required draft documentation on the issue is submitted by the requestor and if the issue itself is deemed eligible for admission.

Note: CBL reserves the right to refuse, suspend or cancel eligibility of any issue or common code at any time.

1. Jurisdictions already covered are listed on the Clearstream website, www.clearstream.com.

In accordance with CSDR, CBL will provide where applicable a refusal template to the requestor when denying access.

In the event of any questions or concerns over which ISIN has been or should be allocated to a security, customers should contact Client Services, their Relationship Officer, the New Issues department in Luxembourg or London.

Important Information related to securities issued under Section 3(c)(7)

Section “3(c)(7)” indicates the Issuer of the security is relying on the exemption from the definition of “investment company” provided by Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”). Section 3(c)(7) requires that all holders of the outstanding securities of such an Issuer (or, in the case of a non-U.S. Issuer, all holders that are U.S. persons) are “qualified purchasers” (“QPs”), as defined in Section 2(a)(51)(A) of the Investment Company Act and related rules. Under the rules, the Issuer must have a “reasonable belief” that all holders of its outstanding securities (or, in the case of a non-U.S. Issuer, all holders that are U.S. persons), including transferees, are QPs. Consequently, all sales and resales of the securities (or, in the case of non-U.S. Issuers, all sales and resales in the United States or to U.S. Persons) must be made pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), solely to purchasers that are qualified institutional buyers (“QIBs”) within the meaning of Rule 144A and are also QP’s (“QIB/QPs”).

Each purchaser will also be deemed to represent that:

1. The purchaser is a QIB/QP.
2. The purchaser is not a broker-dealer that owns and invests on a discretionary basis less than USD 25 million in securities of unaffiliated Issuers.
3. The purchaser is not a participant-directed employee plan, such as a 401(k) plan.
4. The QIB/QP is acting for its own account, or the account of another QIB/QP.
5. The purchaser is not formed for the purpose of investing in the Issuer.
6. The purchaser, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of securities.
7. The purchaser will provide notice of the transfer restrictions to any subsequent transferees.

The Purchaser also understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories.

The charter, by-laws, organisational documents or securities issuance documents of an Issuer relying on Section 3(c)(7) of the Investment Company Act and Rule 144A of the Securities Act with respect to an offering of securities typically will have the right to (1) require any holder of securities (or, in the case of a non-U.S. Issuer, any holder that is a U.S. Person) that is determined not be both a QIB and a QP to sell the securities to a QIB that is also a QP or (2) redeem any securities held by such a holder on specific terms. In addition, such an Issuer typically has the right to refuse to register or otherwise honour a transfer of securities to a proposed transferee (or, in the case of a non-U.S. Issuer, a proposed transferee that is a U.S. person), that is not both a QIB and a QP. As used herein, the terms “United States” and “U.S. Person” have the meanings given such terms in Regulation S under the Securities Act.

Note: To facilitate compliance with the above-referenced rules, CBL may be requested by the Issuer to:

1. Include the descriptor “3c7” or “144A/3c7” in the security name that appears in customers’ securities Settlement reporting and is available via the Clearstream website under Codelist Inquiries / Securities Database;
2. Send an “Important Notice” to holders, via a Corporate Action Notification, outlining the restrictions applicable to 3(c)(7) securities;
3. Provide the Issuer, upon its request, with a list of all CBL customers holding positions in the 3(c)(7) securities issued by the Issuer, all CBL customers holding such positions being deemed to consent to such disclosure.

Issuers may choose to adopt a different procedure to comply with the above referenced rules that may result in the acceptance of 3(c)(7) securities within CBL's system that are not reported as described above

CBL does not represent or warrant the accuracy of the information set forth above, and takes no responsibility for such information.

Important Information related to risk-linked securities

Risk-linked securities mainly refer to securities that involve a transfer of a specified set of risks to investors, for example, hurricanes, earthquakes, windstorms etc.

In addition to any restrictions applicable to 3(c)(7) securities, the purchase and ownership of risk-linked securities may be restricted to investors residing in a "permitted jurisdiction", and may subject certain investors to regulation as a provider of insurance or reinsurance or any other regulation. Customers are advised to consult their legal counsel about the impact of holding risk-linked securities.

Issuers of risk-linked securities may request CBL to:

1. include the descriptor "RLS" or "GRLS" in the security name that appears in customers' securities Settlement reporting and is available by consulting CBL's securities database on the website;
2. send an "Important Notice" to holders, via a corporate action notification, identifying the security as a "risk-linked security" and outlining the applicable restrictions

Note: Issuers may choose a different procedure to inform investors that they are holding risk-linked securities that may result in the acceptance of such designated securities within CBL's system that are not reported as described above

CBL does not represent or warrant the accuracy of the information set forth above, and takes no responsibility for such information.

Distribution of a New Issue

The timetable of events for the distribution of a syndicated New Issue is shown in *Figure 7.2* below:

Timetable of events for distribution of a syndicated New Issue:		Deadline ^a
1	If the Lead Manager does not already hold a Syndication Account in CBL, the Lead Manager must request the opening of a Syndication Account subject to CBL's approval and General Terms and Conditions .	CD - 20
2	Lead manager to confirm to CBL the details of the New Issue and the Closing procedures to be observed. Full documentation is required at this stage (including Issuer-ICSDs Agreement or copies of legal opinion).	CD - 10
3	Issuer Agent responsible to deliver the NGN/NSS to the CSK and to confirm the election of the CSK for the NGN/NSS to be held in safekeeping with CBL or Euroclear to allow eligibility of the security for Eurosystem monetary operations. Otherwise, Standing instructions, then operational considerations will be determinant.	CD - 10
4	Lead manager to request CBL to allocate an ISIN (if CBL is the numbering agency for the issue) and/or to request CBL to allocate a common code or to validate the common code already allocated by Euroclear Bank.	CD - 10
5	Lead manager to inform Allottees of Syndication Account number, the ISIN and/or common code for the New Issue and the schedule for the Closing.	CD - 10 ^b
6	CBL or Euroclear to confirm appointment of a Common Depository (for CGNs) or CSK and CSP (for NGNs) to the Lead Manager.	CD - 10
7	Lead manager to forward Allotment List to CBL. CBL enters instruction on behalf of the Lead Manager.	CD - 3
8	Allottees to submit purchase instructions (MT541 instructions) for Settlement of their allotments in CBL.	CD - 3
9	Lead manager to provide information on documents required for the Closing.	CD - 3
10	CBL and Euroclear together with the Lead Manager to review and finalise list of unmatched instructions from Allottees.	CD - 2
11	Lead manager to confirm, with the Common Depository or CSP, as appropriate, the portion of the Global Note to be deposited in their Syndication Account with the ICSDs.	CD - 2
12	Lead manager to confirm to the ICSDs, by authenticated communications medium, precise payment instructions for the transfer of funds to the Common Depository or CSP, as appropriate, on Closing Date.	CD - 1 (10:00 CET)
13	Recommended deadline for approval and (for NGNs) transmission to the CSK or CSP, as appropriate, of all legal documents required for the Closing.	CD - 1
14	CBL to send the irrevocable commitment to pay (ICP) to the relevant Common Depository or CSP.	CD ^c (morning CET)
15	Once the Common Depository or CSK, as appropriate, confirms receipt of the Global Note, CBL distributes securities to the Allottees' accounts.	CD (morning CET)
16	Payment of funds by CBL through the Common Depository or CSP, as appropriate, for the account of the Issuer.	CD
17	Lead Managers must monitor Settlement of the securities and the cash payment to the Common Depository or CSP. If necessary they can also request for the blocked collateral linked to the issuance of the ICP to be released.	CD
18	Deadline for covering any debit position remaining in the Syndication Account.	CD + 10

- a. The dates and times indicated ultimate deadlines. Most activities can be prepared and carried out earlier. CD = Closing Date, CD-2 = two Business Days before Closing Date.
- b. If there are no Allottees in CBL, the Lead Manager must also inform CBL of this fact.
- c. For issues subject to a pre-Closing, this can be arranged on CD-1.

Figure 7.2 Timetable of events for distribution of a syndicated New Issue

New Issue Closings

On the morning of the Closing Date for a syndicated New Issue (if applicable for the issuance currency - please refer to timings for currency payments), CBL and Euroclear arrange for payment to be made for their respective portions of the issue. These two separate payments are made to the Common Depository (for CGNs) or CSP (for NGNs/NSS), which in turn arranges for one consolidated payment (the "Global Payment") to be made on behalf of both CBL and Euroclear Bank, either to the Issuer's account with the Common Depository or CSP, as appropriate, or to the Issuer's correspondent as per the instructions received from the Lead Manager.

At the closing ceremony, as soon as the Common Depository or CSK, as appropriate, receives the authenticated Global Note and, for NGNs/NSS upon confirmation of receipt and Effectuation of the Global Note from the CSK, the representative of the Common Depository or CSP instructs the payment area of the Common Depository or CSP to release the consolidated payment to the Issuer's account.

The Common Depository or CSK, as appropriate, having received the Global Note, holds it in safe keeping on behalf of CBL and Euroclear Bank.

As soon as the Closing is completed, the Common Depository or CSP, as appropriate, notifies CBL and Euroclear that they can distribute securities to Allottees in either system and, for NGNs only, they can mark up the IOA. All parties concerned should ensure that this information is ready to be transmitted to both CBL and Euroclear as early as possible, to give sufficient time for the two Clearing systems to release the issue for distribution in the earliest available Settlement processing.

Distribution of allotments

Allottees can choose to split their position between CBL and Euroclear Bank. Allotments that are distributed in the real-time processing are distributed simultaneously in both international Clearing systems.

Usually, distribution occurs during the real-time processing beginning in the evening of the Closing Date. However, under certain conditions, New Issues can be distributed during CBL's real-time or End of day processing. According to the arrangements made between the Lead Manager and the Allottees, allotments can be distributed either Free of Payment or against payment.

Free of Payment distribution

Free of Payment distribution is made to Allottees' accounts by means of MT542 instruction Types generated by CBL in accordance with the Allotment List provided by the Lead Manager.

In cases where the Lead Manager prefers a Matching process for this type of distribution, CBL can use MT540, MT542 instruction Types to facilitate this.

Against payment distribution

Allotments can be distributed against payment in any CBL Settlement currency. Allottees must enter MT541 instructions for Receipt Against Payment of their allotments, indicating the Syndication Account number of the Lead Manager as the counterparty account and the Closing Date as the Requested Settlement Date. The MT541 instructions given by the Allottees are matched with the MT543 instructions for Delivery Against Payment entered by CBL on the basis of the Allotment List provided by the Lead Manager.

Distribution in the real-time or End of day processing of Closing Date

Wherever possible new syndicated international debt securities should be issued and distributed in the ICSDs' daytime processing cycle, value closing date. To benefit from this real time distribution process, the credit of the newly issued securities onto the Lead Manager's account in the ICSDs' systems should be effected by 12:30 CET on the day of the closing (or earlier depending on the ICSDs' currency deadlines).

Ensuring the securities are credited by this time allows primary distribution and grey market instructions to settle within and across the ICSDs. This requires that the official closing occurs earlier

in the day to ensure deposit of the global note and provisioning of the required associated documentation with the appointed CD/CSP or CSK (as relevant).

For certain currencies or certain exceptions, deadlines or constraints may be such that settlement in the daytime processing cycle of the Closing Date is not feasible.

If the closing ceremony is completed, and CBL is informed of the completion, CBL may, at its discretion, organise the distribution of New Issues of international Debt Securities in the real-time or End of day processing of Closing Date, with same-day value for CBL counterparties and Bridge counterparties if the closing is completed before the end of the mandatory Settlement period with Euroclear Bank.

In such cases, New Issue Transactions are included automatically by CBL in the optional Settlement processing; customers do not need to input an optional Settlement flag on their instructions.

Distribution in the real-time processing beginning in the evening of Closing Date

Distribution occurs as soon as possible after completion of the closing ceremony. If the closing ceremony takes place in the afternoon of Closing Date, distribution occurs in the real-time processing that begins in the evening of the Closing Date. In these cases, the "Distribution Date" - that is, the date of the processing in which distribution of the New Issue occurs - is one Business Day after the Closing Date.

When CBL and Euroclear agree on the distribution of Bridge Transactions, they must also come to an agreement on the back valuation of Secondary Market Transactions in the issue across the Bridge. The Requested Settlement Date of these Transactions can be the Closing Date, or a later date if distribution is delayed by more than one Business Day.

If the back valuation of Bridge Transactions is not agreed by both systems, CBL may, at its discretion, decide to backvalue Transactions **with CBL counterparties only** in the distribution processing.

Back valuation will apply to all Transactions with Settlement Date = Closing Date that settle in the night time processing beginning in the evening of the Closing Date or in the real-time processing of Closing Date +1 if, in the case of internal Transactions, both Transactions have been received by CBL at the latest before 21:00 on Closing Date and, in the case of Bridge Transactions, if they are matched in the last exchange of files with Euroclear on Closing Date.

The back valuation principles will be adapted if distribution is delayed by more than one Business Day.

The timing of the Closing and the distribution processing are illustrated in [Figure 7.3](#) below where D-1, D and D+1 represent consecutive Business Days. All times are CET.

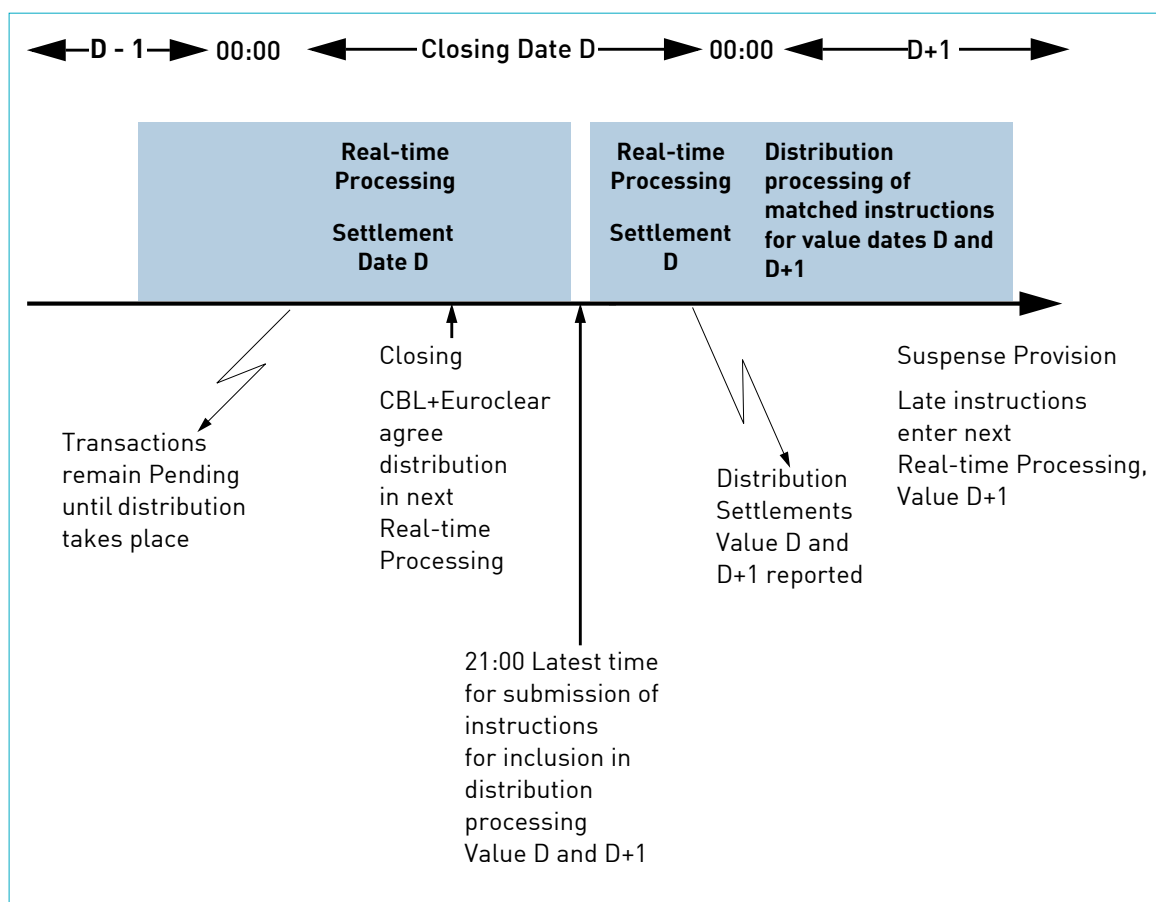


Figure 7.3 The timing of the Closing and the distribution processing

Matching

In order for a Transaction to settle, counterparties' instructions must match with regard to both Requested Settlement Date and Countervalue:

- The **Requested Settlement Date** for a Transaction in a New Issue can be any date. If the customer is selling or purchasing securities on the Closing Date for value Closing Date, then the Settlement Date must be equal to the Closing Date, no matter when the issue is distributed. The Matching of Settlement Dates enables the Settlement of Transactions. All the Transactions with Settlement Date equal to or between the Closing Date and the Distribution Date will settle in the same processing with value the Settlement Date.
- The **Countervalue** given by the customer is based either on the subscription price (for Closing Date Transactions) or on the Trade Price plus accrued interest (for Transactions for Settlement with value after Closing Date). The maximum discrepancy in Countervalue, in accordance with ICMA Rule 304.1, is described in "[ISO currency code and Countervalue](#)" on page 3-15.

Funds provision

Payments for a New Issue are given priority by CBL over other Transactions for the Allottee's account, and thus sufficient funds must be available to pay for the purchased allotments. Customers should ensure that funds provisioning, in conjunction with the Financing facilities available on the account, is sufficient to meet subscription payments.

In order to estimate the availability of funds, customers can refer to the Anticipated Net Position reported on the morning of the Closing Date (which includes pre-advised Unconfirmed Funds and Pending New Issue Transactions).

Pre-Closings

Payments for New Issues in some currencies (for example Japanese yen, Australian dollars and New Zealand dollars) must, because of timezone differences, be initiated one day before the Closing Date (refer to the cash currency deadlines for payment timeframes). For these currencies, a **pre-Closing** meeting is normally held, one day before the official Closing Date. A duly authenticated Global Note is delivered to the Common Depository (for CGNs) or CSK (for NGNs/NSS) to be held in escrow until the Global Payment to the Issuer is confirmed on Closing Date.

Late distribution

Any delay in distribution that is due to a delay in the confirmation of actual Closing may only occur if specifically agreed by CBL, and is decided in agreement between both ICSDs.

Claims related to the distribution of New Issues

If CBL has made funds available for the Closing and is subsequently informed that the Closing will not take place as scheduled, any claims made in this respect against CBL will be passed on to the Lead Manager for consideration.

CBL is not responsible for any such claims that may arise due to any disagreement between parties as to timing, documentation, or other variations of the procedures, or if permission to make the payment is given too late to permit CBL to invest such funds in any relevant money market.

CBL may at any time change the back valuation flag on Closing Date. This depends on when the information on a new distribution (including second tranches) is received. CBL will not honour any claims arising from the above situation.

CBL will not honour any claim relating to encumbered Collateral that is required for the issuance of ICPs. To ensure that all potential payments by CBL on behalf of the lead manager to the common Common Depository or Common Service Provider supplier are collateralised, at the time the irrevocable commitment to pay is issued, the countervalue of the haircut applied by CBL on the newly issued securities will automatically be blocked from the existing collateral pool of the lead manager.

Lead managers have to ensure that syndicated accounts are linked to secured umbrella credit structures. If at time of issuance there is no (sufficient) collateral, then the ICP cannot be issued.

When an ICP is issued, Lead Managers can request for the collateral to be unblocked upon success completion of the new issues closing.

CBL will not honour any claim relating to a Settlement failure which results from the fact that the customer did not make sure that the issue is accepted in CBL.

7.5 General procedure for the admission and distribution of international money market instruments (pre-released securities)

Money market instruments accepted by CBL include Short- and Medium-Term Notes, Eurocommercial Paper, Certificates of Deposit and similar paper issued under revolving underwriting facilities, dealership or similar programme agreements.

Money market instruments that are to be distributed through CBL must be delivered to the Common Depository (if issued in CGN form), to the CSK (if issued in NGN or NSS form) or to the CBL Specialised Depository, if issued in the form of definitive Certificates.

If the issue has been released only partially during the real-time processing beginning in the evening of Closing Date -1, or if it has been released during the real-time processing of Closing Date, then both CBL and Euroclear will open back valuation. Back valuation will apply to all Transactions with Settlement Date = Closing Date that settle in the night time processing beginning in the evening of the Closing Date or in the real-time processing of Closing Date+1 if, in the case of internal Transactions, both Transactions have been received by CBL at the latest before the latest before 21:00 on Closing Date and, in the case of Bridge Transactions, if they are matched in the last exchange of files with Euroclear on Closing Date.

Admission of a programme facility

The Issuer, the Issuer Agent or any other agent responsible for the programme facility must, in order to request its acceptance, contact CBL no later than 10 Business Days before the scheduled date of the first issuance permitted under the facility. Documentation received less than 10 Business Days before the first issuance will be dealt with on a "best efforts" basis.

If the facility is deemed acceptable by CBL, the Issuer Agent will be informed of the facility reference number and the Common Depository or CBL depository. The facility reference number is common to CBL and Euroclear Bank. It is an **internal and confidential reference number** and not a Security Code.

In addition, updates to programme facilities must be submitted for review. Any amendments or additions to the previous version should be highlighted to CBL.

The Issuer Agent must provide full and accurate documentation about the facility and any other details requested by CBL, including:

- The types of securities;
- Name of the Issuers;
- The Legal Entity Identifier for each issuer;
- An Issuer-ICSDs agreement (for NGNs/NSS): one per programme (and per Issuer, in the case of multi-Issuer programmes); this document must be received by CBL before the Closing Date;
- Name of the Guarantor;
- Issuer's countries;
- Applicable governing law;
- Issuer's ratings;
- Initial amount of the facility;
- Signing date of the programme;
- Nominal currency and any currency option;
- Final maturity, if any;
- Types of interest rates;
- Certification requirements (TEFRA D or any other);
- The form of the notes;
- Denominations;
- Tax related information and selling restrictions;

- Whether the securities issued under the facility are intended to be held in such a manner as would allow Eurosystem eligibility, and the Standing instruction for CSK allocation (between CBL and Euroclear Bank) in that case;
- Any other specific characteristics, such as Record Dates, put or call options, etc;
- The Issuer Agent must advise CBL of any special feature of the facility.

Allocation of Security Codes for Drawdowns

A separate Common Code is allocated by CBL to each issuance or Drawdown. It is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the codes, Issuer Agents must provide the following details:

- Type of security;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Form of the notes;
- Where applicable, a copy of the usual legal opinion delivered to the Issuer, such copy required once only per Issuer's country of domicile and per issue's governing jurisdiction¹;
- Whether the security is intended to be held in such a manner as would allow Eurosystem eligibility and, if so, any deviation from the Standing instruction issued at programme level on CSK allocation;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Issuer name and country;
- Nominal Amount;
- Nominal currency;
- Certification requirements (TEFRA D or any other);
- Facility reference number;
- Notification of any taxation applicable to this Drawdown;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

Issuer Agents must advise CBL of any special feature of the Drawdown, ideally before requesting the codes.

Upon setup and creation of the codes, CBL requires an issuance confirmation with full details to be submitted before the Closing Date. Final documentation (if applicable) must be submitted to both CBL and the Common Depository or the CSP at the latest on Closing Date +1 Business Day.

Same-day distribution - real-time processing of Closing Date

CBL's real-time processing allows Issuer Agents to distribute money market instruments on a same-day basis, and eliminates the need for Issuer Agents to release notes one day before issuance. In order to benefit from this facility, Certificates must be delivered to the Common Depository or CSK by the deadline as applicable for the issue. They are then available for onward Settlement with same-day value.

Note: If **Closing Date = Requested Settlement Date = Processing Date**, then the instruction is deemed eligible for **primary date** distribution and will therefore be made eligible for **all processings** (inclusive of being flagged to settle in the next optional Settlement processing irrespective of whether the Transaction has an optional Settlement flag added or not).

Some restrictions may apply depending on the tenor of the issue and the counterparties' clearing system account location.

1. Jurisdictions already covered are listed on the Clearstream website.

Distribution during the real-time processing beginning in the evening of Closing Date -1

Issuers of money market instruments who want to make the paper available for Transactions with Internal and Bridge counterparties in the real-time processing of Closing Date, should arrange to deposit the paper at the Common Depository or the CSK as applicable, on the Business Day before the issue date, before the deadline for inclusion in the real-time processing.

European Pre-Issuance Messaging system (EPIM)

CBL, Euroclear and Depository Trust and Clearing Corporation (DTCC) have launched a joint initiative product designed to increase the speed and efficiency of ISIN and common code allocation for selected money market instruments. The EPIM platform is an automated, secure system that uses standard messaging formats and a standard messaging protocol to disseminate issuance information between the relevant Primary Market participants.

For more information on EPIM's use and the benefits it can offer, please consult your Client Services Officer, Customer Relationship Manager or the New Issues departments in Luxembourg or London.

7.6 General procedure for the admission of Fungible issues

New tranches Fungible immediately with an existing issue

CBL requires that details for issues that are Fungible immediately with an existing security be submitted to CBL as soon as possible and preferably no later than VD-3. To ensure that we can confirm that the issue can be funged¹ immediately and that details are amended in a timely manner, the following information must be provided in writing:

For Money Market Instruments:

- Security code;
- New tranche amount;
- Total outstanding amount after increase;
- Issue/Closing Date of new tranche;
- Syndicated/non-syndicated Closing;
- Confirmation that terms and conditions match the details of existing/original tranche;
- Any other documentation that is available for this new tranche.

Note: It is possible to extend the lock up period, however, this is not favoured or encouraged by Clearstream. Consideration also needs to be given to the existing holders as the lock up period will affect their ability to trade this issue with certain investors.

For Syndicated International Instruments (also known as re-openings):

The same information as for Money Market Instruments, which must be incorporated in the relevant legal documentation. CBL must receive a final copy of such relevant legal documentation.

Allocation of Security Codes for Fungible issues

A further tranche will not receive a new Security Code unless the fungibility occurs sometime after the Closing Date +1 Business Day. The appropriate Security Code will be determined on a case by case basis. The code is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the codes, Issuer Agents must provide the following details:

- Name of the Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Form of the notes (that is, global or definitive, bearer or registered);
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Name of issue;
- Nominal Amount;
- Nominal currency;
- Facility reference number;
- Date upon which fungibility will occur;
- Certification requirements (TEFRA D or any other);
- ISIN into which it is funging;
- Accrued interest;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

1. The consolidation of two or more tranches of securities into a single series represented by a single identification code. For securities subject to TEFRA D, details for issues that are Fungible immediately with an existing security must be submitted to CBL by latest 16:00 CET on certification date -1.

7.7 General procedure for the admission and distribution of domestic Securities

Admission of a New Issue (domestic Securities)

Domestic securities issues can be accepted by CBL at customers' request, provided that the issue is eligible for acceptance by CBL and that the customer provides CBL with sufficient details to ensure the correct identification of the security. The minimum details that must be provided for this purpose are:

- Name of Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Domestic identification number and ISIN;
- Form of the notes;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Nominal Amount;
- Nominal currency;
- Tax related information and selling restrictions;
- Certification requirements;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

Allocation of common codes and ISINs

CBL is the national numbering agency for Luxembourg and allocates an LU ISIN to any domestic Security, including any Luxembourg-domiciled Investment Fund, in line with the ISO 6166 rules and the ANNA guidelines. The LU ISINs are composed of the 2-digits country code (LU) followed by the 9-digit common code and a check digit.

For other domestic Securities, ISINs are allocated by the appropriate national numbering agency. All ISINs allocated by CBL are issued in accordance with the ISO 6166 rules for which ANNA acts as the registration authority. Customers can use either the common code or the ISIN to identify securities.

If no ISIN has been allocated to the issue, customers must use the common code.

The allocation of an ISIN or common code by CBL, or the validation by CBL of an ISIN or common code allocated by Euroclear Bank, does not guarantee that the issue will be accepted for admission by CBL. A New Issue can only be accepted for admission by CBL if full documentation on the issue is submitted by the Lead Manager and if the issue itself is deemed eligible for admission.

Note: CBL reserves the right to suspend or cancel eligibility of any issue or common code at any time.

In the event of any questions or concerns over which ISIN has been, or should be, allocated to a security, customers should contact Client Services, their Relationship Officer or the New Issues department in Luxembourg or London.

Distribution free or against payment

The distribution of New Issues in domestic Securities is usually effected via CBL's link to the relevant domestic market. In this case, a CBL depository in the domestic market undertakes the Settlement of CBL's portion of the issue.

CBL may at any time change the back valuation flag on Closing Date. This depends on when the information on a new distribution (including second tranches) is received. CBL will not honour any claims arising from the above situation.

CBL will not honour any claim relating to a Settlement failure which results from the fact that the customer did not make sure that the issue is accepted in CBL.

Allocation of Security Codes for Fungible issues

A Fungible issue will not receive a new Security Code unless the fungibility occurs sometime after the Closing Date. The appropriate Security Code will be determined on a case by case basis. The code is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the common code and ISIN, Issuing Agents must provide the following details:

- Name of Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Temporary domestic identification number and ISIN;
- Form of the notes;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Nominal Amount;
- Nominal currency;
- Tax related information and selling restrictions;
- Certification requirements;
- Date upon which fungibility will occur;
- ISIN into which it is funging;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

7.8 Securities identification

Securities are identified by a nine-digit **common code** and, subject to availability, a twelve-character alphanumeric International Securities Identification Number (**ISIN**) issued in accordance with the ISO 6166 rules. Where a security is held by Clearstream in positions at different places of safekeeping, or different place of safekeeping accounts, a different common code will be allocated.

How to obtain details about securities

The securities that are eligible for deposit in CBL are published, with the name and code of the depository for each issue, in a variety of ways:

- A database of eligible securities is maintained on CBL's website codelist.clearstream.com, with daily updates. Customers can receive details of specific securities and eligible places of safekeeping with a simple query.
- A list of eligible securities with full details is maintained as a text file on the Clearstream website under Key documents / ICSD / Reference Data and updated weekly.
- Users of Xact Web Portal and CreationOnline can also retrieve the securities data through a variety of query functions (see [Reports and information services](#) on page 11-1).
- Details of newly allocated ISINs, confirmed ISINs, and exchanged issues are published monthly in announcements. The "Confirmed ISINs" information gives details of issues for which incorrect ISINs have previously been published.
- An updated list of New Issues is also contained in reports available on a daily basis via ClearstreamXact and CreationOnline (see [Chapter 11. Reports and information services](#)). Reports produced via ClearstreamXact show the common code of an issue and, if available, its ISIN.

Existing securities not accepted in CBL

CBL can add existing securities not yet accepted provided that it can determine that they are eligible. For this CBL requires as much information as possible about the issue. Ideally, a copy of the documentation should be submitted. As with all new securities, CBL will assess each for its eligibility from a legal, operational and tax perspective to ensure that CBL can service the issue through its life.

Fees for standard and customised services

Issuers or Issuer Agents may be required to pay certain standard fees as notified in the [Clearstream Banking Fee Schedule](#). In addition, Issuers or Issuer Agents may request customised code allocation and settlement monitoring services. Such services may be subject to fees which are mutually agreed. In the event of any questions or requirements, Issuers or Issuer Agents should contact their Relationship Officer or the New Issues department in Luxembourg or London.

This page has intentionally been left blank.

8. Asset servicing

CBL provides customers with a full range of asset servicing for income and corporate action (non-income) events that consist of:

- Exchanges;
- Income services;
- Corporate Action services;
- Event notification and entitlement forecast;
- Payment management of asset servicing proceeds;
- Transaction management;
- Tax services;
- Services for CFF Qualified Investment Fund Shares;
- Meeting event and proxy voting service.

CBL customers can access asset servicing processing and reporting via:

- Xact Web Portal;
- CreationOnline;
- Xact File Transfer;
- SWIFT.

Note: In accordance with the terms and conditions of an issue, custody operations may be subject to prior certification of beneficial ownership.

Unless otherwise stated, the term “Global Note” refers to a Classical Global Note (CGN) or New Global Note (NGN), as appropriate. For further information on the definition of a CGN and/or NGN, please refer to [Chapter 7. Custody business operations - New Issues](#)

Note: Short Selling of income or corporate action proceeds is not authorised for Settlement in CBL. For further information, please refer to [Short Selling](#) on page 4-25.

8.1 Exchanges

Exchange of a temporary Global Note for permanent global or definitive Certificates

When a New Issue is launched, the securities are represented by a temporary Global Note. On the exchange date, the temporary Global Note is exchanged either into a permanent Global Note (which normally remains in global form until final maturity), or into definitive Certificates. Global Notes are deposited as follows:

- CGN securities are deposited with a Common Depository to provide safekeeping and asset servicing.
- NGN securities and CGN securities in registered form held under the New Safekeeping Structure (NSS) are deposited with a Common Safekeeper (CSK) for the safekeeping of the Global Note and a Common Service Provider (CSP) is appointed to offer asset servicing.

While the issue is represented by a Global Note, all Transactions in the security are executed on a book-entry basis only.

On the date agreed for the exchange, CBL and Euroclear confirm their respective holdings in the temporary Global Note to the Common Depository (for a CGN) or the CSP (for an NGN or CGN in registered form held under the NSS) and to the Issuing Agent.

The holdings recorded on the exchange date serve as the basis for the exchange into a permanent Global Note or for the distribution of definitive Certificates between the two Clearing systems. Book-entry Settlements in CBL are unaffected by this procedure.

The agent instructs the Common Depository or CSK either to cancel the temporary Global Note or to return it to the Issuer when the exchange is completed.

Exchange into definitive Certificates

Instructions for Physical Delivery of securities are maintained in suspense until the definitive Certificates become available to carry out the Transactions.

Definitive Certificates are delivered by the printers to the trustee or to the Fiscal Agent (the “agent”) for verification, and for authentication as may be required by the terms and conditions of the issue. As soon as the agent informs CBL that definitive Certificates are available, the exchange of the temporary Global Note into definitive Certificates can be arranged.

CBL arranges for the delivery of the securities from the office of the agent to the CBL Depository. When the definitive Certificates are received and accepted by the Depository, CBL gives its authorisation to the Common Depository (for CGNs) or to the CSK (for NGNs or CGNs in registered form held under the NSS) concerning the disposal of the temporary Global Note in accordance with the instructions of the agent.

Restricted Period for Euro-instruments (TEFRA D regulations)

Euro-instruments are usually subject to sales restrictions and cannot be offered or sold to certain categories of investors. Such restrictions are usually temporary (although they may occasionally be permanent), and are defined in the terms and conditions of the issue.

Euro-instruments are not usually registered under the Securities Act of 1933 of the U.S.A., as amended, and are therefore restricted for United States investors. The issuer of such Euro-instruments may therefore decide to apply TEFRA D regulations.

TEFRA D restrictions are temporary, they apply for a specified period, called the “Restricted Period”. The Restricted Period ends upon the exchange of the temporary Global Note.

In order to obtain payment on an interest Coupon or to obtain definitive Certificates upon exchange of the temporary Global Note, investors must deliver to CBL the appropriate certification as described on page 8 - 4. The date by which the qualified investor certification must be submitted is called the "Certification Event Date". Unless notified to the contrary by the Lead Manager/Issuing Agent the Certification Event Date is fixed to 40 days after the Closing Date. Customers are notified by CBL of the certification event as soon as holdings in the security are acquired. Reminders will also be sent if the duration of the certification period allows.

For customers who do not provide the appropriate qualified investor certification by the Certification Event Date or exclude a portion of holding (securities certified as held by Non Qualified TEFRA Investors, as defined below) from such certification, the uncertified or excluded portion of their holding in the relevant securities will be blocked for transfer and excluded from any entitlement.

Note: CBL will unblock positions upon receipt of a Certificate but reserves the right to block the same position if the Certificate is rejected by the Issuer or its Issuing Agent. The customer remains fully responsible for the Certificate it provides and hereby agrees to indemnify CBL against any direct or indirect loss, claim or damage that CBL could incur as a result of the unblocking followed by rejection of the Certificate by the Issuer or its Issuing Agent.

Customers holding securities requiring qualified investor certification are requested to send the appropriate certification instruction as soon as possible to CBL via the appropriate connectivity medium before the deadline for certification. The deadline is usually 19:30 CET on the Certification Event Date. Customers are strongly recommended to provide certification via Xact Web Portal, CreationOnline or MT565 Corporate Action instruction. CBL will accept MT565 Corporate Action, Xact Web Portal and CreationOnline instructions up to four Business Days after Certification Event Date. After four Business Days all such certification via MT565 will be automatically rejected, hence in such a case customers are requested to first contact CBL Client Services for further assistance with providing a late certification.

If a new tranche is introduced before the certification deadline, the tranche shall effectively extend the Restricted Period of the TEFRA D event and a notification specifying the new certification deadline shall be sent; this does not require any previously certified position to be re-instructed unless a customer acquires an additional holding.

Electronic Certification

Customers are allowed to certify electronically under TEFRA D rules as described in the below paragraphs. Any certifications provided via Xact Web Portal and CreationOnline or SWIFT message shall have the same effect of signed certificate.

CBL will strictly rely on the information and statements provided by the customers and shall not be held liable for any factual errors or inconsistency contained therein. In addition, it is strongly recommended that the customers perform their own tax assessment and consult their own tax advisor regarding the certification.

For the purpose of this section, the following terms and expressions used herein shall have the following meaning:

"Non Qualified TEFRA Investor" refers to a U.S. person, that is a person that is (a) a natural person resident in the United States; or (b) a partnership or corporation organised or incorporated under the laws of the United States; (c) an estate of which any executor or administrator is a U.S. person; (d) a trust of which any trustee is a U.S. person; (e) an agency or branch of a foreign entity located in the United States; (f) a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (g) a discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (h) a partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts.

“Qualified TEFRA Investor” refers to a non U.S. person or certain person permitted under the TEFRA D rules to hold the securities in accordance with the § 165 (j) (3) of the Internal Revenue Code of 1986, as amended. “United States” means the United States of America (including the States and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

“U.S. person” refers to a legal entity or a natural person defined as a United States person in accordance with the relevant applicable laws and regulations in the United States.

Electronic Certification via SWIFT MT565 (Corporate Action Instruction)

In their MT565 instructions, customers must indicate the type of beneficial owner as follows:

1. Securities certified as held by Qualified TEFRA Investors.

Customers must send CBL an MT565 instruction specifying the relevant instruction quantity, corporate action reference ID and the corporate action option code set to :22F::CAOP//QINV. By sending a QINV instruction, customers are certifying to CBL that the relevant securities are owned by a Qualified TEFRA Investor.

A securities position held by a Qualified TEFRA Investor will not be blocked and will receive entitlements. This holding will be exchanged from a temporary Global Note to a permanent Global Note or to definitive Certificates. Holders of such securities positions will be entitled to principal and interest payments.

Note: Where their entire holding is held by a Qualified TEFRA Investor, customers can alternatively certify by sending an MT565 instruction with the quantity set to zero and the corporate action option code set to :22F::CAOP//NOQU. CBL will accept an MT565 instruction with the instruction quantity set to zero for this corporate action option code only. The NOQU certification can be used to:

- certify that the customer is a Qualified TEFRA Investor and holds the relevant securities as explained in this Note; or
- certify that the customer is a Non Qualified TEFRA Investor as described in paragraph 2 below.

2. Securities certified as held by Non Qualified TEFRA Investors

Customers must send CBL an MT565 instruction specifying the relevant instruction quantity, corporate action reference ID and the corporate action option code set to :22F::CAOP//NOQU.

If there are any changes in ownership between the date when certification is provided and the certification event date that is, the last day of the restricted period, then customers must provide updated certification.

Note: A securities position certified as being held by Non Qualified TEFRA Investors will be blocked by CBL upon receipt of the instruction and entitlement withheld. Blocked holdings will not be exchanged from a temporary Global Note to a permanent Global Note or to definitive Certificates. Securities certified as being held by Non Qualified TEFRA Investors will therefore not be entitled to any principal and/or interest payments until a fully compliant certification has been made.

Certification via Xact Web Portal and CreationOnline

Customers are able to view notifications of beneficial ownership in Xact Web Portal and CreationOnline and respond via the appropriate instructions.

Xact Web Portal and CreationOnline provide the same level of information as other media. They also offer real-time queries on notifications and instructions.

With Xact Web Portal, customers can benefit from additional features:

- Bulk upload of Corporate Action instructions.
- Possibility to save input templates.
- “My Indicators” and “My Calendar” to show upcoming Certifications.
- Detailed view giving a graphical representation of an event timeline.

Exchange between Rule 144A and Regulation S (“REGS”) line / DWAC

The service for exchange between Rule 144A and Regulation S (“REGS”) line is also known as Deposit and Withdrawal at Custodian (DWAC). Rule 144A and Regulation S (“Reg S”) bonds are types of bonds, named after the related legal rules, which give the right to the issuer to issue these bonds without the need to register them under the Securities Act of 1933. The two rules are defined as follows:

- Under the Rule 144A, Qualified Institutional Buyers or QIBs are allowed to trade debt securities without registration and review by the SEC.
- The Reg S bond type is available for offers and trades of securities outside of the U.S.A. to US and non-US QIBs.

If a security is issued under both Rule 144A and Reg S, this allows the holders to exchange between the two types of bonds, in order to trade in or outside the U.S.A. The Prospectus of the bond clarifies if the exchange is possible and whether or not there are any restrictions to it.

CBL processes transfer instructions from 144A type into Reg S and the other way around. Customers who wish to exchange their bonds will start this process by sending their SWIFT instruction to Clearstream. Upon receiving an instruction from a customer, who holds the position on their CBL account, CBL will send out necessary SWIFT instructions to the Transfer Agent, as well as the instructions to the depository. Only after the process is completed on the depository side will CBL credit the customer's account with the proceeds.

Due to the large number of bonds of this type and as exchange is possible throughout the entire life of the bond (unless defined differently by Prospectus), CBL does not announce each of these events, but rather the customer can send their unsolicited, free-format SWIFT message to CBL at any time during the life of the bond.

The instruction to CBL can be sent via MT568 or MT599 or an unsolicited MT565 SWIFT message and it has to contain both ISIN codes (starting code and resulting code), customer account number, quantity instructed and certification of QIB or non-US status (which can be done by simply stating “certification OK”). With the “certification OK”, the customer certifies that they are eligible to receive the resulting bonds – to receive 144A bond they certify that they are QIB and to receive Reg S bond they certify that they are QIB and/or non-US entity. They also give the power to CBL to either confirm in their name their status to the Transfer Agent electronically or in cases where electronic certification is not possible, they agree that CBL completes the necessary forms on their behalf.

CBL shall not be held liable for relying on the certification and for transmitting the certification provided CBL has not been grossly negligent, fraudulent or acted with wilful default. The customer shall be liable towards CBL to provide a complete, true and accurate certification.

8.2 Income services

Income services relate mainly to the calculation of customer entitlement and distribution of proceeds.

Coupons and redeemable securities are automatically presented for payment and proceeds credited to customer accounts on payment date, after deduction of applicable withholding taxes and under reserve of receipt of funds by the cash correspondent banks.

Income events with options are considered by CBL as corporate action events.

Income events

Income events include interest payments, dividends, capital gains and redemption payments.

Interest payments and redemption events are usually part of the official terms and conditions of the issued securities. In addition, once an issuer decides to start an income event, it will have to advise all relevant parties in the market (usually in official documentation or offer prospectus) about all aspects of the event.

Calculation methods for interest Coupons

Full details of the applicable event rules are defined in the relevant prospectus of the issue.

The general formula for calculating a Coupon price is:

$$1000 \times \frac{\text{number of days} \times \text{interest rate}}{(360 \text{ or } 365 \text{ or } 366) \times 100} = \text{rate per 1000 (to 6 decimal places)}$$

For Floating Rate Notes (FRN),

- Euro-instruments: the Coupon amount calculated in this way is paid in full to customers, regardless of any rounding of the calculated amount by the Paying Agent.
- Domestic markets: the Coupon amount is paid to customers in accordance to the rounding rules announced in the local market.

As an intermediary, CBL is not responsible for the calculation of Floating Rate Note (FRN) income events since Issuers employ calculation agents for this purpose. However, CBL can calculate rates for some FRN events in certain markets in order to overcome late information and, or, subsequent adjustments or reversals arising from calculation agent errors. Such rates calculated are not binding on CBL.

Types of redemptions

Partially called or matured securities are automatically presented for payment. Redemption proceeds are subsequently credited to customer accounts on payment date, once received from our depository or agent.

Information on forthcoming Redemptions (partial, early or final) can be accessed by retrieving the Income Pre-Advice Report (IPAR).

Redemptions in full

Customers are notified of early Redemptions as soon as the information has been received from the agent or published in the financial press.

In the case of early or final Redemption, Transactions in the respective issue can be settled in CBL up to and including the day before the Redemption date.

Securities subject to total Redemption are not eligible for delivery across the Bridge as from the Redemption date.

If a loan in a security is still outstanding at the time the issue matures, the loan is cancelled, and the Redemption proceeds are credited to the lender's account and debited to the borrower's account on the final/early Redemption payment date.

Partial Redemptions

Issues with sinking fund provisions are redeemed in part before the final Redemption date, either:

- by Drawing;
- by repaying for each note the appropriate percentage of principal and reducing the face value of the securities (Redemption on nominal value); or
- by repaying for each note the appropriate percentage of principal without reducing the face value of the securities (Pool Factor).

Drawings

All partial Redemptions including Drawings will be done on a pro-rata basis across customer accounts. It will be the responsibility of the depositories to monitor the numbers redeemed by the Issuer and deliver them back accordingly.

A Drawing algorithm will be applied to distribute the total amount to be drawn as equally as possible for each account participating to Drawing.

Drawings processed in CBL are notified to customers. Once a Drawing is announced, CBL sends pre-notifications to inform customers about the available Drawing details such as:

- Drawing date;
- Redemption details; and
- Accrued interest, if applicable.

Once the Drawing has been processed by CBL, customers will receive notification of the Drawing result via MT564 Message Type, and the result of any subsequent Drawing, if applicable. On payment date, customers will receive confirmation of the debit of drawn securities and the respective cash credit via MT566 Message Type. Furthermore, information on cash movements and entitlements of partial Redemptions by Drawing will be included in the IPAR report.

Upon announcement of the Drawing, domestic market bonds are blocked for External or Bridge deliveries on Record Date of the Drawing. Undrawn bonds are available for Settlement immediately after processing of the respective blocking instructions.

In the case of a Drawing, CBL neither cancels open loans nor processes a Drawing on borrowed/lent account Balances.

It may happen that part of CBL's position in a drawn issue is deposited with Euroclear via the Bridge. This requires CBL to proceed to an **additional** Drawing, thereby increasing the drawn quantity of securities by account.

For a **total** Redemption (whether early or final), Transactions in the redeemed issue can be settled in CBL up to and including the day before Redemption date, **whereas** positions drawn in a **partial** Redemption are blocked immediately and therefore cannot be used for settling trades. Although no longer available for delivery, the blocked securities still form a part of the customer's securities holdings and can still be considered for Collateral purposes until payment for them has been received.

While these Redemption payments are usually made on an interest payment date, the payment will be made separating the interest from the Redemption amount of the drawn bonds.

In the exceptional case that the Drawing event must be processed on a Business Day within the interest period, the accrued interest and the Redemption amount of the drawn bonds are credited in a single payment. The payment confirmation generated details the interest and Redemption amount split.

Redemption on nominal value

In the case of Redemption on nominal value, an equal part of all notes of a security is redeemed and the denominations are reduced accordingly.

Amounts to be redeemed are notified to customers as soon as the information is received from the agent or published in the financial press.

While these repayments are usually made on an interest payment date, the interest and Redemption amounts are paid separately.

Partial Redemption with a Pool Factor

In the case of a partial Redemption with a Pool Factor, an equal part of all notes of a security is redeemed but the denominations are not reduced accordingly. A ratio (the "Pool Factor") is assigned to the security and reflects the face value of principal having still to be redeemed. For each interest payment, the amount of interest payable is then calculated on the basis of the outstanding amount of principal and not on the basis of the denomination of the security.

Amounts to redeem are notified to the customers as soon as the information is received from the agent or published in the financial press.

While these repayments are usually made on an interest payment date, the interest and Redemption amounts are paid separately. The principal, together with details of the Pool Factor and interest, are reported separately by IPAR.

Note: The Pool Factor method is sometimes also used for securities that are capitalising interest. In this case, the ratio is increased by the amount of interest that is capitalised.

Income key dates

Figure 8.1 shows the timeline of the key dates for an income payment.

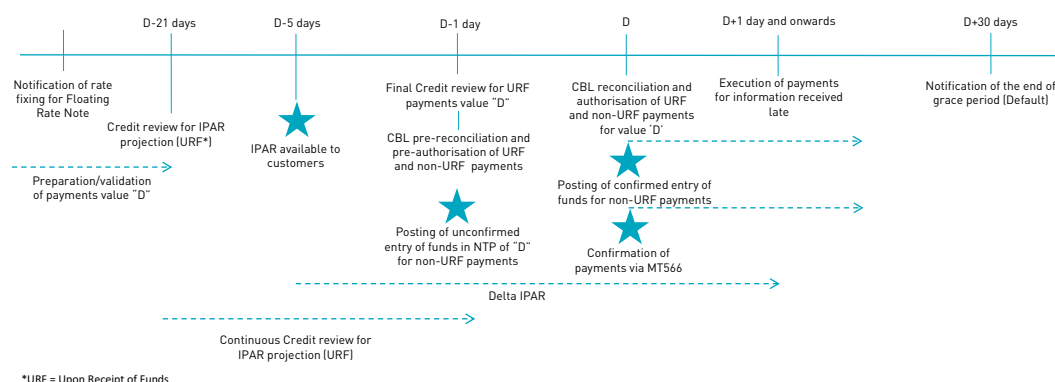


Figure 8.1 Typical timeline of event set-up and processing

Record date

Record Date is the date on which CBL establishes which holders are recorded in the system as eligible to receive the Coupon, or other entitlement, on a security.

For Euro-instruments, the Record Date is usually the close of business, one Business Day before the payment date of the Coupon (or other entitlement). For domestic Securities, the Record Date varies for different security types according to domestic market practice, as detailed in the Market Guide. After the Record Date, securities movements are processed ex-Coupon.

For technical or administrative reasons, and in order to ensure best possible value to the income payment, CBL's designated depositories may be required to detach Coupons earlier than the official Record Date, especially in the case of physical detachments. Physical deliveries requested close to Coupon Record Date may therefore be effected ex-Coupon.

As a general rule, entitlement to income distribution is calculated on the Record Date of the relevant payment. For account holdings that qualify for income distribution, this is determined after the End of day processing. However, customers should note that information may be received from depositories after the deadline for inclusion in the End of day processing, resulting in later adjustment to entitlement positions.

Application of adjustment on Record Date is processed in the same way for both domestic and international markets to facilitate the compensation process.

8.3 Corporate action services

A corporate action is any event that impacts the rights of a company's shareholders or bondholders, excluding income events like interest or Dividend payments.

It may be initiated by the Issuer, a third party or an action of holders. For some corporate action events, holders must respond by selecting from a list of possible actions.

CBL informs customers about all upcoming corporate actions applying to securities held on their account, where information about the event has been provided by an authorised and authenticated party and where the initiator of the event is recognised as authorised to do so. This excludes non official offers and/or offers handled outside the clearing system.

CBL sends individual notifications, via the connectivity channels, for each holding in the security. To ensure highest quality, CBL applies ISO 15022 standards (use of ISO Corporate Action Event Indicators, use of structured fields etc.) and indicates whether the message is a new message, a cancellation, a replacement, a withdrawal or a reminder.

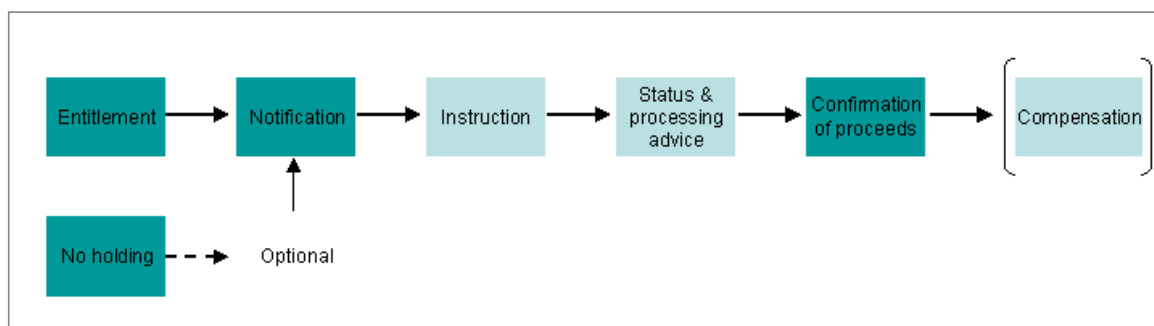


Figure 8.2 Corporate action event life cycle

Customers are requested to verify in advance their account setup eligibility to receive underlying proceeds for a corporate action event. Their account profile and the actual beneficial owner need to comply with restrictions applying to these proceeds. If account setup restrictions do not permit the crediting of underlying proceeds (for example, due to tax or market restrictions), delivery details outside CBL must systematically be included on the respective instruction.

Corporate action events

Corporate actions can be divided into two broad categories of events:

- **Predictable events:**

Events foreseen in the security's documentation (for example, the terms and conditions), including wording around the event timing and deadlines. Security documentation collected by CBL is made available to customers through Xact Web Portal or CreationOnline.

Examples of predictable events are: conversion option, put option, Warrant exercise.

- **Unpredictable events:**

Events not foreseen in the security's documentation (for example, terms and conditions). They are announced and described in additional documents by the issuing company's management.

Examples of unpredictable events: purchase offer, stock split.

Both predictable and unpredictable events can be subdivided into three main categories based on whether the holder of the securities has to take action on the event or not:

- **Mandatory events:**

Participation and consequences are compulsory and apply to the whole outstanding amount held within CBL. No instruction from the security holder is required.

Examples of mandatory events: stock split, rights distribution, merger.

- **Mandatory events with choice:**

Participation and consequences are compulsory and apply to the whole outstanding amount held within CBL; however a choice or option is available to the security holder. An instruction is only required if the security holder does not want the Default Option to be applied.

Example of a mandatory event with choice: merger with choice, bonus non-automatic.

- **Voluntary events:**

Participation and consequences are at the holder's discretion. An instruction is required if the security holder wishes to participate. The Issuer will usually inform all holders of the event that is about to take place; sometimes this notice is provided in the original offering documentation for the security. If no action is taken by the holder then the default action as stated in the notification will be applied.

Examples of voluntary events: purchase offer, conversion option, subscription offer.

Some complex corporate actions may involve mandatory events with subsequent voluntary events (two leg events), for example, mandatory rights distribution followed by a subsequent voluntary subscription offer.

CBL supports all types of corporate actions events defined by the CASG standards:

- **Cash distributions:**

Cash distribution is a distribution where the proceeds consist of cash only (for example, cash dividend, interest payment)

Three key dates are used for mandatory cash distributions:

- the Ex-Date;
- the Record Date;
- the payment date.

- **Securities distributions:**

Securities distribution is a distribution where the proceeds consist of securities only (for example stock dividend, bonus issue).

The key dates and the order of dates used for securities distributions are the same as for cash distributions.

- **Distributions with options:**

As a general rule, the distribution with options is handled via two events:

- a distribution of intermediary securities (refer to securities distribution above) followed by
- mandatory reorganisation with options (refer to mandatory reorganisations below) (for example optional dividend).

The key dates and the order of dates are the same as for cash distributions for the first event and the same as mandatory reorganisation with options for the second event.

- **Mandatory reorganisations**

Mandatory reorganisation is a reorganisation that mandatorily affects the underlying security (for example stock split, redemption).

Three dates are used for mandatory reorganisation:

- the last trading date;
- the Record Date;
- the payment date.

- **Mandatory reorganisations with options**

Mandatory reorganisation with options is a mandatory reorganisation with a choice of proceeds (for example, merger with election).

The following dates are used for reorganisations with options:

- start of election period;
- end of election period;
- guaranteed participation date;
- buyer protection deadline;
- response deadline;
- market deadline;
- payment date.

- **Voluntary reorganisations**

Voluntary reorganisation is a reorganisation in which participation is optional for the holder of the underlying security (for example, tender offer).

The key dates and the order of dates used for voluntary reorganisations are the same as for mandatory reorganisation with options.

Corporate action events on existing securities that involve the creation of a new security (new ISIN) cannot be processed without a valid LEI. For further information about creation of new securities, please refer to [Chapter 7. Custody business operations - New Issues](#).

Corporate action instructions

Customers may instruct on voluntary and mandatory with choice events using the following media:

- Via Xact Web Portal;
- Via CreationOnline;
- Xact File Transfer;
- Via SWIFT MT565 message by using the BIC address: CEDELULL.

Instructions received from customers are validated by CBL and forwarded to the depository or the agent either one by one or bulked on deadline date. If a corporate action instruction does not include an execution date, the instruction will be considered as if received for processing on the next possible execution date.

The service will differentiate between following instruction statuses:

- Correctly formatted instructions will benefit from a more competitive CBL deadline.
- Free format messages and unsolicited instructions will have a standard deadline and will be subject to an additional fee.
- Incorrectly formatted instructions will have a standard deadline.

Note: Incorrectly formatted instructions increase the risk of rejection.

In order to encourage the correct formatting of Corporate Action instructions the pricing model will apply an additional fee to free format messages, unsolicited instructions and manual repairs.

- Unsolicited instructions (SWIFT MT565, Xact Web Portal, CreationOnline or Xact File Transfer) where the corporate action reference ID is missing and for which the customer has received this corporate action reference ID previously in the related MT564 Corporate Action Notification before sending the instruction.
- Any customer instruction received via SWIFT MT565, Xact Web Portal, CreationOnline or Xact File Transfer where the required information has been incorrectly populated through dedicated structured fields.
 - instructions where the Beneficiary details are required and are not included in the dedicated structured fields from BENODET sequence will be manually repaired and subject to an additional fee.
 - instructions for Dutch Auction events, where the Bid Price for the competitive option is provided, will be manually repaired on a best effort basis and subject to an additional fee in the following instances: the bid price is not included in the structured field 90a::OFFR// or is not correctly formatted.

Incorrectly formatted instructions provided via SWIFT MT565, Xact Web Portal or CreationOnline that are automatically rejected will immediately trigger a SWIFT MT567 Corporate Action Status and Processing Advice indicating the reason for rejection.

In order to further improve STP processing and to provide CBL deadlines closer to market deadlines, CBL will:

- Ignore certain narrative types in the MT565 Corporate Action Instruction, as indicated:
 - When present in the Instruction block (CAINST):
 - COMP: Information to be complied with;
 - FXIN: Forex Instructions Narrative;
 - When present in the Additional Information block (ADDINFO):
 - PACO: Party narrative.
- Ignore any narrative type for specific corporate events unless the event specifically requires the use of a narrative. Customers will be informed that the rule is applicable for a given event

through the relevant MT564 Corporate Action Notification. A fixed standard text will be added in the notification (Additional Text (ADTX) in the Corporate Action Options block (CAOPTN)). This text will specify that any narrative received in the customer instruction on the related option will be disregarded.

For all events (if applicable) the standard deadline for free format messages, unsolicited instructions and incorrectly formatted instructions will be provided in the Corporate Action Notification.

If there is no deadline in the Corporate Action Notification, for example as in Equity Linked Notes, the fixing date is considered as the relevant CBL deadline.

Note: CBL will not be held liable for not taking any action on any instruction that is not sent via the proper channels (SWIFT, Xact Web Portal, CreationOnline or Xact File Transfer via CSV file upload) unless unavailable.

Instruction format

To ensure fast processing and to benefit from the full life cycle of information, customers should send corporate action instructions using an available connectivity method:

- Standard rules for the completion of the SWIFT MT565, as described in the Xact via SWIFT User Guide, must be followed.
- Any additional information required as described in the corporate action notification must be included.

Note: For corporate action instructions for French registered securities, customers are requested to instruct CBL using one MT565 for each beneficial owner, mentioning the beneficial owner details in the field :70E::REGI. For further details, please refer to the Link Guide - France.

For instructions sent as free-format messages, automatic validation and processing is not applicable. Free-format instructions can be accepted, respecting the following data as mandatory to ensure validity:

- Exact event type;
- Corporate action reference ID and/or event name;
- Customer account number;
- Nominal quantity;
- The financial instrument identification number (ISIN or Common Code);
- The selected option (note that "No Action - NOAC" instructions are considered as an option);
- Any additional information required as described in the corporate action notification.

For risk management reasons, corporate action instructions by fax or email are not accepted. Customers operating in contingency mode may be allowed to instruct via fax or email provided they duly execute a letter of indemnity in favour of CBL.

Customers must only include one instruction per message. One instruction consists of: one financial instrument identification number (ISIN or Common Code), one account number, one nominal, one option (No Action - NOAC instructions being considered as an option). If a customer includes more than one instruction per message, or if the additional text field on formatted messages includes an instruction or contradicts with the instruction given in the structured fields, CBL cannot be held responsible for any loss or damage caused. CBL reserves the right to reject instructions not formatted as per recommendations.

CSV file upload

Customers can upload a CSV file with up to 100 instructions via Xact Web Portal or CreationOnline.

To cater for higher volumes, customers can upload a CSV file with up to 10,000 instructions via Xact File Transfer via Internet.

For risk management reasons, to upload a CSV file with more than 100 instructions, customers must communicate to Client Services their intention to use this functionality at least 24 hours before the relevant CBL deadline (this is the earliest deadline if there are events with multiple deadlines), providing following data:

- Corporate action reference ID;
- Number of instructions to be uploaded.

Upload via Xact File Transfer via Internet with more than 100 instructions must be completed at least three hours before the relevant CBL deadline (this is the earliest deadline if there are events with multiple deadlines).

Failure to comply with above requirements will result in CBL handling the instructions on a “best efforts” basis and execution cannot be guaranteed.

Instruction collection

Solicited events fall under a predefined exercise period punctuated by a deadline, as reported on the corporate action notification. Customers should always send instructions before the CBL deadline. Instructions are processed according to deadline priorities.

Unsolicited events fall under an open exercise period, and can be instructed anytime. As a standard rule, valid customer instructions are processed on a continuous basis throughout the day.

Holdings will be blocked, unblocked or debited for delivery, if appropriate, based on the instruction and the corporate action type and terms when a valid instruction is received from the customer. For a corporate action instruction received before an exercise period, CBL will not perform any preliminary blocking of securities.

Late instructions

Instructions received after the CBL deadline are handled on a best efforts basis and are transmitted to the depositories/agents, however, execution cannot be guaranteed. If the instruction received after the CBL deadline cannot be executed, CBL will apply the default action stated in the notification (default indicator).

When an instruction comes in after the deadline, customers receive an acknowledgement (MT567), advising the customer that the instruction is after deadline and will be processed on a best efforts basis. After feedback from the depositories/agents a revised processing advice is sent to customers.

Formatted customer instructions received during suspension periods or before exercise periods will be automatically rejected. However, if the suspension period end date or the exercise period start date is within five Business Days of receipt of the instruction, the instruction will be held in suspense until such dates are reached.

CBL cannot be held liable for the non-execution of late, incorrect or incomplete instructions.

No action instruction

“No action” instructions are considered and recorded by CBL with the same priority equal to all other instructions. As a result, positions instructed for 'no action' will not be eligible to participate in the respective event unless the instruction is cancelled and replaced.

Cancellation of previous instructions by customers

If instructions have already been processed and forwarded to the local market, the agent or the depository, CBL will forward the cancellation request accordingly, but cannot guarantee execution of the cancellation request.

To replace an instruction already sent, customers must send a cancellation message before the new instruction.

Customers are requested to cancel formatted instructions with a formatted cancellation only (SWIFT MT565, Xact Web Portal and CreationOnline).

CBL cannot be held responsible for any loss or damage caused by a customer's failure to comply with the cancellation and replacement procedure.

Cancellation of previous instructions by CBL

Exchange offer - Restricted to Unrestricted on the U.S. domestic market

If an exchange offer has an extended offer period after the original deadline, CBL will cancel all the :22F::CAOP/NOAC instructions received on or up to the first CBL deadline date, as a consequence customers must re-instruct up to the extended CBL deadline date indicated on the MT564 notification if they want to retain their restricted line. The default option (:22F::CAOP/SECU) will apply if no new instruction is received by the extended CBL deadline and the customer will be credited with the new unrestricted securities.

As soon as CBL receives the relevant information that an extended deadline applies, CBL will clearly indicate the extension period to customers and the cancellation of the NOAC instructions via a MT564 notification update (REPL).

CBL cannot be held responsible for any loss or damage caused by a delay in the execution of an instruction or cancellation of an instruction that did not fulfil this condition.

Missing instructions

The Urgent Uninstructed Balances report, available through Xact File Transfer, gives an overview of uninstructed Balances for corporate actions and assists customers in monitoring risk relating to voluntary corporate actions. If no instruction is sent, CBL will apply the default action stated in the notification (default indicator).

Completion of paper forms on behalf of customers

CBL includes, as part of its standard custody service, the completion of paper forms to participate in a corporate action provided this is permitted under the terms and conditions of the issue and/or by the Issuer or its Issuing Agent. There are however events where it is a requirement that the form be completed and signed by the actual legal or beneficial holder, or where the Issuer and/or his agent explicitly state that the Clearing systems cannot complete the form on behalf of the participating holder, in which case we provide our customers with the necessary forms or information on how to obtain the forms in order to participate in the event.

Status and processing advice

Customers instructing via SWIFT MT565, Xact Web Portal or CreationOnline will receive a status and processing advice message for each corporate action instruction sent to CBL.

Customers using Xact Web Portal or CreationOnline can check the status of their corporate action instructions directly in Xact Web Portal or CreationOnline and schedule the receipt of an MT567 via SWIFT.

In order to receive acknowledgements via SWIFT, a valid SWIFT address is required and the check boxes for "Acknowledgement of MT565 messages" and "Include all media channels" must be checked in the Scheduled Reports details.

If the corporate action instruction was sent using a free-format message, customers will not receive a status and processing advice and are responsible for monitoring the instruction execution.

Rejection of instructions

If the securities provision is not sufficient, instructions will not be executed, but held in suspense either for a period of five consecutive Business Days starting on the date of receipt of the instruction or until the relevant CBL deadline, whichever occurs first.

CBL will inform the Account Holder of the non-execution and rejection of corporate action instructions in the following cases:

1. The instruction is incomplete or invalid (as per, without limitation, instruction format definition).
2. Cash provision is insufficient for the execution of the instruction.
3. The required certification or document is not provided together with the related instruction.
4. The specified place of safekeeping in the related instruction does not correspond to the depository defined in the event referred by the Corporate Action Reference ID (received in the related MT564 Corporate Action Notification).
5. The corporate action reference ID is missing and the CAEV, ISIN (or common code) and place of safekeeping (:94F::SAFE) provided in the related instruction do not match with an event.
6. Any additional requirements are not satisfied (e.g. if the proceeds security is not CBL eligible; if the appropriate delivery instruction outside of the CBL system is not provided with the instruction).

CBL cannot be held responsible for any loss or damage caused by a delay in the execution of an instruction or cancellation of an instruction that did not fulfil one or more of the above conditions.

Sale and purchase of rights

CBL offers a service to sell or purchase subscription rights. Given the evolution of the markets and deadlines on an ongoing basis, the full details of this service are described in Sale and Purchase of Rights, available on the Clearstream website. Instructions to sell or purchase rights are executed in relation to the securities held in Custody with CBL, in its capacity as securities settlement system, in accordance with the rules applicable in the domestic market covering a given event.

Fractions handling

CBL will credit whole shares resulting from corporate actions to customer accounts. Any remaining fractional units will be rounded down to the next whole number of shares and the cash equivalent will be credited to the customer's account in the underlying currency. The cash equivalent will be either the market value as determined by CBL's depository or the up-to-date market value at which the securities are traded on the domestic exchange. This rule only applies if there is any market for fractions and may be affected by market trend and/or trading value, which can lead to the cancellation of fractions. Customers are informed of the relevant details on the booking advice.

For Investment Funds, CBL will apply the agent's default action, which can be either a credit of the fractional units or the cash equivalent.

8.4 Event notifications and entitlement forecast

Event information

CBL receives and compares corporate action information from different sources such as the terms and conditions of the issue, CBL's depositories in the domestic markets, Issuing Agents for international instruments (Eurobonds), financial publications as well as independent information vendors. Corporate action¹ notifications are prepared based on this information and transmitted to customers as soon as possible, generally within 24 hours after market announcement date.

CBL's depositories are the prime source of confirmed information for domestic corporate actions. CBL releases notifications when confirmed information is available. The information received from information vendors is considered as "unconfirmed" and may be used for domestic corporate action event set up and pre-notifications to customers. CBL will, at its own discretion, decide whether and when unconfirmed information is to be forwarded to customers and CBL flags such information as "unconfirmed" if provided.

Terms and conditions

CBL summarises details of events via corporate action notifications. This summary will not constitute a legally binding description of the choices offered to customers and cannot be relied upon as such. Customers are considered to fully understand the terms of the corporate action and to instruct CBL accordingly. Customers may wish to seek independent legal and tax advice on the terms of the corporate action and its impact on their specific situation before instructing CBL.

CBL provides customers with relevant publications by offering material or restrictions via the Corporate Action database, if and when they are available. Availability is advised through the corporate action event notification. Customers can place an email request to receive terms and conditions related to the event to CAdatabase.CS@clearstream.com (as per the terms of the related notification).

No part of the requested documents neither the information contained therein can be reproduced or transmitted in any form or by any means, electronic or mechanical, if neither the customer nor the addressee is entitled to participate in the relevant corporate action. Customers are aware that they shall bear sole responsibility for any and all harmful consequences, losses or damages, which may be suffered for any reason whatsoever by customers, the addressee, third parties or CBL by reproducing or transmitting the requested documents or the information contained therein.

Disclosure

In accordance with domestic market laws, investors may be required to disclose their relevant interest in securities. CBL may be requested to comply with certain disclosure requirements, some of which are published, per market link on the Clearstream website. Customers are informed of these disclosure requests by a specific notification. The notification will also advise customers whether they are required to send an instruction or not.

Customers are advised to seek legal guidance on the existence and scope of any potential disclosure requirements applicable to such customers and relating to their holdings. CBL is not responsible for advising customers on the validity and extent of disclosure requests.

Dissenter's rights

In accordance with domestic laws, investors may be allowed the right to receive a cash payment for the fair value of their securities, in the event of a corporate action to which the investors do not consent.

Customers are informed of this right by a specific indicator in the notification (DISS - Dissenter's rights).

For risk management reasons, customers must communicate to Client Services their intention to make use of the dissenter's right feature immediately upon receipt of the relevant event notification and will be given all the pertinent information to perform their request to the company.

1. In this section corporate action refers to both income and corporate action events.

CBL cannot be held responsible for any legal cost and fees incurred by dissenter investors pursuing this action.

Fees

In accordance with domestic laws, investors may be required to pay certain fees, if appropriate, based on the corporate action type and terms.

Customers are informed of these fees, if applicable, in the relevant notification.

Event reporting

The below mentioned reports will be sent to customers to provide the account owner with the details of an event along with the possible elections or choices available:

Report purpose	Message Type	Description
New Message Notification	MT564 NEWM	New notification.
Replacement Notification	MT564 REPL	Supplementary information is provided.
Reminder Notification	MT564 RMDR	Reminder to customer that CBL has not received their instruction.
Income Pre-Advice Report	MT564 REPE (IPAR)	Eligible balance notification, reporting an eligible balance that may or may not include an entitlement calculation or a revised entitlement calculation.
Claim and Reversal Advice	MT564 ADDB (CRA)	Notification of a market claim or reverse market claim subject to compensation by CBL has been detected.
	MT564 CANC (CRA)	Notification of a cancellation of a reported market claim or reverse market claim occurs.
	MT564 ADDB REVR (CRA)	Reversal advice of an income event. Reversal advice of a compensated market claim or reverse market claim.
Cancellation Notification	MT564 CANC	Cancellation advice of an event previously announced by CBL.
Withdrawal Notification	MT564 WITH	Withdrawal of the event or offer by the issuer (all previously sent event information is void).

The Corporate Action Notification messages (M564 NEWM) can be initially sent as a preliminary advice and subsequently replaced by another MT564 REPL with complete or confirmed information. An official corporate action reference (COAF) will be shown if allocated and reported by the Issuer CSDs.

CBL endeavours to check the information with multiple sources with the objective to send notifications in a timely manner with status "confirmed" and "complete". In some cases, the terms of a corporate action or processing details may not be available until late in the life cycle.

"Incomplete" notifications may be sent in order to provide customers with the available information.

In Xact Web Portal and CreationOnline, a specific flag facilitates the identification of events where instructions are requested: "For Your Information" (FYI) notification will be sent for the mandatory events where no action from the customer is necessary. Voluntary events will be created as "Your Instruction Requested" (YIR). The events concerned are those requiring a decision or action from the holder of the securities.

Whenever the event is cancelled or withdrawn, it will be reported via the appropriate message (MT564 CANC/WITH).

CBL informs customers about upcoming mandatory and voluntary corporate actions applying to securities held on their account as soon as possible and only after being notified of an event. The

entitled holding is fixed on Record Date or on actual date, according to the terms and conditions of the relevant corporate action.

Notifications for the relevant securities holdings are released on a continuous basis during the day.

Reminder notifications will be sent to customers automatically for any uninstructed position.

CBL sends the Reminder Notification messages (MT564 RMDR) "Your Instruction Required - Reminder" where the eligible position is either not instructed at all or partially not instructed. This message includes two additional balances, which are:

- INBA: Instructed Balance;
- UNBA: Uninstructed Balance.

Whenever applicable to the corporate action, the fraction handling details will be reported in standard fields.

Customers without a holding in a particular security can access the corporate action information, either using a query in Xact Web Portal or CreationOnline or by subscribing to the dedicated "Corporate Actions Notifications without Holdings Report" in Xact File Transfer or Xact Web Portal.

The Claim and Reversal Advice (MT564 ADDB REVR) notifies customers of an upcoming reversal on one of the following paid income events:

Equities

- ACCU: Accumulation
- CAPD: Capital Distribution
- CAPG: Capital Gain Distribution
- DECR: Decrease in Value (share)
- DRCA: Cash Distribution from Non-Eligible Securities
- DVCA: Dividend (including with a currency option)
- SHPR: Shares Premium Dividend

Debt

- DRAW: Drawing
- INTR: Floating Coupon
- INTR: Fixed Coupon
- MCAL: Early Redemption
- PCAL: Partial Redemption (only applicable to drawings on Danish debt instruments)
- PRED: Partial Redemption without Reduction of Nominal Value
- REDM: Final Redemption
- REDM: Redemption in Shares at the Issuer's Option

Entitlement forecast

The Income Pre-Advice Report (IPAR)

The Income Pre-Advice Report (IPAR) enables customers to retrieve available information on future proceeds (cash and securities) and capital repayments for all securities held in their accounts, for each place of safekeeping. The report covers the Dividend payments, interest payments, corporate action event payments and Redemptions, both partial and final, that are expected in the five Business Days following the report on a rolling basis. Proceeds which have not been executed on the scheduled payment date will be reported on IPAR for the next 30 calendar days after the scheduled payment date. After this period customers will be notified of any event of non-payment or default and further follow-up processing will be performed by the corporate actions team.

Reports can be retrieved selectively by currency, date, event type or Security Code.

The IPAR is accessible through:

- SWIFT MT564 (Corporate Action Notification), the standard use of which can be replaced by, MT568 (Corporate Action Narrative) in exceptional cases,
- Xact File Transfer (in XML, XLS and PDF format),
- Xact Web Portal and,
- CreationOnline.

In the IPAR, securities Balances are updated at 03:00, 08:00, 21:30 and 22:30. Entitled Balances (on Record Date) are fixed after the End of day processing that reflects the End of day Balances.

In addition to settled and eligible balances, IPAR shows a more complete set of balances, such as:

- AFFB: Affected Balance;
- UNAF: Unaffected Balance;
- PEND/ELIG: Pending Delivery Eligible Balance;
- PEND/NELG: Pending Delivery Not Eligible Balance;
- PEND: Pending Delivery Balance;
- PENR/ELIG: Pending Receipt Eligible Balance;
- PENR/NELG: Pending Receipt Not Eligible Balance;
- PENR: Pending Receipt Balance;
- COLI: Collateral In Balance;
- COLO: Collateral Out Balance;
- INBA: Instructed Balance (applicable only for events requiring instruction);
- UNBA: Uninstructed Balance (applicable only for events requiring instruction).

The IPAR (MT564 REPE with ADDB//CAPA) gives the following details:

- Breakdown of the cash and/or securities payment that will be done for the account.
- Tax related information, including net calculated entitlement
- Any debit movement of security
- Settlement position and eligible quantity
- Pending receivable cash amount/securities based on entitlement

In addition, intraday IPARs will be generated if important details about a payment (such as the rate of interest or the Record Date) have been updated for the related value date. These additional intraday IPARs will only include the updates to existing proceeds and new proceeds created on Value date -1. They will not be created for updates to Balances arising from any intraday Settlement activities.

IPAR is available in two forms:

- The complete report, which covers all cash and securities proceeds that are expected to be payable to the account for each place of safekeeping during the succeeding five Business Days; and
- The delta report, which covers only those proceeds that are new and/or changed since the last report that was retrieved, thereby allowing easier identification of new items and reducing reporting costs.

For both types of IPAR, customers have the choice of whether or not to include Pending Transactions. This feature is not available to income on Equities although the total quantities of Pending receivables or deliverables are shown on the report.

The IPAR is not a confirmation of receipt of proceeds, but rather a projection of cash and securities to be expected which is subject to CBL's conditions for income and Redemption payments. Therefore, CBL provides the IPAR for information purposes only. CBL does not warrant the accuracy and completeness of the IPAR. CBL shall not be liable for any action taken based on this report.

Should CBL's Credit Department determine an Issuer to be below investment grade, that is with a credit rating of BBB- or lower, the payments expected may be flagged as payable "Upon Receipt of Funds" (URF). In order to address the issue of timely payment to our customers, the Credit Department undertakes continuous reviews until payment date -1 Business Day.

For payments flagged URF, three categories of URF information based on the payment history will be shown. This provides additional valuable information on the risk that exists for receiving the funds after the expected payment date.

The three categories of URF values will be shown as follows in the narrative section of Pre-advice:

PAYMENT UPON RECEIPT OF FUNDS - TIMELY PAYMENT EXPECTED	The last three payments or, in the case of less than three past events, all payments have been paid on time.
PAYMENT UPON RECEIPT OF FUNDS	One of the last three payments has not been paid on time.
PAYMENT UPON RECEIPT OF FUNDS - REVERSAL RISK	History of Pre-advice inaccuracy or reversals, flag applied at CBL's own discretion

List of events

The following figure is a non-exhaustive list of the corporate action events that are currently handled. Each description is a brief definition used internally, and as such may not reflect all characteristics of the event as it may be defined by the securities industry.

CAEV	Event	Description
ACCU	Accumulation	Funds related event in which the income (for example accumulation units) that accrues during an accounting period is retained within the fund instead of being paid away to investors. The retained income is nonetheless deemed to have been distributed to investors for tax purposes.
ACTV	Trading Status: Active	Trading in the security has commenced or security has been re-activated after a suspension in trading.
ATTI	Attachment	Combination of different security types to create a unit. Units are usually comprised of warrants and bonds or warrants and equities. Securities may be combined at the request of the security holder or based on market convention.
BIDS	Repurchase Offer/Issuer Bid/Reverse Rights	Offer to existing holders by the issuing company to repurchase its own securities. The objective of the offer is to reduce the number of outstanding securities.
BMET	Bond Holder Meeting	Physical meeting of bond holders.
BONU	Bonus Issue/Capitalisation Issue	Bonus, scrip or capitalisation issue. Security holders receive additional assets free of payment from the issuer, in proportion to their holding.
BPUT	Put Redemption	Early redemption of a security at the election of the holder subject to the terms and condition of the issue with no reduction in nominal value.
BRUP	Bankruptcy	Legal status of a company unable to pay creditors. Bankruptcy usually involves a formal court ruling. Securities may become valueless.
CAPD	Capital Distribution	The Corporate event pays shareholders an amount in cash issued from the Capital account. There is no reduction to the face value of a single share (or the share has no par value). The number of circulating shares remains unchanged.
CAPG	Capital Gains Distribution	Distribution of profits resulting from the sale of company assets, for example, Shareholders of Mutual Funds, Unit Trusts, or Sicavs are recipients of capital gains distributions which are often reinvested in additional shares of the fund.
CAPI	Capitalisation	Increase of the current principal of a debt instrument without increasing the nominal value. It normally arises from the incorporation of due but unpaid interest into the principal. This is commonly done by increasing the pool factor value, for example, capitalisation, and negative amortisation.
CERT	Non-US TEFRA D Certification	Non-US beneficial owner certification requirement for exchange of temporary to permanent notes.
CHAN	Change	Information regarding a change further described in the corporate action details.
CMET	Court Meeting	Announcement of a meeting at a Court.

CAEV	Event	Description
CONS	Consent	Procedure that aims to obtain consent of holder to a proposal by the issuer or a third party without convening a meeting. For example, consent to change the terms of a bond.
CONV	Conversion	Conversion of securities (generally convertible bonds or preferred shares) into another form of securities (usually common shares) at a pre-stated price/ratio.
CREV	Credit Event	An occurrence of credit derivative for which the issuer of one or several underlying securities is unable to fulfil his financial obligations (as defined in terms and conditions).
DECR	Decrease in Value	Reduction of face value of a single share or the value of fund assets. The number of circulating shares/units remains unchanged. This event may include a cash payout to holders.
DETI	Detachment	Separation of components that comprise a security, for example, usually units comprised of warrants and bond or warrants and equity. Units may be broken up at the request of the security holder or based on market convention.
DFLT	Bond Default	Failure by the company to perform obligations defined as default events under the bond agreement and that have not been remedied.
DLST	Trading Status: Delisted	Security is no longer able to comply with the listing requirements of a stock exchange and is removed from official board quotation.
DRAW	Drawing	Redemption in part before the scheduled final maturity date of a security. Drawing is distinct from partial call since drawn bonds are chosen by lottery and with no reduction in nominal value.
DRCA	Cash Distribution From Non-Eligible Securities Sales	Distribution to shareholders of cash resulting from the selling of non-eligible securities, for example, in the frame of a depositary receipt program.
DRIP	Dividend Reinvestment	Dividend payment where holders can keep cash or have the cash reinvested in the market by the issuer into additional shares in the issuing company. To be distinguished from DVOP as the company invests the dividend in the market rather than creating new share capital in exchange for the dividend.
DSCL	Disclosure	Requirement for holders or beneficial owners to disclose their name, location and holdings of any issue to the issuer.
DTCH	Dutch Auction	An action by a party wishing to acquire a security. Holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.
DVCA	Cash Dividend	Distribution of cash to shareholders, in proportion to their equity holding. Ordinary dividends are recurring and regular. Shareholder must take cash and may be offered a choice of currency.

CAEV	Event	Description
DVOP	Dividend Option	Distribution of a dividend to shareholders with a choice of benefit to receive. Shareholders may choose to receive shares or cash. To be distinguished from DRIP as the company creates new share capital in exchange for the dividend rather than investing the dividend in the market.
DVSC	Scrip Dividend/Payment	Dividend or interest paid in the form of scrip.
DVSE	Stock Dividend	Dividend paid to shareholders in the form of equities of the issuing corporation.
EXOF	Exchange	Exchange of holdings for other securities and/or cash. The exchange can be either mandatory or voluntary involving the exchange of outstanding securities for different securities and/or cash. For example "exchange offer", "capital reorganisation" or "funds separation".
EXRI	Call on Intermediate Securities	Call or exercise on nil paid securities or intermediate securities resulting from an intermediate securities distribution (RHDI). This code is used for the second event, when an intermediate securities' issue (rights/coupons) is composed of two events, the first event being the distribution of intermediate securities.
EXTM	Maturity Extension	As stipulated in a bond's Terms and Conditions, the issuer or the bondholder may prolong the maturity date of a bond. After extension, the security may differ from original issue (new rate or maturity date). May be subject to bondholder's approval.
EXWA	Warrant Exercise	Option offered to holders to buy (call warrant) or to sell (put warrant) a specific amount of stock, cash, or commodity, at a predetermined price, during a predetermined period of time (which usually corresponds to the life of the issue).
INCR	Increase in Value	Increase in the face value of a single security. The number of circulating securities remains unchanged.
INFO	Information	Information provided by the issuer having no accounting/financial impact on the holder.
INTR	Interest Payment	Interest payment distributed to holders of an interest bearing asset.
LIQU	Liquidation Dividend/Liquidation Payment	A distribution of cash, assets or both. Debt may be paid in order of priority based on preferred claims to assets specified by the security.
MCAL	Full Call/Early Redemption	The redemption of an entire issue outstanding of securities, for example, bonds, preferred equity, funds, by the issuer or its agent, for example, asset manager, before final maturity.
MEET	Annual General Meeting	Annual general meeting.
MRGR	Merger	Exchange of outstanding securities, initiated by the issuer which may include options, as the result of two or more companies combining assets, that is, an external, third party company. Cash payments may accompany share exchange.
ODLT	Odd Lot Sale/Purchase	Sale or purchase of odd-lots to/from the issuing company, initiated either by the holder of the security or through an offer made by the issuer.

CAEV	Event	Description
OTHR	Other Event	Other event, use only when no other event type applies, for example, a new event type.
PARI	Pari-Passu	Occurs when securities with different characteristics, for example, shares with different entitlements to dividend or voting rights, become identical in all respects, for example, pari-passu or assimilation. May be scheduled in advance, for example, shares resulting from a bonus may become fungible after a pre-set period of time, or may result from outside events, for example, merger, reorganisation, issue of supplementary tranches, etc.
PCAL	Partial Redemption With Reduction of Nominal Value	Securities are redeemed in part before their scheduled final maturity date with reduction of the nominal value of the securities. The outstanding amount of securities will be reduced proportionally.
PINK	Payment In Kind	Interest payment, in any kind except cash, distributed to holders of an interest bearing asset.
PLAC	Place of Incorporation	Changes in the state of incorporation for US companies and changes in the place of incorporation for foreign companies. Where shares need to be registered following the incorporation change, the holder(s) may have to elect the registrar.
PPMT	Instalment Call	An instalment towards the purchase of equity capital, subject to an agreement between an issuer and a purchaser.
PRED	Partial Redemption Without Reduction of Nominal Value	Securities are redeemed in part before their scheduled final maturity date without reduction of the nominal value of the securities. This is commonly done by pool factor reduction.
PRIO	Priority Issue	Form of open or public offer where, due to a limited amount of securities available, priority is given to existing shareholders.
REDM	Final Maturity	The redemption of an entire issue outstanding of securities, for example, bonds, preferred equity, funds, by the issuer or its agent, for example, asset manager, at final maturity.
REDO	Redenomination	Event by which the unit (currency and/or nominal) of a security is restated, for example, nominal/par value of security in a national currency is restated in another currency.
REMK	Remarketing Agreement	Purchase and sale of remarketed preferred equities/bonds through the negotiation of interest rate between the issuers and the holders.
RHDI	Intermediate Securities Distribution	The distribution of intermediate securities that gives the holder the right to take part in a future event.
SHPR	Shares Premium Dividend	This corporate event pays shareholders an amount in cash issued from the shares premium reserve. It is similar to a dividend but with different tax implications.
SMAL	Smallest Negotiable Unit	Modification of the smallest negotiable unit of shares in order to obtain a new negotiable unit.

CAEV	Event	Description
SOFF	Spin-Off	A distribution of subsidiary stock to the shareholders of the parent company without a surrender of shares. Spin-off represents a form of divestiture usually resulting in an independent company or in an existing company. For example, demerger, distribution, unbundling.
SPLF	Stock Split/Change in Nominal Value/Subdivision	Increase in a corporation's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are reduced accordingly.
SPLR	Reverse Stock Split/Change in Nominal Value	Decrease in a company's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are increased accordingly.
SUSP	Trading Status: Suspended	Trading in the security has been suspended.
TEND	Tender/Acquisition/Takeover/ Purchase Offer	An offer made to holders by a third party, requesting them to sell (tender) or exchange their securities.
TREC	Tax Reclaim	Tax reclaim.
WRTH	Worthless	Booking out of valueless securities.
WTRC	Withholding Tax Relief Certification	Certification process for withholding tax reduction or exemption based on the tax status of the holder.
XMET	Extraordinary or Special General Meeting	Extraordinary or special general meeting.

8.5 Payment management of asset servicing proceeds

The asset servicing proceeds (cash or securities) are paid to customers on their CBL accounts.

If the proceeds are not CBL eligible at all, customers will be asked to provide the delivery details to CBL to execute the payment accordingly.

Payments related to investment funds - including proceeds from Redemptions - are always made upon receipt of funds unless otherwise specifically confirmed.

All proceeds are paid in the original payment currency as determined by the Issuer, on condition that the currency is recognised as eligible. The automatic foreign exchange service enables customers to have all income and Redemption payments credited in the currency of their choice (see [Chapter 5.5 Foreign Exchange services](#)).

In respect of ESMA regulation (EU) 2017/392 Article 86.3, where a corporate action will reduce the balance of a securities account, the securities and cash Settlement instructions for the relevant securities issue will not be processed until the corporate action has been fully processed by the (technical) issuer CSD (that is, other CSD), and the confirmations have been received. This may lead to a desynchronisation of the cash and securities bookings.

Income and Redemption payment

Coupons and redeemable securities are automatically presented for payment and the proceeds credited to customer accounts on payment date, after deduction of applicable withholding taxes, and under reserve of receipt of funds by CBL's Cash Correspondent.

The designated depositories or Common Service Providers (CSPs), as appropriate, assist CBL in collecting Coupons and deducting applicable withholding taxes in conformance with local law.

Income and Redemption proceeds provide important funds provision for Settlement. Payments are released on the relevant payment date, once confirmed by our depository/agent and once reconciled. Funds under the Available for Cash Loan (ACL) concept are credited with good value, URF payments will be paid with the value date with which CBL will be credited. Payments can be booked to a customer's account at multiple times during each Business Day. This allows immediate release of payments when funds are received.

The credit to the customer's account may be delayed if the payment has not been received, reconciled or validated on time (for example, late information on the market, discrepancy).

Where market restrictions apply, CBL will flag all related payments as URF.

Confirmation of income and Redemption payments is available via:

- SWIFT MT566 (Corporate Action Confirmation), the standard usage of which may be replaced in exceptional cases by MT568 (Corporate Action Narrative), or,
- Confirmation of Income and Redemption Proceeds Report in Xact Web Portal and CreationOnline, or,
- Xact File Transfer and in XML, XLS and PDF format.

CBL continues to work with key information suppliers, calculation agents and the International Capital Markets Services Association (ICMSA) to overcome issues faced with calculation errors and provision of timely information to the Clearing Systems to ensure that correct data is received enabling payment release without undue delay.

Redemption reversals

For full redemption reversals older than 30 days after the value date, if the reversed amount is greater than any repayment amount (where repayment is applicable) and is related to International Securities (XS- ISIN codes) deposited with Common Depositories or Common Safekeepers, a consent solicitation is required.

Corporate action payments

CBL credits all cash and security proceeds, if CBL eligible, resulting from a corporate action on an upon receipt basis only.

Settlement and value dates mentioned in the notifications are those officially announced in the event's terms and conditions. Actual credit may, however, take place later due to practical reasons, for instance different time zones and reconciliation purposes. CBL will not be responsible for any damage incurred due to a delayed credit of proceeds if such a delay is beyond its responsibilities.

Proceeds booking on events may happen on a unique or on an ongoing (rolling) basis depending on whether the proceeds (cash or securities) will be released by the agent only once after the corporate action's deadline, or at multiple points in time during the corporate action. The latter usually applies to events with long life cycles such as conversion options or Warrant exercises.

Proceeds credited are confirmed to customers via Xact Web Portal, CreationOnline, SWIFT MT566 messages and Xact File Transfer.

Customers receiving securities from a corporate action event will be deemed to indemnify CBL for any taxes, penalties, interest thereon and other costs that CBL may incur as a result.

New payments following a reversal of an income payment

Whenever a new payment is applicable following a reversal execution of income events, the details are announced via an MT564 Corporate Action Notification and via an MT564 Income Pre-Advice Report (IPAR). Customers that were previously entitled but are no longer entitled due to the record date or ex-date change will not be notified of the new payment.

The new payment execution is confirmed via an MT566 Corporate Action Confirmation. It will be linked to the MT564 IPAR of the new payment.

8.6 Transaction management

Transaction management refers to corporate actions¹ on flows (pending instructions). It includes market claims (reverse market claims), transformations and buyer protection.

The rules described in this section are standard procedures which may vary in some instances. Specific rules are detailed in the Link Guides.

Market claims and reverse market claims

Market claims and reverse market claims refer to the process of the reallocation of the proceeds of a distribution to the contractually entitled party. The market claim and reverse market claim life cycle includes detection and compensation of market claims or reverse market claims.

Detection rules

CBL automatically processes detection of market claims and reverse market claims for internal, Bridge, external and cross-border trades. No detection occurs on external instructions in markets where no market claim or reverse market claim process is in place.

All settlement instruction types, whether free of or against payment, are subject to market claims and reverse market claims detection.

Only matched instructions are detected.

Market claims are detected from the end of the Record Date (or once the instruction settles in the case of a reverse market claim) and subsequently in real time during a detection period of 20 business days after the Record Date.

The market claim or reverse market claim applies to all distribution events:

Equities

- ACCU: Accumulation
- BONU: Bonus Automatic
- CAPD: Capital Distribution
- CAPG: Capital Gains Distribution
- DECR: Decrease in value (Share)
- DRCA: Cash Distribution from Non-Eligible Securities
- DRIP: Dividend Reinvestment (when default option is cash)
- DVCA: Cash Dividend
- DVCA: Currency Option on Dividend
- DVOP: Dividend Option (without debit of basis security and when default option is cash)
- DVSE: Stock Dividend
- LIQU: Partial Liquidation (without debit of basis security)
- PINK: Payment in Kind
- RHDI: Rights Distribution
- SHPR: Shares Premium Dividend
- SOFF: Demerger/Spin-off
- SPLF: Stock Split

1. In this section corporate action refers to both income and corporate action events.

Debt

- CAPI: Capitalisation
- INTR: Interest Payment (Floating Rate Note)
- INTR: Interest Payment (Coupon Straight)
- LIQU: Partial Liquidation (without debit of basis security)
- PRED: Partial Redemption Without Reduction of Nominal Value

Note: PRED events are eligible for detection in the International market, but they are not eligible for compensation, except for in Securities Lending.

Key dates

The use of the Settlement Date rule or the Trade Date rule is aligned with the T2S accounting model and is based on the quantity type of the financial instrument.

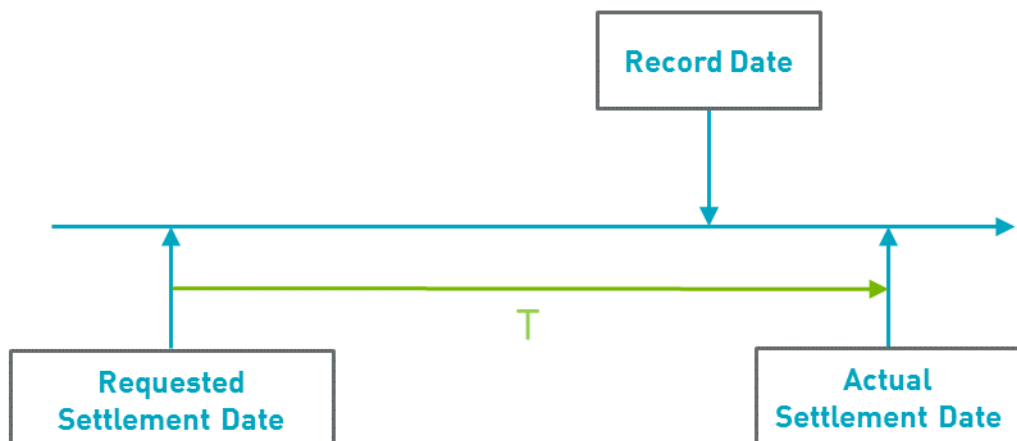
The Settlement Date accounting rule applies for securities in nominal.

The Trade Date accounting rule applies for securities in units (this can apply to bonds). No compensation will be paid if the Settlement instruction of one of the parties does not include the Trade Date.

Note: German flat bonds for SE and OTC trades follow the Trade Date accounting rule.

Settlement date accounting rule

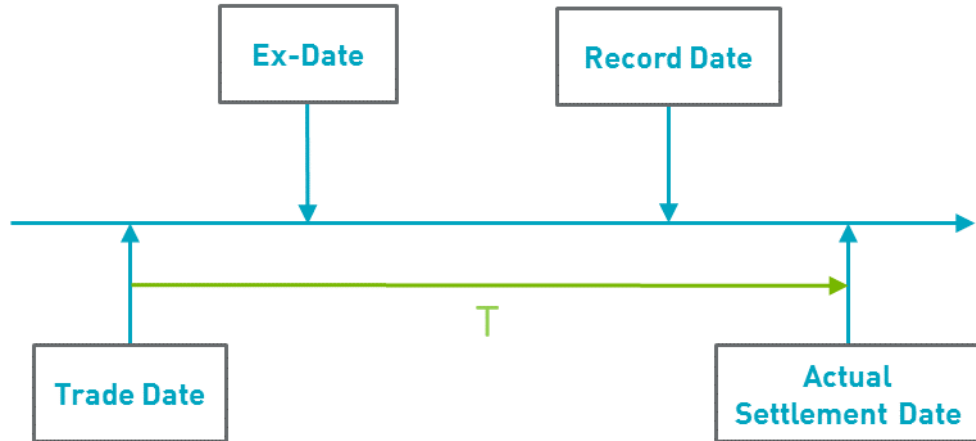
A market claim is generated if a transaction in nominal shows a requested Settlement Date prior or equal to Record Date but is only settled after Record Date.



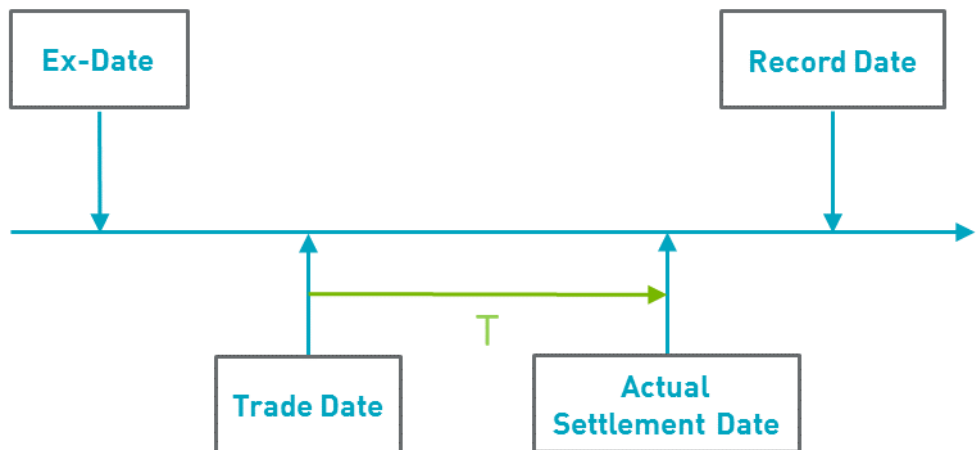
No reverse market claims can be generated for Settlement Date accounting rule as there is no Ex-Date.

Trade date accounting rule

A market claim is generated if a transaction in units shows a Trade Date prior to Ex-Date (cum coupon) but is only settled after Record Date. The direction of market claim is from the seller to the buyer.



A reverse market claim is generated if a Trade Date is on or after Ex-Date (ex coupon) but is already settled prior to or on Record Date. The direction of reverse market claim is from the buyer to the seller.



Opt-out, ex and cum indicators

Customers can specify in their Settlement instructions if they want their trades to be excluded from the generic market claims or reverse market claims detection of CBL. This can be done via the opt-out indicator.

Customers can specify in their Settlement instructions if they want their trades to be treated as ex or cum irrespective of the Trade Date. This can be done via the ex or cum indicators.

Indicator	Description	ISO 15022 SWIFT field/qualifier
Opt-out	No automatic market claims detection	:22F::STCO//NOMC
Ex	Ex Coupon	:22F::TTCO//XCPN
Cum	Cum Coupon	:22F::TTCO//CCPN

Note: Customers can use the above mentioned flags in Internal trades. If one of the counterparties includes one of these indicators in the instruction, and the market in which the traded security is deposited, supports its usage, this flag will prevent automatic processing of market claim compensation (opt-out) or change the way in which the trade is considered (Ex or cum).

These indicators are considered for instructions processed by T2S where the matching of these indicators is mandatory if included in one of the instructions.

For Bridge and External instructions CBL performs detection on the basis of STCO and TTCO values mentioned in the customer instruction.

Compensation processing

Compensations are generated for markets where a market claim and reverse market claim process is in place.

- For non-T2S markets, compensations are generated based on settlement of the underlying transaction and execution of the corporate action event.
- For T2S markets (excluding Austria, Germany and Slovak Republic), compensations are generated on record date end of day when the underlying instruction is at least matched (settled in case of reverse market claims), regardless the payment status of the related corporate action event.
- For Austria and Germany, in order to comply with local market practice, compensations are generated based on matched instructions but only upon execution of the corporate action event.
- For the Slovak Republic, according to local market practice, compensations are only generated based on settlement of the underlying transaction, regardless the payment status of the related corporate action event.

Market claims in T2S markets, with multiple proceeds where one proceed is non-T2S eligible, for a transaction with a counterparty outside of CBL, CBF or LuxCSD, only the T2S eligible proceed will be compensated and accordingly reported with status "compensated".

Bridge instructions, no matter on which market, will be subject to detection only. No compensation will be processed by CBL.

For internal and cross-border trades, if market claims are applied on the market, CBL automatically generates the market claim or reverse market claim compensation on behalf of customers. These claims are generated via matching Settlement instructions on customer accounts. For cash compensations, this corresponds to an against payment instruction with zero quantity of securities.

The market claims or reverse market claims instructions have:

- the same Trade Date as the one of the underlying Settlement instruction;
- the intended Settlement Date, that is the payment date of the event; and

- the same status (that is, "On Hold" status) as the one of the underlying instruction at the time the compensation instruction is created. The customer can release this "On Hold" instruction by sending a MT530 or using the "Hold/Release" functionality in the Xact Web Portal.

For external transactions payments are compensated by means of separate cash bookings upon receipt of confirmation from local agents. The securities proceeds are credited on customer account via a settlement instruction upon receipt of confirmation from local agents.

For more information about local market rules, please refer to the Entitlement Compensation Rules information presented for each market link on the Clearstream website.

Blocking option service for compensation instructions

Customers have the possibility to control the release of the settlement compensation instruction by subscribing to the blocking option service.

This service is only available for corporate action events and Free of Payment market claim instructions, where the customer is the seller.

The Blocking Option service is available for reverse market claims.

CBL creates a compensation instruction with the "On Hold" status on behalf of subscribed customers. Customers will be able to release this instruction for settlement via the Xact Web Portal with the "Hold/Release" functionality or via MT530.

The "Hold/Release" functionality in CreationOnline is limited to settlement instructions input by customers. The release of compensation instructions via CreationOnline is therefore not possible.

For non-subscribed customers, the compensation instruction will be processed as a normal settlement instruction.

Tax rate on the compensation and tax adjustment

For Internal trades, the tax rate of the compensation follows the market rule (gross or net of the maximum withholding tax rate).

Whenever a tax adjustment is needed, a separate settlement instruction will be generated. This corresponds to an Against Payment instruction with zero quantity of securities, that is visible via the Xact Web Portal and CreationOnline.

The tax adjustment is reported in the MT566 Corporate Action Confirmation.

Market claims and reverse market claims reporting

The MT564 Claim and Reversal advice contains:

- Any market claim or reverse market claim subject to compensation by CBL.
- Tax adjustment amounts linked to a market claim or a reverse market claim as an additional cash movement.
- Any cancellation of a reported market claim or reverse market claim.

The MT564 Claim and Reversal Advice is not a confirmation of receipt of proceeds, but rather a projection of compensations to be expected. Therefore, CBL provides this report for information purposes only. CBL does not warrant the accuracy and completeness of the MT564 Claim and Reversal Advice. CBL shall not be liable for any action taken based on this report.

The reversal of market claims and reverse market claims is notified via the MT564 Claim and Reversal Advice for the below income events (see [Custody reports](#) on page 11-7):

Equities

- ACCU: Accumulation
- CAPD: Capital Distribution
- CAPG: Capital Gain Distribution
- DECR: Decrease in Value (share)
- DRCA: Cash Distribution from Non-Eligible Securities
- DVCA: Dividend (including with a currency option)
- LIQU: Partial Liquidation
- SHPR: Shares Premium Dividend

Debt

- INTR: Floating Coupon
- INTR: Fixed Coupon
- LIQU: Partial Liquidation
- PRED: Partial Redemption without Reduction of Nominal Value

An account by account overview of all potential market claims related to a customer's trades in securities is provided by the Custody Market Claims Report (see [Custody reports](#) on page 11-7).

Market claims and reverse market claims in securities are included in the MT53x reporting and can also be included in the settlement reporting (MT54x). Customers currently have the option to include or exclude the reporting of compensation instructions in securities by selecting or deselecting "Custody Proceeds" from their MT54x reporting subscription. "Custody proceeds" also include securities proceeds resulting from corporate action events.

Market claims and reverse market claims in cash are included in the cash reporting (MT9xx).

Compensated market claims are also reported to customers via MT566 with indicator:22F::ADDB/CLAI. The tax adjustment is reported in the MT566 Corporate Action Confirmation.

Market claims and reverse market claims are also visible in Xact Web Portal and CreationOnline.

Transformations

Transformation is a process by which pending transactions, on or after entitlement date, are cancelled and replaced by the new transactions in accordance with the terms of the reorganisation.

The transformation life cycle includes detection of transformation, cancellation of underlying instruction and re-instruction, whenever applicable.

Detection rules

For mandatory reorganisation events (with or without options), CBL detects all pending matched trades. The detection of transformations is based on entitlement date, that can be either:

- Record Date or effective date where applicable, for transformations related to mandatory reorganisations without options;
- Market deadline, for transformations related to mandatory reorganisations with options.

Transformations are detected end of day on Record Date/ Market deadline if the settlement instruction has been identified as eligible.

The events eligible for the CBL transformation detection process on trades are listed below:

DVOP	Dividend Option with Rights (with debit of basis security)
EXOF MAND/CHOS	Exchange Offer
EXRI	Bonus Rights/Subscription Offer
EXTM	Extension Option
EXWA MAND/CHOS	Warrant Exercise
LIQU	Liquidation (with debit of basis security)
MCAL	Early Redemption
MRGR MAND/CHOS	Merger
PARI	Pari-Passu
PCAL	Partial Redemption by Face Value Reduction
REDM	Redemption in Shares at the Issuer's Option/Final Redemption
SOFF	Demerger/Spin-off
SPLF	Stock Split
SPLR	Reverse Stock Split
TEND	Tender Offer / Purchase Offer

Cancellation of underlying instruction and re-instruction

CBL cancels all pending matched trades whether or not the basis security code changes and whether or not transformations are applicable on the market.

For markets where transformation is applicable, CBL re-instructs transformations for any pending matched internal, external or cross-border trade.

CBL does not re-instruct transformations for:

- Bridge instructions;
- delivery free of payment without matching;
- cross-border trades on all T2S markets, when the event's cash or security proceed is non T2S-eligible.

Specific rules per market, if any, are outlined in the Market Guides on the Clearstream website.

When CBL does not re-instruct the transformation, customers must inject new instructions using the correct ratio.

For internal and cross-border trades, if transformations are applied on the market, CBL automatically generates re-instructions for via matching settlement instructions on customer accounts. For a cash re-instruction this corresponds to an against payment instruction with zero quantity of securities.

The securities quantity and cash amount in the re-instruction is calculated as in the terms of the reorganisation event.

Depending on market practice, and provided the initial instruction has been successfully cancelled, the re-instruction will be generated either:

- on Record Date/Market deadline at the end of day, regardless the status of the related corporate action event or;
- when the corporate action event has been executed.

Re-instructions are generated with the same status as the underlying instruction. MT54x Settlement instructions in securities with :22F::STCO//TRAN can be cancelled or modified by CBL customers by sending an MT530 or via the Xact Web Portal.

In case of multiple outturns, the re-instructions will settle independently (no link to each another).

The re-instructions are generated with:

- the same trade date as in the underlying instruction;
- the requested Settlement Date being the latest date between the payment date of the entitlement and the requested Settlement Date of the underlying transaction.

For external trades, CBL will handle the transformation based upon the receipt of Settlement confirmation from the agents.

Opt-out indicator

Customers can specify in their settlement instructions if they want their trades to be excluded from the generic transformation detection of CBL. This can be done via the opt-out indicator.

Indicator	Description	ISO 15022 SWIFT field/qualifier
Opt-out	No automatic transformation	:22F::STCO//NOMC

Note: Customers can use the flag in Internal trades. If one of the counterparties includes one of these indicators in the instruction, and the market in which the traded security is deposited, supports its usage, this flag will prevent automatic processing of transformation compensation (opt-out).

These indicators are considered for instructions processed by T2S where the matching of these indicators is mandatory if included in one of the instructions.

For Bridge and External instructions, CBL performs detection on the basis of STCO value mentioned in the customer instruction.

Transformation reporting

As per the Corporate Actions Joint Working Group (CAJWG) standards, transformations are not subject to Corporate Action reporting.

Instructions that are cancelled as a result of transformations are reported in the MT548 Settlement Status and Processing Advice (See [Clearing and Settlement reports](#) on page 11-2).

Re-instructions are included in Settlement reporting (MT54x) and Statements of Transactions (MT53x).

Customers receive cash reporting (MT9xx) whenever the re-instruction is cash related.

The reporting includes a narrative with additional information relevant to transformations to ease the reconciliation.

The reports are also visible in Xact Web Portal and CreationOnline.

Buyer protection

Buyer protection is a process where a buyer who has yet to receive the underlying securities of an elective corporate action instructs the seller in order to receive the chosen proceeds. The objective of buyer protection is to ensure that the buyer in a pending transaction, who has acquired the right to elect in an (elective) reorganisation, will be able to express the preferred option, and receive the proceeds of their choice.

CBL applies a manual buyer protection mechanism in line with the T2S corporate action standards. To facilitate the buyer protection process, CBL provides the following to customers:

- Corporate Action notification MT564/568 messages (Notification, IPAR and CA Reference Data report) to customers including the buyer protection deadlines whenever it is applicable on the market. This information is reported in the following structured fields: Election to counterparty Market deadline; Election to counterparty Response deadline and Guaranteed Participation Date.
- The CASG compliant template for the buyer protection invocation.

The buyer protection deadline is visible in the Xact Web Portal.

8.7 Tax services

CBL provides customers with a number of tax services in various markets:

- Tax documentation service;
- Relief at source and quick refund;
- Standard refunds;
- Proactive tax reclaim;
- Tax queries via Xact Web Portal or CreationOnline;
- Customer information form.

Tax documentation service

The tax documentation service covers the supply of information relating to:

- Certificates received from customers in order to obtain exemption from, or a reduction of, withholding tax at source on taxable events (referred to hereafter as **certificates**); and
- Tax refund claim forms (referred to hereafter as **refund forms**) to reclaim all or part of the withholding tax initially paid on taxable events.

The main features of the tax documentation service are:

- The issuance of **Acknowledgements** of receipt for each certificate/refund form submitted and the respective confirmation of validity;
- The issuance of an "Expiry Report" in respect of certificates due to expire in one month's time.

Every customer that sends a certificate/refund form will receive, as appropriate, the documents described in the following sections. Customers are responsible for evidencing that they have sent the relevant certificates/refund forms to CBL. Customers are responsible for evidencing that they have sent the relevant certificates/refund forms to CBL.

Any certificate addressed to CBL must be accompanied by a cover letter containing the account number and purpose of the certificate duly mentioned. Any refund form addressed to CBL must be accompanied by a Letter of Request to CBL. If the customer does not provide the Letter of Request, CBL reserves the right to reject such refund forms.

To ensure efficient processing, customers can only send certificates for accounts already open within CBL. If a customer sends a certificate with multiple accounts, where some of them are not open in CBL yet, CBL reserves the right to reject such certificates.

Depending on the investment market requirements and on the specificity of documentation for tax relief, customers may request the duplication of the certificates already submitted and validated by CBL from one account to another.

Consequently, CBL offers to its customers the possibility to duplicate (where applicable) original and valid tax certification via unsolicited instruction (SWIFT, Xact Web Portal, CreationOnline or Xact File Transfer) per market and having below mandatory text completed accordingly:

Request for duplication of tax certificates

ATTN: Tax Services

Market:

Source Account:

Destination Account:

Clearstream Banking references of the impacted certificate(s):

We hereby confirm that above-mentioned original tax certificate(s) is/are still valid and should not be revoked.

We irrevocably authorise Clearstream Banking¹ to apply tax relief based on the information contained in the original tax certification duplicated for the destination account.

We hereby appoint Clearstream Banking and Clearstream Banking's depository for the Securities as our attorneys-in-fact with authority to collect and forward the tax certification or a copy of the tax certification, any attachments and any information relating to it to the tax authorities if these prove relevant to any administrative or legal proceedings or official inquiries undertaken or threatened.

We accept full responsibility and indemnify Clearstream Banking in the case of any claims or additional taxes, interest thereon or penalties levied by tax authorities in connection with any payments made in reliance upon this duplication of certification including any additional information provided in connection to it.

We certify, under penalty of perjury, that the information contained in the tax certification is true, correct and complete.

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

The duplication request should refer to the initial received and still valid original tax documentation (duplication of duplicated certificates is not acceptable). The duplication will generate a new tax certification registration with a unique reference, will be charged according to the usual tax certification processing fee and, once registered, will be available via Xact Web Portal.

Acknowledgements of documentation

Depending on the communication means the customer is subscribed to, an acknowledgement is either mailed or communicated via SWIFT message for each certificate/refund form submitted to CBL. For certificates, per depository/or tax agent, one acknowledgement is issued per account whereas for standard reclaims, one acknowledgement is issued per requested amount.

A unique identification number is assigned to each certificate/refund form submitted to CBL. This number, which is included in the acknowledgment, needs to be referenced in all further submissions and queries related to the certificate/refund form in question.

Acknowledgements issued in respect of certificates/refund forms considered valid (that is, complete as to form and content) by CBL include a Withholding Tax Certification Confirmation, summarising the details of the certificates/refund forms allowing our customers to reconcile. Those acknowledgements are by default sent by SWIFT, Xact Web Portal or CreationOnline message (referred hereafter as digital means of communication) but can be sent via regular mail upon request from our customers. Any certificates/refund forms that are considered invalid are returned to customers by registered mail for amendment, with the reason duly noted on the accompanying acknowledgement.

Subject to the customer having established that the documentation has been sent to CBL, as per above, CBL shall not at any time be held liable for any loss or damage caused by the non-processing of the certificates/ refund forms, unless the customer has informed CBL in writing of the missing acknowledgement prior to the customer instruction deadline, and no later than one month following the date of sending by the customer of its documentation, and CBL is not able to demonstrate that such acknowledgement was sent to the customer, or in the case of CBL's gross negligence or wilful misconduct in relation thereto.

Expiry Report

About one month before the expiry date of any standing certificate, a reminder (Expiry Report) is sent by post or communicated by digital means of communication to the customer with a summary of the details of that certificate.

Tax certificate query

Customers can query inventory information about tax certificates in Xact Web Portal or CreationOnline. The tax certificate query provides a comprehensive record of tax certificates received as well as the certificate validity dates. Customers have the possibility to define their queries by account, market, depository, beneficial owner and/or event type.

For further information regarding tax certificate and tax refund queries see [Chapter 11. Reports and information services](#).

Relief at source and quick refund

CBL offers relief at source and quick refund to customers for a large number of markets, whenever such service is available via its depository/or tax agent, as specified in our Market Taxation Guides and Announcements.

Tax notifications

For forthcoming income and corporate action events in the markets concerned for which CBL offers relief at source or quick refund, CBL provides its customers with pre-advice based on their entitled positions on the record date in the form of tax notifications via SWIFT, with details concerning the relief at source or quick refund process and references to Market Taxation Guide, Announcements and Tax Matrix, if applicable containing market-specific tax criteria. As a result, customers can report their entitled positions in good time and submit the necessary documents to CBL in order to benefit from relief or quick refund.

Tax notifications are only sent for the income and corporate action events for which CBL offers a tax service to its customers. Customers will consequently not receive any tax notifications for taxable income and corporate action events for which no relief at source or quick refund is offered by its depository or the tax agent.

Tax instructions

Any application for relief at source or quick refund on income or corporate action events shall be submitted to CBL by the relevant account holder. The account holder is solely responsible for the content, continuing accuracy and completeness of any application and certification submitted with respect to securities held on its account(s) with CBL (including any certifications from the underlying final beneficial owner).

CBL does not provide any tax advice and by submitting any request the customer confirms that (i) it has made all relevant assessments, (ii) it has sought relevant professional advice and (iii) it does not rely on CBL for the purposes of determining the tax rate applicable to the underlying beneficial owner of the taxable event.

Customers may instruct using the following media:

- Xact Web Portal;
- CreationOnline;
- Xact File Transfer;
- BO Upload¹;
- SWIFT MT565, MT568, MT599 message by using the BIC address: CEDELULL.

Instructions received from customers are validated by CBL and processed accordingly.

An additional fee will be applied to free format messages, unsolicited instructions and manual repairs to the below instruction types:

- Free format messages; and

1. Depending on market practice the BO list upload must be complemented by an instruction as indicated in the tax notification.

- Unsolicited instructions (SWIFT MT565/MT568/MT599, Xact Web Portal, CreationOnline or Xact File Transfer) where the corporate action reference ID is missing and for which the customer has received this corporate action reference ID previously in the related MT564 notification before sending the instruction. If several events are announced within the same period, unsolicited instruction might be rejected; and
- Any customer instruction received via SWIFT MT565, Xact Web Portal, CreationOnline or Xact File Transfer where the required information has been incorrectly populated through dedicated structured fields (manual repairs).

Incorrectly formatted instructions provided via SWIFT MT565, Xact Web Portal or CreationOnline that are automatically rejected will immediately trigger a SWIFT MT567 Status and Processing Advice indicating the reason for rejection.

Instruction format

To ensure straight-through processing and to benefit from the full life cycle of information, customers must send tax instructions using an available connectivity method:

- Standard rules for the completion of the SWIFT MT565, as described in the Xact via SWIFT User Guide, must be followed. Any additional information required as described in the tax notification must be included.
- For instructions sent as free-format messages, automatic validation and processing is not applicable.

Free-format instructions can be accepted, containing the following mandatory data to ensure validity:

- Exact event type;
- CBL Corporate action reference ID (if any);
- Customer account number;
- Corporate action option number
- Corporate action option code indicator
- Quantity instructed (please refer to the eligible balance on the notification);
- The financial instrument identification number (ISIN or Common Code);
- Tax rate applied for;
- Any additional information required as described in the tax notification.

For BO lists uploaded via the BO Upload application customers should submit BO lists in the predefined format. The following data are mandatory to ensure validity of the BO lists:

- Customer account number;
- Security code (ISIN or Common Code);
- Security Name;
- CBL Corporate Action Reference ID (if any);
- Record date;
- Payment date (if applicable);
- Holding;
- Any additional information required as specified in predefined format of a BO list.

Customers must only include one instruction per instruction message. One instruction consists of: one event, one account number, one financial instrument identification number (ISIN or Common code), one tax rate (multiple BOs accepted per same tax rate applied).

If a customer includes more than one instruction per message, or if the additional text field on formatted messages includes an instruction or contradicts with the instruction given in the structured

fields, CBL cannot be held responsible for any loss or damage caused. CBL reserves the right to reject instructions not formatted as described above.

In the event that customers do not submit any application for exemption or for reduced tax rate on taxable income or corporate action events, the standard tax rate as per the market specifics (default action) will apply.

Late instructions

Instructions received after the CBL deadline are handled on a "best efforts" basis, however, execution cannot be guaranteed. If the instruction received after the CBL deadline cannot be executed, CBL will apply the standard tax rate as per market specifics (default action) and reject the customer's late instruction accordingly.

When a correctly formatted MT565 instruction comes in after the CBL deadline, customers receive an acknowledgement, advising the customer that the instruction is after the CBL deadline and will be processed on a "best efforts" basis. After feedback from the depositories/agents a revised processing advice is sent to customers.

Status and processing advice

Customers instructing via SWIFT MT565, Xact Web Portal or CreationOnline will receive a status and processing advice message for each tax instruction sent to CBL.

Customers using Xact Web Portal or CreationOnline can check the status of their instructions directly in Xact Web Portal or CreationOnline and schedule the receipt of an MT567 via SWIFT.

In order to receive acknowledgements via SWIFT, a valid SWIFT address is required and the check boxes for "Acknowledgement of MT565 messages" and "Include all media channels" must be checked in the Scheduled Reports details.

Incorrectly formatted instructions provided via SWIFT MT565, Xact Web Portal or CreationOnline that are automatically rejected will immediately trigger a SWIFT MT567 Status and Processing Advice indicating the reason for rejection.

If the tax instruction was sent using a free-format message, customers will not receive a status and processing advice and are responsible for monitoring the instruction execution.

Rejection of instructions

CBL will inform the customer about rejection of instruction in following cases:

- Instruction is incomplete or invalid (as per instruction format definition);
- The corporate action reference ID is missing, ISIN (or common code) and/or corporate action reference ID provided in the related instruction do not match with an event;
- Any additional requirements (as per tax notification) are not satisfied.

Customers will be notified about a rejection via MT567 Status and Processing Advice or via MT568 SWIFT with a reason of rejection noted.

General disclaimers

In the event that for any reasons, customers do not receive the expected proceeds as per the tax certification and/or instruction provided to CBL, the customer shall request CBL, within a period of three (3) working days from the payment date of the respective income or corporate action event, to perform the readjustment towards, if applicable, the relevant local custodian, paying agent or tax authority.

CBL shall not be liable in the case where the customer did not request such rectification from CBL within the above timeframe.

Customers acknowledge and agree that, whenever benefiting from such relief at source or quick refund service, they shall provide to CBL or the local tax authorities, promptly and upon request at any time of CBL, such documentation that may be necessary to assist CBL or its depository to prepare and process via standard refund tax reclaims on behalf of the underlying beneficial owners in order to recover the funds. CBL shall not be liable in case the documentation is not provided.

Standard reclaims

With its tax services CBL assists customers in obtaining tax refunds from taxation in various markets, whenever such service is available via its depository or the tax agent, as specified in our Market Taxation Guides, Announcements and Tax Matrix.

Customers acknowledge and agree that:

- The tax reclaim service offered by CBL may be subject to changes depending on the requirements of the local Tax Authorities, local depository or local tax agent; and
- CBL is authorised to process the tax reclaim with full reliance on the information provided by the customers, without any requirement for CBL to verify the authenticity, completeness, accuracy or correctness of any such information and documents; and
- CBL does not guarantee the acceptance of the reclaim or its payment by the local Tax Authorities, therefore, in the absence of any negligence of CBL, CBL shall not be held liable, and
- CBL shall not at any time be held liable for any loss or damage caused by the tax reclaim procedure unless there is any negligence or wilful misconduct on the part of CBL, CBL, however, shall not be liable for any indirect or unforeseeable loss, claim, liability, expense or other damage unless such action or omission constitutes gross negligence or wilful misconduct on the part of CBL.

Tax refund queries

Customers can query inventory information about tax refunds in Xact Web Portal or CreationOnline. With the tax refund query, customers can retrieve a list of refunds submitted to CBL and track their status.

For further information regarding tax refund queries see [Chapter 11. Reports and information services](#).

Proactive tax reclaim

To further assist customer in the reclaim process, CBL offer the ProActTax reclaim service. As part of this service, CBL generates and prepares reclaim forms and certifications for its customers, and it submits the forms and initiates the reclaim process with the relevant Tax Authorities, relevant depository or relevant tax agent on behalf of the beneficial owners upon receipt of the original validated and certified reclaim forms from customers.

Tax services on securities held outside the home market

Tax services offered for remotely deposited securities (not deposited via CBL's local home depository) are only available via CBL, whenever such specific service is specifically announced to customers either in CBL's Market Taxation Guides, Announcements or tax notifications via SWIFT.

Tax reports

Regular U.S. withholding tax report

The U.S. withholding tax report enables customers to verify and reconcile the applied withholding tax rates on their U.S. source income paid on securities in accounts with CBL. For a full description of the U.S. Withholding tax report, please refer to “Xact File Transfer PDF Report Guide” on the Clearstream website.

Customer Information Form

A Customer Information Form is available to notify CBL of the name and address of the contact person/department to whom the new reports are to be mailed or communicated. If no such information is received, CBL sends all information relating to withholding tax to existing contact names or for the attention of the Taxation/Securities Department.

Customer Information Forms are available from the Tax Help Desk or your Client Services Officer or Customer Relationship Manager.

8.8 Services for CFF Qualified Investment Fund Shares

Income and corporate action events on CFF Qualified Investment Fund Shares are calculated on a Trade Date basis as indicated by the Trade Date included in settled and Pending Settlement instructions issued by the CFF Settlement Agent.

Income or corporate action events on CFF Qualified Investment Fund Shares that have been traded between two customers are processed in the same way regardless of whether the Investment Fund Shares are CFF Qualified or not.

Corporate action processing and the distribution of relevant payments to customers is performed by CBL. Distribution of entitlement proceeds from settled positions and Pending Transactions, related to Investment Fund Orders and transfers in or out of the CFF Omnibus Account are executed in a single payment on the date on which CBL receives the entitlement payment.

For Investment Funds that calculate dividends on a daily basis, CBL receives the applicable dividend payments after the completion of each dividend accrual period. Such Investment Funds will regularly have 12 accrual periods per year. Customers will only receive any accrued dividends owed to them pursuant to the execution of a redemption/sell Investment Fund Order after the relevant dividend accrual period has ended. This also applies to Investment Funds that are considered as being the "dividend close-out" type.

Calculation of entitlement and distribution of proceeds for CFF Qualified Investment Fund Shares

For Primary Market trades (subscriptions, redemptions and switches) and for Transfers-In/Out, CBL will consider as part of the entitlement calculation any instructions for CFF Qualified Investment Fund Shares received by CBL from the CFF Settlement Agent before payment date¹, provided that such instructions include a Trade Date² up to or including the Record Date.

For trades between two customers in Investment Fund Shares the market claim or reverse market claim is processed in the same way regardless of whether the Investment Fund Shares are CFF Qualified or not.

Upon receipt of the event confirmation and proceeds from the CFF Transfer Agent, CBL will distribute the proceeds to the customers.

1. For CFF Services, payment date is the date, set by an Issuer of a security, on which the payment of proceeds is to occur.
2. For CFF Services, Trade Date is the effective register date on which entitlement is recorded in the relevant Investment Fund Register.

8.9 Meeting event and proxy voting services

CBL provides an elective Proxy Voting Service to customers (or to any third party appointed by the customer in accordance with a power of attorney)¹ for Equities, bonds and Investment Fund Shares held in custody with different service levels as follows:

- The Enhanced proxy voting service with Institutional Shareholder Services (ISS), available on a subscription basis.
- The Basic Direct Clearstream proxy voting service.

For each meeting event, customers will receive, under either service, the respective meeting notification:

- For domestic equities and debt instruments, the meeting can be either an AGM or an EGM.
- For Eurobonds (international market), almost all meetings are EGMs, although Eurobond AGMs may exceptionally occur. In such instances, meeting notifications will be sent accordingly.

For further details of the market concerned, please refer to the respective market Link information on the Clearstream website (under Products & Services / Market Coverage / market).

Additionally, CBL informs customers about court meetings if and when information is provided to us.

Customers who do not want to use either service (Enhanced service via ISS or the Basic Direct Clearstream service) have the option to deselect meeting notifications through their Xact Web Portal or CreationOnline subscription.

Enhanced proxy voting service

Main features

The main features of the Enhanced proxy voting service are as follows:

- Notification of meeting events via a proprietary Web Browser Based Interface application or via SWIFT (ISO 15022 or ISO 20022);
- Provision of meeting agendas when available by default;
- Handling of proxy voting instructions, including the support of Standing instructions by market;
- Split and partial voting, where permitted by the Issuer and/or by the market, via the proprietary Web Browser Based Interface application;
- Delivery of entry or admission cards for meetings;
- Blocking of securities, if applicable;
- Reporting of voting results, when available.;
- Power of attorney for voting management with reminder issuance.

Proxy voting instructions can be sent via the proprietary Web Browser Based Interface application or via SWIFT (ISO 15022 or ISO 20022).

Customised Enhanced proxy voting service

Customers may, for each relevant account ("Relevant Account"), tailor the provision of Enhanced proxy voting services by selecting or de-selecting at any time the Proxy Voting Services based on a list of countries where meetings will take place (and that may be different from the country of issue or of the Issuer). For countries de-selected by the customer for a Relevant Account, no meeting notifications will be provided for such Relevant Account as from the time of de-selection.

1. In this §8.6, a reference to the customer is to be read as a reference to the customer or to its attorney, as the case may be.

Content of proxy voting instructions

Standard rules for the completion of the SWIFT MT565, as described in the Xact via SWIFT User Guide, must be followed.

In any free-format instruction, the following information is mandatory:

- Corporate action reference ID;
- Corporate action event description;
- Customer account number;
- ISIN and issue name;
- Amount/quantity being voted upon;
- Description of the action to be taken;
- Customer's contact person and references, including a telephone number.

Customers subscribed to the Enhanced proxy voting service can send proxy voting instructions to ISS via authenticated SWIFT (ISO 15022 or ISO 20022) messages or via the proprietary Web Browser Based Interface application.

Sending of proxy voting instructions

The final instruction deadline for proxy voting events varies from market to market. Customers can send instructions up to the deadline as communicated within the meeting notification. Instructions received after the deadline will be executed on a "best efforts" basis.

Blocking of positions occurs where it is a market or Issuer requirement. Blocking commences when the instruction is submitted to the local market representative, the agent or the depository and continues until authorisation has been received to unblock from the applicable aforementioned party.

Cancellation and replacement of previous instructions

If instructions have already been processed and forwarded to the local market, the agent or the depository, the cancellation request will be handled on a "best efforts" basis.

To replace an instruction already sent via SWIFT (ISO 15022 or ISO 20022), customers must send a cancellation message via a formatted instruction before sending a new instruction.

Basic Direct proxy voting service

Main features

The main features of the Basic Direct proxy voting service are as follows:

- Notification of meeting events via Xact Web Portal, CreationOnline, Xact File Transfer and via SWIFT (MT564);
- Delivery of meeting agendas, upon request;
- Handling of proxy voting instructions;
- Delivery of entry or admission cards for meetings, upon request;
- Blocking of securities, if applicable;
- Reporting of voting results, upon request.

Agenda requests and proxy voting instructions can be sent to CBL using Xact Web Portal, CreationOnline or SWIFT (ISO 15022).

Content of proxy voting instructions

Standard rules for the completion of the SWIFT MT565, as described in the via Xact via SWIFT User Guide, must be followed.

In any free-format instruction, the following information is mandatory:

- Corporate action reference ID;
- Corporate action event description;
- Customer account number;
- ISIN and issue name;
- Amount/quantity being voted upon;
- Description of the action to be taken;
- Customer's contact person and references, including a telephone number.

Customers using the Basic Direct proxy voting service can send proxy voting instructions to CBL via authenticated SWIFT (ISO 15022) messages, by Xact Web Portal or CreationOnline Custody instruction (for the attention of PCP or, in the case of defaulted issues, for the attention of OEB).

Customers must include only one instruction option per SWIFT communication message (that is, one Nominal Amount and a single option for a single account number)¹. If a message is received from a customer that includes more than one instruction, or if the additional text field on a formatted message includes an instruction that contradicts the instruction given in the structured fields, CBL cannot be held responsible for any loss or damage caused. CBL reserves the right to reject message instructions not formatted as per recommendations.

Sending of proxy voting instructions

The final instruction deadline for proxy voting events varies from market to market. Customers can send instructions up to the deadline as communicated within the meeting notification. Instructions received after the deadline will be executed on a "best efforts" basis.

Blocking of positions occurs where it is a market or Issuer requirement. Blocking commences when the instruction is submitted to the local market representative, the agent or the depository and continues until authorisation has been received to unblock from the applicable aforementioned party.

Cancellation and replacement of previous instructions

If instructions have already been processed and forwarded to the local market, the agent or the depository, the cancellation request will be handled on a "best efforts" basis.

To replace an instruction already sent via SWIFT (ISO 15022), Customers must send a cancellation message via a formatted instruction before sending a new instruction.

1. No Action (NOAC) instructions are considered as an option.

CBL makes no guarantee as to the execution of such cancellation request and under no circumstances will it be liable for any loss or damage caused by a customer's failure to comply with the cancellation and replacement procedure.

Eurobond notification

For Eurobond meeting notifications received through the Enhanced or the Basic Direct proxy voting services, the summary contained in the meeting notification does not constitute a legally binding description of the choices offered to customers and cannot be relied upon as such. Customers are considered to understand the offer and to instruct CBL or the relevant third party service provider accordingly. Customers may, in this respect, want to seek independent legal advice about the interpretation of the offer contained therein.

These notifications cannot be reproduced or transmitted in any form or by any means, if neither the customer nor the addressee of such notifications is entitled to participate in the relevant corporate action.

The customer or the addressee shall bear the sole responsibility for any and all harmful consequences, losses or damages, that may be suffered for any reason by the customer, the addressee, any third parties or CBL by reproducing or transmitting the notification.

The original documentation, event notices and publication materials from the Issuer or Issuing Agent are available from CBL via email request to CADATABASE.CS@clearstream.com quoting precisely the following in the subject line:

OCE<space><corp_id>

where the corp_id must be taken from the :20C::CORP field in the SWIFT MT564 meeting notification.

Example: If the MT564 notification contains :20C::CORP//1234567890123456,
the email subject text should read OCE 1234567890123456.

Handling of linked events

Linked events are concurrent events that are related. The notification of a corporate action event that is linked to a proxy voting meeting shall contain the Corporate Action Reference of the linked proxy voting meeting event.

When a proxy voting meeting event is linked to a Corporate Action offer event, customers must consider them as two separate events and avoid duplicating the exercising of their positions per option. For example, if an instruction is sent for the CTEN or CEXC option for an Exchange Offer, Repurchase Offer or Purchase Offer, the customer must not instruct for the same positions within the proxy voting meeting.

Positions that are instructed for a linked Corporate Action offer event are immediately blocked and the amount will be ineligible for the related proxy voting meeting

9. Investment Fund Services

CBL's trade and post-trade Investment Fund Services are described in this chapter. Other sections of this Customer Handbook also contain relevant information (for example, [2. Customer accounts](#), [3.1 Settlement procedures](#), and [8.2 Income services](#)).

9.1 Vestima

Vestima is CBL's automated order routing service for the Investment Funds industry. It provides an entry and reception point for domestic, international and off-shore funds, allowing orders and Order Confirmations to be submitted, validated and routed to the relevant recipient. Orders can be submitted using authenticated communication channels with a choice of settlement methods, including integration with CBL's Central Facility for Funds (CFF) service for account holders.

CBL offers two options for Customers, Vestima and VestimaPRIME that are automated order routing services. Vestima provides a highly automated service aimed towards mutual funds, whereas VestimaPRIME targets complex and alternative Investment Funds.

Unless stated otherwise, VestimaPRIME is to be considered an integral part of the Vestima services provided by CBL. Similarly, in this chapter 9 and unless stated otherwise, the term account also refers to a VestimaPRIME account.

Vestima provides comprehensive services for routing and management of orders in Investment Fund Shares. Orders are received from an Order Issuer (OI - for example, distributor, custodian, asset manager). Order details are validated based on Standing Instructions and preferences, set by the OI, and on the requirements of the relevant fund and of the Order Handling Agent (OHA). Valid orders are then routed to the relevant OHA which is an agent acting for the fund (for example, TA, depository bank, centralisation agent). In some circumstances, CBL may forward orders to one of its depositories or appointed third party to be sent on to the relevant agent.

OIs do not need to be concerned with the individual connectivity or order format of any OHA. Order Confirmations and other messages are received from the OHA and the order status can be tracked by the OI through status messages or direct Web Browser Based Interface enquiry. Optionally, Settlement Instructions can be generated, based on Standing Instructions.

The Web Browser Based Interface provides facilities for reporting, contingencies and enquiring on previously submitted orders, together with access to the Published Fund List.

Further details can be found on the Clearstream website (for example, Vestima user guides and Published Fund List). The Published Fund List on the Clearstream website specifies CBL order cut-off times, which are typically zero or fifteen minutes prior to the Investment Fund's official cut-off times.

For orders entered into VestimaPRIME or if no CBL order cut-off time is defined in the Published Fund List, the applicable CBL order cut-off time is 90 minutes prior to the order cut-off specified in the fund prospectus. If no CBL cut-off time is defined in the fund list, and the cut-off time specified in the fund prospectus is after the close of business on a particular day, orders should be received at least 30 minutes prior to close of business. In the event that a CBL order cut-off time is after the cash deadline to execute a payment, the Customer must respect the relevant cash deadline when placing the order. For this purpose close of business shall be 18:00 CET on any Business Day. CBL guarantees that all orders received before the CBL cut-off time will be made available to the OHA before the fund cut-off time defined in Published Fund List. Valid orders are forwarded promptly to the OHA, independently of the CBL cut-off time.

Prior to placing a subscription order or transfer-in Instruction, when there is no current holding on the OI's account of the particular Investment Fund, the OI must contact CBL to ensure the Investment Fund's availability to the OI for order routing and custody through CBL.

Prior to the issuance of a new share class (for example, bonus shares, sidepockets) to existing OIs, CBL may have to obtain information from the OI.

In either of these above two cases, if the setup of the Investment Fund's availability requires that the OI shall provide CBL with pertinent documentation (such as private placement memorandum, subscription agreement or completed questionnaire), CBL shall notify the OI who must respond without undue delay and within any applicable deadline. The OI agrees to hold CBL harmless of the OI's failure to respect any such given deadline.

When new relationship references are required by the Transfer Agent/OHA, the OI should give sufficient notice to CBL, and await confirmation that the relevant and requested setup is ready, before placing the initial transaction in a particular Investment Fund. When OI eligibility rules are imposed by the OR, CBL will request additional information from the OI. Failure by the OI to comply will result in no liability to CBL, should the Investment Fund impose penalties, forced redemption, exchange of the position or other remedy.

CBL may provide a dividend reinvest service for Investment Funds in scope, whenever possible and upon receipt of a specific standing instruction from the OI, to enable OIs to instruct CBL to reinvest any cash dividend proceeds into new Investment Funds Shares. The transactions will be settled at the price applied by the Investment Fund. Upon receipt of the new shares from the Investment Fund, CBL will credit the shares to the OI's designated account for dividend reinvestment. If the Investment Fund does not accept reinvestment orders, the cash proceeds remain credited to the OI. OIs can request the addition or amendment of a standing instruction to accounts by sending a dedicated Instruction to CBL via an authenticated message. CBL's provision of the dividend reinvest service is dependent on the service level provided by the Investment Fund and is subject to a feasibility assessment by CBL on a case-by-case basis.

Order routing and order management service conditions

In providing order routing services, CBL acts in the name and on behalf of the OI in forwarding the order and certifications to the OHA, including any addendum, supplement, restatement and/or applicable replacement, on the OI's behalf, informing the OHA that the OI is the responsible party. Order status reports and Order Confirmations received from an OHA in reply to a forwarded order, are delivered to the OI.

Unless expressly stated otherwise, CBL is only responsible for the order routing services consisting of the transmission details of the Transaction for the account of the Customer, statement or any other information provided, and CBL does not become party to the buying or selling of the Investment Fund Shares detailed in the Transaction, statement or any other information provided; the OIs and the OHAs are responsible for the content of the information exchanged between them.

Subject to the conditions described in the previous section, Vestima populates data relating to trading parties as may be required by the relevant OHA. The OI is responsible for contacting CBL for all trading parties reference data maintenance requirements.

CBL shall not be liable for the failure of the OI to provide any certification that may need to be sent directly to the OR, nor for any consequences of the OI's delay or errors in providing any certification. If appointed by the OI to provide certification to an OHA, CBL will promptly transmit the certification but shall not be responsible either for the consequences or for the accuracy of the certification.

Fund Reference Data is provided for information purposes only and does not replace the Investment Fund's governing documentation. CBL does not guarantee the completeness, accuracy or authenticity of Fund Reference Data.

For Primary Market Orders, CBL may decide to use a third-party order routing platform to route orders to OHAs already connected to those platforms.

Order routing services for some markets require specific documentation. For further information, please contact CBL.

Where French market orders are sent manually directly to a French OHA, CBL will follow the “Charte des Bonnes Pratiques Professionnelles de la Centralisation d’OPCVM” of the Association Française des Professionnels des Titres (AFTI), without prejudice to compliance with CBL Governing Documents. For orders that require a telephone call to the OHA, the OI will incur an additional charge in accordance with the existing Clearstream Banking Fee Schedule.

CBL is responsible for the selection of those OHAs that are also CBL’s Domestic depositories, and the service levels of such OHAs are reviewed and monitored by CBL. CBL is not responsible for the selection of any other OHA and the service level that CBL can provide is determined by the level of service provided by the OHAs. CBL will select the most appropriate method to send the orders to the ORs, depending on the operational requirements of each individual OR. The service that CBL can provide depends on the rules and practices of the relevant market or Investment Fund and on the OHA and, therefore, may vary across all the Investment Fund Shares eligible for CBL order routing and Settlement.

For an increased level of automation, CBL can generate Settlement Instructions on the Customer’s behalf for the Settlement of Transactions in Investment Funds. Transactions that have settled using Settlement Instructions generated by CBL can be reversed or amended by CBL.

CBL reserves the right (but is not obliged) to correct the Customer’s account upon receipt of notification from an OHA of (1) an amendment to a Transaction; or (2) an amendment to a position held or still being held by CBL for the account of the Customer. The Customer shall at all times receive a notification of the amended Transaction stating the reason

CBL may operate a Fund Market Account as an intermediary to facilitate the Settlement between the OI and the OHA. The Fund Market Account is only a technical means. For the avoidance of doubt, its use does not imply that CBL is a party to the trade or the transfer of the Investment Fund Shares being settled.

All Investment Fund Orders sent to CBL must be sent via Vestima. Any order received that is not transmitted to CBL via Vestima (for example, via free-format message) is handled at the discretion of the Investment Fund Order Routing Desk and on a “best efforts” basis only. CBL reserves its right to reject any non-Vestima order and may require the OI to transmit the order via Vestima instead.

Electronic certificates are provided by CBL to allow encrypted access to Vestima’s Web Browser Based Interface. Participants shall exercise due care in the safeguarding of their electronic certificates and associated authentication credentials. CBL gives no assurance or warranty with regard to the security of any communication performed using electronic certificates.

The investment decision is taken solely by the Customer and CBL is only in charge of the execution of the Customer’s instructions. Investment risk factors should be evaluated by the Customers, who, in case of doubt, are invited to consult their professional advisers. CBL is under no circumstance taking an investment decision nor acting as an investment advisor and shall therefore not bear any liability with respect to the risks inherent to the investment and/or any other transaction in relation to investment funds.

Additional service conditions

CBL reserves the right at its own discretion to take one or more of the following actions as needed to forward orders and process subsequent Settlement:

- Debit cash from the CBL account of the OI on the Requested Settlement Date of a subscription/buy order as determined by the OHA. For a subscription/buy order that the OHA requires to be prepaid, CBL reserves the right to debit cash from the CBL account of the OI when forwarding the order to the OHA.
- CBL does not undertake to check whether sufficient cash or Collateral is available on the CBL account when forwarding a subscription/buy order.

- Check whether sufficient Investment Fund Shares are available on the CBL account of the OI before forwarding a redemption/sell order (provision check). In the event of an insufficiency, CBL can reject the redemption/sell order.
- Block the relevant position of a redemption/sell order by transferring, when the order is processed by CBL, the Investment Fund Shares from the CBL account of the OI to an account of CBL.

In forwarding orders, CBL acts in the name and on behalf of the OI and holds the OI responsible for ensuring timely and correct Settlement, including in particular:

- For subscription/buy orders, ensuring that sufficient cash or prearranged credit facilities are available.
 - Many Investment Funds require value day cash payments of subscriptions, and the deadline for provisioning of the CBL cash account is as per the cash deadline of CBL.
 - Subscriptions in some Investment Funds require intraday cash payments to have reached the collection account of the fund at a specific time of the day. CBL will, in such cases, need to debit the OI's CBL cash account at an earlier time of day. The OI shall ensure sufficient cash is available for such intraday cash subscriptions not later than 08:00 CET.
- For redemption/sell orders, ensuring that Settlement proceeds are in line with the fund prospectus or as determined by the OHA. The redeemed Investment Fund Shares shall be available for delivery to the OHA.
- The OI is solely liable for the payment of any accrued performance or incentive fees due on the redeemed Investment Fund Shares.

If the OI fails to meet its Settlement obligations, CBL:

- May seek redress from the OI for any loss, claim, liability, damages or expenses that arise from the credit or debit to the relevant account in the Investment Fund Register subsequent to an order.
- Is authorised, at any time between confirmation of the order and Settlement, to purchase from the OR the Investment Fund Shares required to settle a redemption/sell order and to debit accordingly the CBL account of the OI. CBL will advise the OI as soon as practically possible before such debit occurs.

By sending an Investment Fund Order or Instruction, the OI warrants and accepts that:

- It has full legal capacity to issue orders for Investment Fund Shares.
- It complies with applicable laws and regulations, including but not limited to the laws regarding the prevention and prosecution of money laundering and terrorist financing.
- It complies and shall comply with the terms and conditions of the relevant Investment Funds.

- It does not, unless otherwise disclosed by the OI to CBL before sending any order, act as an investor within the meaning of the UCITS Directive¹ and the Commission Regulation 583/2010². If CBL is notified by an OI that it is acting as an investor, CBL will then advise the relevant OHA accordingly.
- CBL shall receive orders from the OI by a means of communication agreed upon with the OI and shall forward them to the OHA on behalf and in the name of the OI.
- It appoints CBL as its attorney (“mandataire”) with respect to the OHA for order routing purposes and authorises CBL to disclose its name to the OHA as deemed appropriate by CBL.
- CBL shall check whether the mandatory information on orders is provided and may reject all incomplete or incorrect orders. In doing so, CBL shall check only the format of the orders.
- Likewise, CBL shall check whether the mandatory information on transfer Instructions is provided and may reject all incomplete or incorrect transfer Instructions. In doing so, CBL shall check only the format of the transfer Instructions.
- CBL does not guarantee that orders received after the CBL cut-off time shall meet the Investment Fund’s deadline for orders.
- CBL processes cancellation requests on a “best efforts” basis only, and CBL does not guarantee that ORs will accept cancellation requests regardless of the time such requests are sent.
- For redemption/sell orders, where applicable, if the OI requests a specific lot be redeemed, the original trade date and trade reference must be included in the OI’s order. CBL forwards this information to the OHA, and whether the information is specified or not the OI’s shares will be redeemed as per the rules of the OHA.
- For redemptions entered in to VestimaPRIME, where partial payments are made, CBL will provide a partial redemption advice to the OI indicating the percentage of redemption proceeds paid and the estimated price.
- OIs using VestimaPRIME who wish to buy or receive Investment Fund Shares that generate U.S. sourced income will be required to identify the relevant U.S. tax treaty pool.

Furthermore, for Instructions in Securities with staggered payment structures:

- In instructing CBL to purchase or hold Investment Fund shares with staggered payment structures, the OI agrees to authorise CBL to debit the OI’s account for the amount required to be paid in connection with the purchase and/or for any future amount(s) required to be paid in relation to any capital call/commitments, or any other requirements as required by such shares. The OI shall deposit sufficient funds in its account. If the OI does not have sufficient funds in its account to cover any capital calls or other requirements, CBL shall be under no obligation to fund future capital calls or other requirements for the OI’s account.
- The investment is made exclusively for and by the OI and CBL shall not have any obligation or responsibility in connection with the investments that are made, including, without limitation, any responsibility to respond to, or provide capital in connection with any capital calls or other requirements as set out in such Investment Funds offering documents, subscription agreements or limited partnership agreements. CBL will inform the Investment Fund or its agent that the Customer is the responsible party and that CBL only acts in a nominee or asset processing capacity.
- The Customer undertakes to indemnify, defend, reimburse, and hold CBL, their affiliates, officers directors and employees (collectively the “Indemnified Parties”) harmless for, from and against any loss, liability, cost, damages, expenses (including legal fees taxes and penalties) or other amounts which may result directly or indirectly from or in connection with (i) any misrepresentation or breach of any warranty, condition, covenant or agreement set forth in the

1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS).
 2. Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website.

relevant subscription agreement (or equivalent document(s)), or (ii) any other document delivered by CBL to the Investment Fund issuer or its agent in connection with the Customer's instruction.

Conditions of the account operator service

With the account operator service the respective positions in the Investment Fund Register will be held in the name of the Customer or its nominee.

The positions of securities reported as held under the account operator service reflect only a position maintenance service and mirror the positions in the relative Investment Fund Register. The Customer specifically agrees that CBL is acting as account operator only, and does not have any custodial role, in this context. For the avoidance of doubt, the positions reported by CBL as account operator are flagged as SNC (Shares not under custody) at security name or account name level in CBL's settlement system, and further do not qualify as securities and are not eligible for settlement and custody in CBL's settlement system. Such positions cannot be transferred to another account and can only be updated when confirmed as updated in the Investment Fund Register.

The Customer shall grant CBL exclusive access to the relevant Investment Fund Register account. Should the Customer or its nominee act directly on a relevant Investment Fund Register account, the Customer expressly agrees that (i) CBL shall be indemnified and held harmless by the Customer from any loss, claim, liability or expense asserted against or imposed upon CBL as a result of such action and (ii) CBL shall be entitled to terminate the provision of the account operator service with immediate effect and without prior notice.

The Customer thus further agrees and acknowledges that CBL shall be appointed as attorney of the Customer or the Registered Nominee(s) for the performance of certain Vestima services as set out in the relevant power of attorney as applicable.

9.2 CFF Settlement and custody services

The Central Facility for Funds (CFF) is CBL's post-trade infrastructure for Investment Funds. CBL Customer holdings of CFF Qualified Investment Fund Shares are maintained in one account per relevant register of shareholders in the name of CBL, acting as nominee, that reflects the omnibus record (CFF Omnibus Account).

CFF provides standard Settlement services (CFF Services) based on the synchronous exchange of cash and CFF Qualified Investment Fund Shares between Customers and CFF Settlement Agents within CBL. CFF Services are fully integrated with the existing ICSD custody and Settlement services on the Creation Platform, including Settlement over the Bridge with Euroclear Bank.

Settlement of selected CFF Qualified Investment Fund Shares with external second level Counterparties in CBF is possible with the integration and link of LuxCSD to the Creation Platform. For further details, please refer to the Market Guide.

The use of a Fund Issuance Account (FIA) by a CFF Settlement Agent, together with optimised reconciliation processes with CFF Transfer Agents, contributes to the Settlement of orders in alignment with the relevant Investment Fund Register. When instructing for Settlement against a CFF Settlement Agent, Customers can use either the relevant FIA or the Fund Market Account of CFF ("FMA01") as Counterparty account.

Customers can use an existing CBL account to hold CFF Qualified Investment Fund Shares along with other securities. CFF Services apply to all CFF Qualified Investment Fund Shares and, from the date of their CFF eligibility, the earlier CBL service is no longer available for such Investment Fund Shares.

The list of CFF Qualified Investment Fund Shares is available on the Clearstream website.

Further information can be found in the other relevant chapters of this Customer Handbook, for example, Customers' accounts [Chapter 2](#) and Settlement procedures [Chapter 3.1](#).

Overview for Customers

Transfers of CFF Qualified Investment Fund Shares

In addition to the Settlement of Primary Market Orders with the CFF Settlement Agent, CFF enables CBL Customers to receive and deliver CFF Qualified Investment Fund Shares from/to other Counterparties. Transfers are considered as either CFF external or CFF internal. In exceptional cases, CFF internal transfers are subject to Settlement restrictions.

CFF external transfers

Customers can receive and deliver CFF Qualified Investment Fund Shares from/to Counterparties outside CBL ("CFF external transfers") through the CFF Settlement Agent.

The parties use Settlement Instructions that have the standard CBL format and content; CBL requires that information about the underlying Counterparty (deliverer or receiver) is given in the Settlement Instructions for all CFF external transfers. No acknowledgement will be sent to confirm that the formatting or content are correct.

The standard place of Settlement is used and the CFF Settlement Agent will settle all CFF external transfers through the FIA on the Creation Platform.

Settlement of CFF external transfers is based solely on Matching Instructions from both the Customer and the CFF Settlement Agent, and becomes effective only when the Instructions settle successfully. A CFF external transfer is executed as follows:

1. The Customer sends a "Receive Free on the register" Instruction for a transfer-in or a "Delivery Free on the register" Instruction for a transfer-out as per the specifications provided in the Link Guide - International (Instruction specifications - Investment funds held directly on the register (CFF)).

2. Based on the Instruction received from the Customer, CBL forwards a transfer-in or transfer-out request to the relevant Transfer Agent.
3. The Transfer Agent processes the transfer on the Investment Fund Register and provides the necessary information to the CFF Settlement Agent.
4. The CFF Settlement Agent sends to CBL either a "Delivery Free of Payment" Instruction or a "Receive Free of Payment" Instruction on the FIA with the Customer account as Counterparty account.
5. If the CFF Settlement Agent's instructed Trade Date or Requested Settlement Date does not match the Customer's Instruction, CBL may adjust the Customer's instructed Trade Date or Requested Settlement Date accordingly.
6. Upon successful Matching and once the Requested Settlement Date is reached, CBL executes the Transaction and either credits or debits the CFF Qualified Investment Fund Shares to the Customer account.

Cancellation of CFF external transfers

Customers may cancel their transfer request by cancelling the Settlement Instruction that was used to initiate the transfer. When CBL receives the cancellation, a cancellation request is sent to the Transfer Agent.

In general, once a transfer is processed in the relevant Investment Fund Register, it is deemed to be irrevocable. In the event of a cancellation request of a transfer being rejected by the Transfer Agent, CBL will generate a new Settlement Instruction on behalf of the Customer to replace the one cancelled.

Conditions of validity of CFF external transfers

Any Instruction sent to CBL has to contain all the necessary information to allow the Transfer Agent to identify the Counterparty of the transfer; that is, the deliverer (SELL) or the receiver (BUYR) of the CFF Qualified Investment Fund Shares. CBL will only validate the format of the transfer Instructions, and not the content, for example identities of Counterparties.

Customers have to ensure that their Counterparties and Clients of the transfer perform all actions as required by the Transfer Agent to initiate the transfer from their side. Usually a transfer request has to be placed by the Counterparty of the transfer for the Transfer Agent to match it with the transfer request that CBL has sent on behalf of the Customer.

Exceptionally, an Investment Fund Order or external transfer-out Instruction may be rejected by the Transfer Agent because the Balance held at the Investment Fund Register is insufficient. This can occur because the Realignment of the position at the Investment Fund Register is outstanding and the Customer is advised to either re-instruct the transaction the following day or contact CBL.

Specific authorisation

CBL will complete and sign any documentation that is required by the Transfer Agent, and send it to the relevant agent. If a Customer requests the transfer of Investment Fund Shares for which CBL does not yet have a relationship with the relevant Transfer Agent, CBL will on a "best efforts" basis open such a relationship.

CBL is expressly and specifically authorised by the Customer to cancel, update or replace any "Free of Payment" Settlement Instruction entered by the Customer for a transfer if the initial Instruction from the Customer fails provisioning or fails to Match the related Instruction from the CFF Settlement Agent on Trade Date, Requested Settlement Date, and/or the Filter Code.

CBL will have no right to send a transfer request to a Transfer Agent on its own initiative, and will only act as per the above based on the initial Instruction entered by the Customer. The Customer shall be fully liable to CBL for any and all obligations created on its behalf pursuant to this specific authorisation and undertakes to ratify whatever CBL causes to be done under this specific authorisation. For an increased level of automation, CBL can generate Settlement Instructions on the Customer's behalf for the Settlement of confirmed transfers. For the avoidance of doubt, CBL shall not be held liable for any

action or omission whatsoever, whether taken or omitted to be taken, erroneously or not, by the Customer, the Counterparties and/or the Transfer Agent within the scope of this authorisation.

CBL shall not be liable, and the Customer agrees to hold CBL harmless, for any damage or financial loss encountered if the Customer or its Client decides to cancel the initial Instruction after execution by the Transfer Agent in the Investment Fund Register, or if the Customer or its Client decides to request a CFF external transfer directly to the Transfer Agent. In the cases foreseen in the preceding sentence, CBL is authorised, at any time between confirmation of the transfer and its Settlement, to purchase from the Transfer Agent, the Investment Fund Shares required to settle a transfer-out Instruction and to debit accordingly the CBL account of the Customer. CBL will advise the Customer as soon as practically possible before such debit occurs.

CFF Internal transfers

Customers can transfer holdings of CFF Qualified Investment Fund Shares between two accounts in CBL ("CFF Internal transfer"). CFF Internal transfers can be settled FOP, which requires Matching Instructions between the relevant Counterparties.

These types of Transaction are described in [3. Settlement services](#) and [4. Securities instructions](#).

CBL rejects unilateral "without Matching" deliveries of CFF Qualified Investment Fund Shares.

CFF transfer restrictions

CBL may prohibit CFF Internal and Bridge transfers of CFF Qualified Investment Fund Shares within CBL. Individual accounts and/or Transactions cannot be exempted from this CFF transfer restriction and CBL may decide not to accept Investment Fund Shares whose prospectus requires such restriction.

It is up to the CFF Transfer Agent, the CFF Settlement Agent and the fund Promoter of the Investment Fund Shares to implement controlled execution of CFF internal transfers.

A CFF internal transfer under a CFF transfer restriction is processed as follows:

1. A Customer ("the transferor") sends a "Delivery Free of Payment" (MT542) Instruction for its CBL account with the FIA as Counterparty account (REAG) and the transferee account as buyer (BUYR).
2. Another Customer ("the transferee") sends a "Receive Free of Payment" (MT540) Instruction on its account with the FIA as Counterparty account (DEAG) and the transferor account as seller (SELL).
3. The CFF Settlement Agent is informed through CBL about an intended CFF internal transfer.
4. Upon successful confirmation by the CFF Transfer Agent that the transfer can be processed, the CFF Settlement Agent will send:
 - A "Receive Free of Payment" (MT540) Instruction on its FIA with the transferor's account as Counterparty (DEAG); and
 - A "Delivery Free of Payment" (MT542) Instruction on its FIA with the transferee's account as Counterparty (REAG).
5. The Matching of Instructions implies that the TA, the CFF Settlement Agent and the fund Promoter consent to the CFF internal transfer and they authorise CBL to carry out the Settlement accordingly.

CBL will request its Customers to provide the details of their Counterparties in their Settlement Instructions against the FIA. CBL cannot guarantee to the CFF Transfer Agent that this information is always provided. CBL shall not check the Settlement Instruction and shall not be liable for any incomplete, inaccurate or late Instruction. The CFF Settlement Agent shall send its Settlement Transactions linked to restricted CFF internal transfers to CBL without any undue delay.

If a CFF Settlement Agent refuses to perform the above Matching and Settlement role, any Investment Fund Shares with transfer restriction for which it acts as CFF Settlement Agent will be non-CBL-eligible for clearing, Settlement and order routing. CBL will not take any responsibility for any damage suffered by the Counterparties as a result of the CFF Settlement Agent not performing the above role.

Overview for CFF Transfer Agents and CFF Settlement Agents

Note: Please contact your Relationship Manager to receive the Annexes mentioned in the sections below.

The CFF Transfer Agent is an institution duly appointed by the Investment Fund or one of its agents to keep the register of shareholders of the Investment Fund. The CFF Settlement Agent (FSA) is appointed by the Investment Fund or one of its agents to facilitate Settlement using CFF through a Fund Issuance Account (FIA) by managing the Subscription, Redemption, switch and transfer Settlement processes in the CBL's securities Settlement system.

The CFF Settlement Agent and/or the CFF Transfer Agent may appoint a third party Processing Agent to process the respective activities towards CBL. The CFF Settlement Agent and/or the CFF Transfer Agent remain fully responsible for the actions and any omissions of the appointed Processing Agent and to ensure that the Processing Agent is duly informed of these operating procedures. The appointment of a Processing Agent has no expiry and can be revoked at any time. If a Processing Agent is appointed, a separate Power of Attorney (Annex 8 Appointment of Processing Agent) would need to be completed.

The CFF Settlement Agent and the CFF Transfer Agent shall provide each other with detailed lists of operational and management contacts for all processes and services defined herein. Each party undertakes to provide the other party with its updated list of contacts as and when needed. A review to ensure the continued validity shall be performed by each party at least once per year.

The following sections describe the operational procedures between the CFF Transfer Agent and CFF Settlement Agent that shall apply to their respective services with regards to the Central Facility for Funds (CFF).

CBL undertakings when acting as a nominee

When CBL, acting as a nominee, holds CFF Qualified Investment Fund Shares in the relevant fund register, it undertakes:

1. To obtain the relevant regulatory status in the fund jurisdiction, as well as the jurisdiction where it operates, allowing it to act as a nominee for its customers in such jurisdictions.
2. To comply with (i) any and all applicable laws, rules and regulations, including handling of KYC documentation and identification of customers in line with applicable money laundering legislation, and (ii) the requirements attached to its nominee status in the relevant fund jurisdiction, including investors restrictions and regulatory reporting requirements.
3. To cooperate with the relevant supervisory authorities in the fund jurisdiction and to ensure that the relevant fund, its auditors and relevant supervisory authorities, have reasonable access to information regarding the holding of fund shares. Upon request of the relevant supervisory authorities, CBL shall provide to the fund and/or its agent(s) such information, to the extent it is necessary for the monitoring and supervision of the holding of fund shares by CBL.
4. To inform the fund and/or its agent(s) of any event or development which affects the capacity of CBL to act as a nominee on behalf of its customers.
5. To provide reporting to its customers on the fund shares in accordance with its terms of service and the rules of the relevant fund.
6. To ensure that distributors of fund shares comply with the fund rules and unit price in accordance with information provided to CBL by the fund and/or its agent(s).

Additional operational provisions for the CFF Transfer Agent

Representations and warranties

The CFF Transfer Agent warrants that it has been duly appointed as CFF Transfer Agent of the CFF Qualified Fund Shares. The CFF Transfer Agent shall notify CBL in writing and without undue delay upon being notified by the Investment Fund or one of its official agents of any change to the CFF Transfer Agent's appointment.

The CFF Omnibus Account

Holdings in CFF Qualified Fund Shares of the Customers are maintained by the CFF Transfer Agent in the Investment Fund Register of shareholders in an account in the name of CBL, acting as nominee, with the omnibus records of the CFF Qualified Fund Shares ("the CFF Omnibus Account").

The CFF Transfer Agent may use a sub-structure of the CFF Omnibus Account that further details the omnibus position by identifying underlying positions of the Customer. CBL and the CFF Transfer Agent shall agree on such a sub-structure prior to its set-up. The CFF Transfer Agent warrants that separating holdings in any sub structure shall never compromise CBL's rights as the registered owner for the positions held in the CFF Omnibus Account. See [Accounts related to CFF](#) on page 2-6.

Record keeping and reconciliation

The records maintained by the CFF Transfer Agent shall include information of the origin or cause of any changes in the CFF Omnibus Account position. For each and every update that the CFF Transfer Agent makes on the CFF Omnibus Account, the CFF Transfer Agent shall provide all necessary information to the CFF Settlement Agent without undue delay (allowing the CFF Settlement Agent to meet its obligations of the timely transmission of all relevant Settlement Instruction(s) to CBL).

- Statement of holdings on the CFF Omnibus Account

The CFF Transfer Agent shall provide CBL with a statement of all holdings on the CFF Omnibus Account as at the close of business day of the Investment Fund.

- Statement of transactions on the CFF Omnibus Account

The CFF Transfer Agent shall provide CBL with a statement of all new transactions that have affected the omnibus positions on the CFF Omnibus Account since the previous statement of transactions (if any), and as at the close of each valuation period of the Investment Fund.

The statements shall be sent by the CFF Transfer Agent before the end of the Business Day immediately following each statement date. The CFF Transfer Agent shall prepare the relevant statements for every date that is a dealing date, also known as Trade Date, for one or more of the CFF Qualified Fund Shares. When there are no new Transactions to report, a statement of holdings shall anyway be sent by the CFF Transfer Agent to CBL. The CFF Transfer Agent is recommended to provide comprehensive statements for all CFF Qualified Fund Shares with a daily frequency.

If the CFF Settlement Agent is operating multiple FIAs, the CFF Transfer Agent shall provide CBL with one set of statements with the CFF Qualified Fund Shares pertaining to each FIA. The CFF Transfer Agent may in this case open multiple CFF Omnibus Accounts in its books; one for each FIA in the books of CBL.

The statements shall be in the format detailed in annex 4 or 5 as applicable. Upon exceptional request by CBL, the CFF Transfer Agent shall provide copies of statements in paper form within five Business Days of the receipt of such a request.

CBL shall use the daily statements to reconcile holdings and transactions of CFF Qualified Fund Shares with the records in its own books. CBL shall inform the CFF Transfer Agent of any discrepancy it discovers without undue delay. The CFF Transfer Agent shall react promptly to this information and aid CBL in resolving any such discrepancy.

CFF position information

If the CFF Transfer Agent requires a breakdown of the holdings at the CFF Omnibus Account to fulfil its obligations towards the Fund, CBL will provide the CFF Transfer Agent with basic reporting for this purpose. CBL will may also provide dedicated CFF Transfer Agent reporting, including reports that provide further breakdown of positions held by customers of the Customer. The CFF Transfer Agent shall discuss their specific needs and review the options with their relationship manager at CBL.

The CFF Transfer Agent warrants that it shall use the information it receives in CBL's reporting only for its statutory obligations. Any redistribution of such information to third parties is not permitted.

CFF Qualified Fund Shares

The CFF Transfer Agent shall request CBL's acceptance into CFF of Investment Fund Shares, that is, to turn them into CFF Qualified Fund Shares. The CFF Transfer Agent's request shall include the final prospectus and any other documentation that is deemed necessary information. CBL shall respond with its decisions of acceptance or rejection of the CFF Transfer Agent's request within fifteen Business Days. Open ended CFF Qualified Fund Shares shall become available in Vestima for order routing in the Business Day following CBL's acceptance of the CFF Transfer Agent's request.

The CFF Transfer Agent shall provide CBL with the assignment of each CFF Qualified Fund Share, that is an individual ISIN, to one and only one FIA. ISINs that represent different share classes of the same Investment Fund must be assigned to the same FIA. Investment Fund Shares that belong to the same umbrella/fund family must be assigned to the same FIA.

CBL shall accept or refuse at its own discretion the Investment Fund Shares requested by the CFF Transfer Agent. Guidelines for acceptance of Investment Funds into CFF is as indicated in Annex 6 Guidelines for CFF acceptance of fund shares.

CBL may accept an Investment Fund Share pursuant to special warranties and/or waivers provided by the CFF Transfer Agent. CBL reserves its right to reject any Investment Fund Share if the terms and conditions of the Investment Fund contain elements that would prevent CBL from correctly and efficiently provide its services to the OI.

For new share classes of existing Investment Fund and for new funds of an existing umbrella ("supplemental fund shares"), a simplified process is applied if the ISIN is assigned by CBL (LU and XS ISINs). When the CFF Transfer Agent requests a new ISIN for a supplemental Investment Fund Share at CBL, this implicitly includes the request for CBL to include this supplemental Investment Fund Share in CFF. Should this not be appropriate, the CFF Transfer Agent shall explicitly exclude CFF acceptance when requesting the new ISIN. If the supplemental Investment Fund Share is not accepted in the simplified process, CBL shall inform the CFF Transfer Agent without undue delay.

The CFF Transfer Agent undertakes to inform CBL of any changes to the information it has supplied pertaining to the CFF Qualified Fund Shares as soon as the changed information is made publicly available.

The CFF Transfer Agent may request the withdrawal of an Investment Fund Share from CFF. CBL shall decide on the effective date of any such withdrawal, taking into account the operational needs of CBL and the Customer to effect any required action on existing holdings in the books of CBL.

Handling of orders

Orders are issued by participants of Vestima for order routing. The CFF Transfer Agent shall only accept orders affecting the CFF Omnibus Account that the CFF Transfer Agent has received from CBL. Any order to affect the CFF Omnibus Account that the CFF Transfer Agent has received from a third party, such as an OI, shall be rejected unless prior rules for exemption have been agreed between the CFF Transfer Agent and CBL and expressly authorised between CBL and the Customer. CBL will accept no liability for any loss or claim resulting from settlement failures related to transaction orders not issued by CBL. The CFF Transfer Agent will also be liable if a valid redemption instruction from CBL is rejected because of a provision default resulting from a direct instruction.

The parties may agree on a fixed period of time (of 0 or more minutes, defined by Investment Fund or Qualified Fund Share) by which CBL's cut-off for orders shall precede the cut-off as per the Investment

Fund's prospectus. CBL may be considered as a "trusted source" by the CFF Transfer Agent allowing the CBL order cut off to match the Investment Fund's cut off. The CFF Transfer Agent shall identify any order received after the cut-off as stated in the Investment Fund's prospectus and take one of the following actions:

- Reject the order without undue delay;
- Keep the order and process it for the next available valuation process; or
- Accept the order for the current valuation process, and assume the sole responsibility for any missed deadlines in Settlement and cash management.

CBL shall monitor that its Customers have the necessary provisions for the orders that CBL has transmitted to the CFF Transfer Agent. If CBL detects a provision failure that it cannot resolve with the Customer, CBL may contact the CFF Transfer Agent for assistance. The CFF Transfer Agent shall then respond promptly and provide CBL with the necessary support, for example in a combined effort convincing the Customer that it shall place a new order to provide the necessary provision.

If the CFF Transfer Agent does not accept an order from CBL, the CFF Transfer Agent shall inform CBL about the rejection without undue delay and prior to the CFF Qualified Fund Share's cut-off for orders. Such rejections shall be provided by SWIFT messages or telephone calls to CBL, and the CFF Transfer Agent shall endeavour to provide CBL with a reasonable opportunity to replace any faulty order.

When a subscription order requires a prepayment to be made, the CFF Transfer Agent shall contact CBL by telephone and without undue delay if any such prepayment is overdue.

An OI may request a cancellation of an order that was previously forwarded to the CFF Transfer Agent. CBL shall forward any such cancellation request to the CFF Transfer Agent, and the CFF Transfer Agent shall respond with its acceptance or rejection to CBL without undue delay.

Orders for same-day Settlement

Orders in Investment Fund Shares with same-day Settlement will have their respective contractual Settlement Date on the same Business Day as the Trade Date, that is, the effective date of the update of the Investment Fund Register of shareholders. CBL may accept Investment Fund Shares with same-day Settlement as Qualified Fund Shares provided certain conditions and service levels are met.

For Orders with same-day Settlement that the CFF Transfer Agent has received, the CFF Transfer Agent assumes full responsibility to provide CBL with timely status updates and confirmations. CBL will not be responsible for any Settlement failure, including but not limited to cash management on behalf of the Investment Fund, if it is due to the CFF Transfer Agent's negligence in meeting deadlines.

Subject to agreement of one of the options below, the CFF Transfer Agent can transmit confirmations of Orders to CBL in advance of the official valuation process. A prerequisite for this arrangement is a price per share (NAV) of CFF Qualified Fund Shares that is fixed. If it exceptionally becomes necessary for the CFF Transfer Agent to subsequently amend such a confirmation with an update to the CFF Omnibus Account, then the CFF Transfer Agent shall provide all necessary information to CBL and the CFF Fund Settlement Agent without undue delay.

CBL shall provide three mutually exclusive options for processing same-day Settlement, each with different implications to the operating procedures:

- i. If the same-day Settlement is defined as delivery versus payment (DVP), the CFF Transfer Agent assumes sole responsibility for transmitting confirmations of all valid Orders to CBL in time for same-day Settlement in the CBL's systems.
- ii. If the same-day Settlement of subscriptions involves cash being prepaid upon forwarding of an Order, the CFF Transfer Agent assumes sole responsibility for informing the CFF Settlement Agent and CBL whenever an Order is rejected by the CFF Transfer Agent.
- iii. If the same-day Settlement of subscriptions involves cash being prepaid upon CBL's receipt of the CFF Transfer Agent's acknowledgement of an Order, the CFF Transfer Agent assumes sole responsibility for transmitting such acknowledgements of all valid Orders to CBL in time for same-day Settlement in CBL's systems. Furthermore, the CFF Transfer Agent assumes sole

responsibility for informing the CFF Settlement Agent and CBL whenever an acknowledged Order is subsequently rejected or cancelled by the CFF Transfer Agent.

Prior to accepting and processing Orders, the chosen same-day Settlement option for CFF Qualified Investment Fund Shares at the level of ISIN, umbrella or Investment Fund, may be defined and agreed upon. The chosen option may be reviewed from time to time. It is understood that the same-day Settlement option cannot be modified for an existing Order.

The CFF Settlement Agent may have instructed CBL to transfer cash from the FIA for any prepaid Orders as described below, in which case the CFF Transfer Agent shall inform the CFF Settlement Agent of any such Order being subsequently rejected or cancelled without undue delay.

If the CFF Transfer Agent uses a sub-structure of the CFF Omnibus Account, the representation of the position of the relevant Customer shall not be used by the CFF Transfer Agent for the provisioning of a redemption Order for same-day Settlement. The CFF Transfer Agent may only make such provisioning against the CFF Omnibus Account.

CFF external transfers

The CFF Transfer Agent shall receive information from the CFF Settlement Agent about any such intended external transfer, and:

- For a transfer-in, the CFF Transfer Agent shall verify the existence of a corresponding delivery Instruction from the deliverer of the transfer;
- For a transfer-out, the CFF Transfer Agent shall verify the existence of a corresponding receipt Instruction from the recipient of the transfer.

The CFF Transfer Agent may receive additional documentation from CBL on behalf of a Customer. The CFF Transfer Agent shall execute the external transfer and confirm the update of the CFF Omnibus Account to the CFF Settlement Agent without undue delay.

The CFF Transfer Agent shall receive information from the CFF Settlement Agent if the CFF Settlement Agent's Settlement Instruction for an external transfer remains unmatched for a period of ten Business Days past the contractual Settlement Date. The CFF Transfer Agent shall verify the details of the transfer and contact CBL if required to resolve the matter. If the matter is not resolved within ten Business Days following the notification by the CFF Settlement Agent to the CFF Transfer Agent, the CFF Transfer Agent shall reverse the External Transfer on the CFF Omnibus Account and command the CFF Settlement Agent to cancel the Settlement Instruction at CBL.

CFF Internal transfer restrictions

CFF Qualified Fund Shares are freely transferable between Customers. In the exceptional case that Internal Transfers are restricted in CBL's systems, the CFF Transfer Agent, the CFF Settlement Agent and the Fund may at their discretion implement a procedure for transfers between Customers. The procedure shall adhere to the relevant description of CFF transfer restriction in this Customer Handbook

CFF internal transfers do not affect the position in the CFF Omnibus Account in the Investment Fund Register as these are executed by CBL (and Euroclear Bank, when applicable) without the involvement of either the CFF Settlement Agent or the CFF Transfer Agent.

CFF corporate actions

CBL is the exclusive party acting with regards to corporate actions towards the CFF Transfer Agent on the positions in the CFF Omnibus Account. This includes, but is not limited to, receipt of information, receiving proceeds in cash and securities, instructing on elective actions, execution or assignment of voting rights and reporting.

All corporate actions are executed based on the position in the CFF Omnibus Account at the time relevant for the specific corporate action, independently of the status of any Settlement Instructions that have been sent by the CFF Settlement Agent to CBL.

Exchange of information for each corporate action shall be handled between the CFF Transfer Agent and CBL. SWIFT messages (MT56x) provide the highest quality in terms of timeliness and accuracy and

CBL shall provide its SWIFT specifications and guidance to the CFF Transfer Agent upon request. In the absence of SWIFT capability for corporate actions on the CFF Transfer Agent's part, the parties information shall be exchanged via fax and email.

Notification and provision of information

The CFF Transfer Agent shall notify CBL of any Investment Fund-related market announcement no later than on the market announcement day. Any preliminary information that the CFF Transfer Agent may have provided to CBL shall be followed by the Investment Fund's official notification. The CFF Transfer Agent shall furthermore provide CBL with the Investment Fund's prospectus whenever this has been modified or in preparation of the launch of a new Investment Fund.

The notifications that the CFF Transfer Agent transmits to CBL shall contain all of the necessary information, including but not limited to:

- The name and the ISIN of the Qualified Fund Share;
- The eligible position in the CFF Omnibus Account;
- Type of corporate action;
- All of the relevant dates, for example:
 - Announcement date;
 - Ex-date;
 - Record date;
 - Payment date;
 - Effective date;
 - Market and CFF Transfer Agent deadlines;
 - Expected receivable date;
 - Expiration date;
 - Last subscription and redemption dealing day for a Qualified Fund Share that is reaching maturity.
- Any applicable commissions and tax details;
- Default action.

The CFF Transfer Agent shall use "unknown" to explicitly indicate any reasonably expected information that is not available at the time of transmitting the notification to CBL.

The CFF Transfer Agent shall transmit any additional or amended information immediately upon receipt of any such information, with clear indication of the additional or amended information.

Instructions and reminders of Instructions for elective corporate actions

The CFF Transfer Agent shall receive from CBL Instructions for elective corporate actions up to and including the CFF Transfer Agent deadline, and shall ensure that all Instructions relevant to the CFF Omnibus Account have been received before initiating processing of such corporate actions.

If a late Instruction is received from a Customer, CBL shall contact the CFF Transfer Agent and verify that the Instruction may still be accepted. Late Instructions shall be processed on a "best efforts" basis.

The CFF Transfer Agent shall advise CBL of any missing Instructions two Business Days before the CFF Transfer Agent deadline, and again one business day before the CFF Transfer Agent deadline as well as at the deadline.

Entitled position

The CFF Transfer Agent shall use the traded position of the CFF Omnibus Account for corporate action processing on the Record Date, and shall report this as the entitled position. CBL shall reconcile this position against its records of the Customers settled positions and modified (plus or minus) by any relevant and pending Settlement Instruction that CBL has received from the CFF Settlement Agent. CBL shall consider as part of its entitlement calculations any Settlement Instructions received from the CFF

Settlement Agent before the payment date, provided that such Instructions specify a Trade Date that is before or equal to the Record Date.

If a discrepancy is identified, CBL and the CFF Transfer Agent shall identify the reason for the discrepancy and take the necessary actions to remedy the situation.

Dividend notifications

As soon as available, and no later than on the Record date, the CFF Transfer Agent shall transmit notification of any Dividend to CBL. The Dividend notification shall contain the following information:

- The name and the ISIN of the CFF Qualified Fund Share;
- The relevant dates, for example Record Date, Ex-Date and payment date;
- The gross Dividend rate, any applicable tax rate and the net rate;
- The entitled position.

If applicable and available, the CFF Transfer Agent shall transmit a tax voucher to CBL in due time.

If the CFF Transfer Agent receives notification from the Investment Fund or its official agent, or if the CFF Transfer Agent has any reasonable doubt, about a lack of cash for a Dividend payment, the CFF Transfer Agent shall immediately notify CBL.

For CFF Qualified Fund Shares subject to daily dividend distribution, the CFF Transfer Agent shall provide CBL with the daily dividend report as per Annex 7 Specifications for the daily dividend report. The daily dividend report shall be transmitted by the CFF Transfer Agent to CBL no later than at 12:00 CET on the payment date. The report is issued monthly with a daily granularity of the position(s) on the CFF Omnibus Account with the daily dividend rates per ISIN.

CBL shall receive all applicable dividend statements and payments at the end of each whole dividend accrual period. For the avoidance of doubt, the CFF Transfer Agent shall not include any accrued dividend payment with the execution of a redemption order that falls within a dividend accrual period, even for CFF Qualified Fund Shares that are otherwise considered as being of the “dividend close-out” type.

Distribution of proceeds, related postings and reporting

The CFF Transfer Agent shall provide CBL with all proceeds at good value on the payment date. Specific handling of proceeds in CFF Qualified Fund Shares may be agreed from time to time.

Proceeds in CFF Qualified Fund Shares

The CFF Transfer Agent shall credit the CFF Omnibus Account with any relevant proceeds in CFF Qualified Fund Shares on the payment date, and transmit a confirmation of the posting to CBL.

The CFF Transfer Agent shall without undue delay instruct the CFF Settlement Agent about such proceeds, in order for the CFF Settlement Agent to transmit a Settlement Instruction to CBL to deliver the shares to the Entitlement Distribution Account (the EDA, account number 10999). CBL shall process the distribution to the relevant Customers.

Cash proceeds

The CFF Transfer Agent shall credit CBL's cash correspondent bank account with any relevant cash proceeds. For each CFF Qualified Fund Share, any such cash proceeds shall be made in a single payment in one currency (the base currency) on the payment date. The CFF Transfer Agent shall instruct the Investment Fund's Paying Agent to make the payments to CBL's cash correspondent bank account as applicable per payment currency. The list of CBL's cash correspondent bank accounts for cash proceeds is detailed in Annex 3 Cash correspondents for corporate actions proceeds which is subject to amendments from time to time.

Each payment shall have a narrative with the abbreviation “DIV” and the ISIN of the relevant CFF Qualified Fund Share, and must not make any reference to a Customer. On the payment date, the CFF Transfer Agent shall transmit a confirmation to CBL that the relevant payment is being credited to CBL's cash correspondent bank for value on the same day.

The CFF Transfer Agent recognises in particular that CBL uses a number of world-wide cash correspondents to receive money. The CFF Transfer Agent undertakes to respect the operational requirements, including but not limited to processing and market deadlines for the timely provisioning of sufficient cash.

Late value receipts of cash proceeds may result in claims being made against the CFF Transfer Agent or the Fund's paying agent, as applicable, for the loss of opportunity or the use of cash.

Entitlement reversals

In the event of an error by the CFF Transfer Agent or a Fund's paying agent, the CFF Transfer Agent shall immediately advise CBL. All relevant information about the error shall be shared without undue delay agree on a procedure for executing any reversal or amendment.

Meeting notification and proxy voting

CBL may, at its own discretion, use the Institutional Shareholder Services (ISS) or any third-party supplier to provide meeting notification and proxy voting services to Customers. CBL shall advise the CFF Transfer Agent in the event that a third-party supplier is appointed.

Meeting notification

The CFF Transfer Agent shall notify CBL of any forthcoming meeting relevant to the CFF Qualified Fund Shares. No later than on the Business Day following receipt of the Fund's notice, the CFF Transfer Agent shall transmit the following information and documents to CBL:

- Date, time, place, type (ordinary or extraordinary general meetings) of the meeting;
- Agenda and proxy form, if applicable and in the English language, or a summary of the meeting items. The CFF Transfer Agent shall also notify CBL of any updates that are made to the agenda after the official publication;
- Notification of the official representatives of the issuer or the relevant agent acting as (i) proxy representatives (for example chairman of the board), and (ii) substitute proxy representatives;
- Notification of the CFF Transfer Agent deadlines for receipt of CBL's voting Instructions
- Notification of any adjourned meeting and the next meeting date;
- Any relevant legal or corporate voting restrictions as included in the issue documentation or as advised by an official agent of the Investment Fund.

CBL shall transmit to CFF Transfer Agent by fax or email the copies of the passports of any investors that have requested admission tickets. CBL shall instruct the CFF Transfer Agent that admission tickets shall be made available for the relevant person(s) at the entrance of the meeting. The CFF Transfer Agent shall proceed as instructed, or notify CBL if admission tickets can only be delivered to a given address prior to the meeting.

The CFF Transfer Agent shall transmit the following documents to CBL upon request:

- Meeting agenda in its original language, when only the English version was provided to CBL;
- Supporting meeting documents (for example a draft of the Investment Fund's revised prospectus) in original language and in English, if available.

Processing of voting Instructions

CBL shall instruct the CFF Transfer Agent before the market deadline. CBL shall complete the proxy voting form and transmit this by SWIFT message or fax, with the original to follow if explicitly requested.

If a late voting Instruction is received from a Customer, CBL shall contact the CFF Transfer Agent and verify that the voting Instruction may still be accepted. Any such late Instructions shall be processed on a "best efforts" basis.

Position blocking

When required (for example if a Record Date has not been set) and upon receipt of voting Instructions and/or admission ticket requests from CBL, the CFF Transfer Agent shall block the relevant position of CFF Qualified Fund Shares in the CFF Omnibus Account until the meeting date. The CFF Transfer Agent shall unblock the relevant position of CFF Qualified Fund Shares prior to the meeting date, if so instructed by CBL, in which case the related voting rights and/or admission tickets shall be forfeited upon unblocking.

Adjourned meeting

The CFF Transfer Agent shall inform CBL of any postponement of a meeting at the latest on the Business Day immediately following receipt of a postponement notice by the CFF Transfer Agent. The CFF Transfer Agent shall follow CBL's original Instructions, unless CBL instructs otherwise. The CFF Transfer Agent shall inform CBL of any modified voting Instruction requirement for the adjourned meeting, if specified by the Investment Fund or its official agent, at the latest on the Business Day immediately following receipt by the CFF Transfer Agent of the notice of the postponement.

Meeting results notification

The CFF Transfer Agent shall notify CBL of the results of all meetings at the latest on the Business Day immediately following receipt by the CFF Transfer Agent of the official results.

Additional operational provisions for the CFF Settlement Agent

Representation and warranties

The CFF Settlement Agent warrants that it has been duly appointed as CFF Settlement Agent of the CFF Qualified Fund Shares. The CFF Settlement Agent shall notify CBL in writing and without undue delay upon being notified by the Investment Fund or one of its official agents of any change to the CFF Settlement Agent's appointment.

The FIA

CBL shall provide the CFF Settlement Agent with one or several FIAs in accordance with the Governing Documents. CBL shall assign one or more account numbers and inform the CFF Settlement Agent of the assigned account number(s). See [Accounts related to CFF](#) on page 2-6.

Settlement instructions

The CFF Settlement Agent shall obtain from the CFF Transfer Agent all relevant information whenever the CFF Transfer Agent has updated a position on the CFF Omnibus Account. The CFF Settlement Agent is required to transmit a Settlement Instruction to CBL for all such position updates made by the CFF Transfer Agent without undue delay. The CFF Transfer Agent's processing of orders, transfers, corporate actions and other Transactions may result in updated positions on the CFF Omnibus Account.

The CFF Settlement Agent provides each Settlement Instruction to CBL indicating all necessary Settlement information as per information given by the CFF Transfer Agent and standing data, including the Trade Date, the effective date of the update on the CFF Omnibus Account that is consistent with the CFF Transfer Agent's statements for reconciliation and entitlements for corporate actions.

Settlement of Orders

The Settlement of subscription and redemption orders is carried out in Delivery versus Payment (DVP) mode. The Settlement of switch Orders is carried out in Free of Payment (FOP) mode, with one Settlement Transaction for each “leg” of a switch.

In all of these cases, the Settlement of CFF Qualified Fund Shares in relation to orders requires Matching Settlement Instructions to be transmitted from the two Settlement counterparties: the FIA and the Customer. The CFF Settlement Agent may not use a unilateral (without Matching), securities Instruction for the Settlement of an Order.

The CFF Settlement Agent shall transmit its Settlement Instructions to CBL under the following conditions:

- Without undue delay upon receiving an Instruction from the CFF Transfer Agent that the CFF Omnibus Account is updated;
- Exclusively as instructed by the CFF Transfer Agent;
- Prior to CBL's start of the Settlement processing of the requested Settlement Date.

The CFF Settlement Agent shall at all times maintain an appropriate procedure with the CFF Transfer Agent, to ensure the timely and accurate exchange of instructions and information.

The CFF Settlement Agent warrants that each Settlement Instruction it transmits to CBL reflects an update of the CFF Omnibus Account made by the CFF Transfer Agent. Pending Settlement Instructions can be requested to be cancelled only if the CFF Settlement Agent has sent a Settlement Instruction that did not correspond with the CFF Omnibus Account update made by the CFF Transfer Agent, or if the CFF Settlement Agent is obliged to correct an erroneous instruction given by the CFF Transfer Agent.

CBL shall validate, match and settle the instructions it receives from the CFF Settlement Agent and its other participants. When a Settlement transaction involves an FIA, CBL shall generate additional movements as defined below. The group of movements shall be settled as all or none; the Settlement shall never fail for lack of securities on the FIA, and it shall never leave a securities position on the FIA.

Subscriptions

The CFF Settlement Agent shall transmit one deliver against payment Instruction, for example using the MT543 template, to CBL for the Settlement of a subscription order. In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty;
- Credit the FIA of the cash counter value, representing the receipt of the payment for the shares.

Prepaid subscriptions

The CFF Settlement Agent may instruct CBL to transfer cash from the FIA for prepaid subscription orders, which CBL shall do without undue delay upon cash being prepaid by the OI. When this is the case, and the CFF Transfer Agent subsequently rejects or cancels such an order, the CFF Settlement Agent shall ensure that the OI receives full refund of their payment, including any interest due, without undue delay.

The CFF Settlement Agent shall transmit one deliver free instruction, for example using the MT542 template, to CBL for the Settlement of a subscription order. In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty.

Redemptions

The CFF Settlement Agent shall transmit one receive against payment instruction, for example using the MT541 template, to CBL for the Settlement of a redemption order. In the successful execution of the Settlement, CBL shall create the following movements:

- Debit the FIA of the cash counter value, representing the payment for the shares;
- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the receipt of the shares from the counterparty;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the withdrawal of the shares from the CFF system.

Switches

Vestima's order routing system supports switch Orders that consist of a single "switch-from leg" and one or more "switch-to legs". The CFF Settlement Agent shall transmit one receive free instruction, for example using the MT540 template, to CBL for the Settlement of a "switch-from leg". In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the receipt of the shares from the counterparty;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the withdrawal of the shares from the CFF system.

The CFF Settlement Agent shall transmit one deliver free instruction, for example using the MT542 template, to CBL for the Settlement of a "switch-to leg". In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty.

External transfers

The CFF Settlement Agent shall transmit free of payment matching Instructions for the Settlement of external transfers in CBL's systems. The CFF Settlement Agent shall transmit a Delivery Free of Payment Instruction for a transfer-in, and a Receive Free of Payment Instruction for a transfer-out. The CFF Settlement Agent may not use a unilateral (without Matching) securities Instruction for the Settlement of a transfer-in.

The CFF Settlement Agent shall be informed about intended external transfers by Settlement allegements (for example, lines in the MT578 - Settlement Allegement report and the MT586 Statement of Settlement Allegements report) provided by CBL. If a Customer has sent a Settlement Instruction with the FIA as counterparty, and the Instruction is not matched by an Instruction sent by the CFF Settlement Agent, CBL's systems create a Settlement allegement for the CFF Settlement Agent.

Customers shall provide the details of the deliverer or receiver of the CFF Qualified Fund Shares in their Settlement Instruction for a transfer-in respectively transfer-out. However, it is the Customer's responsibility to ensure that such information is provided. CBL will not validate the presence of any such deliverer or receiver identification, and shall not be held liable for any incomplete or inaccurate Settlement Instruction.

When the CFF Settlement Agent has received a Settlement allegement, the CFF Settlement Agent shall inform the CFF Transfer Agent without undue delay about the intended external transfer, and:

- For a transfer-in, the CFF Settlement Agent shall verify with the CFF Transfer Agent the existence of a corresponding delivery Instruction from the deliverer of the transfer. The CFF Settlement Agent shall transmit a deliver free Instruction to CBL when the CFF Transfer Agent has confirmed the update of the CFF Omnibus Account;

- For a transfer-out, the CFF Settlement Agent shall verify with the CFF Transfer Agent the existence of a corresponding receipt Instruction from the recipient of the transfer. The CFF Settlement Agent shall transmit a receive free Instruction to CBL when the CFF Transfer Agent has confirmed the update of the CFF Omnibus Account.

In each Settlement Instruction, the CFF Settlement Agent shall provide all necessary Settlement information as per information given by the CFF Transfer Agent and standing data.

The CFF Settlement Agent may exceptionally be informed about a transfer from the CFF Transfer Agent, without having received any preceding Settlement allegation from CBL. The CFF Settlement Agent shall then transmit the relevant free of payment Instruction to CBL according to the CFF Transfer Agent's confirmed update of the CFF Omnibus Account.

The CFF Settlement Agent shall transmit its Settlement Instructions for transfers to CBL without any undue delay. The Settlement Instructions shall contain the information as confirmed by the CFF Transfer Agent, regardless of the Trade Date and contractual Settlement Date of any preceding Settlement allegation. CBL and the Customer shall repair any mismatch to ensure an efficient Settlement of transfers.

If the CFF Settlement Agent's Settlement Instruction for an external transfer remains unmatched for a period of ten Business Days past the contractual Settlement Date, the CFF Settlement Agent shall notify the CFF Transfer Agent for investigation and potential escalation to CBL. If the matter is not resolved within ten Business Days following the notification by the CFF Settlement Agent to the CFF Transfer Agent, the CFF Settlement Agent shall receive a command from the CFF Transfer Agent for the CFF Settlement Agent to transmit a cancellation of its Settlement Instruction to CBL, which the CFF Settlement Agent shall execute without undue delay.

Internal transfer restrictions

CFF Qualified Fund Shares are freely transferable between Customers. In the exceptional case that Internal transfers are restricted in CBL's systems, the CFF Transfer Agent, the CFF Settlement Agent and the Investment Fund may at their discretion implement a procedure for transfers between the Customers. The procedure shall adhere to the relevant description of the "CFF transfer restriction" in this Customer Handbook, and the CFF Settlement Agent shall receive Settlement allegations from CBL as described for the External Transfers.

Entitlement Distribution Account

When a corporate action results in a distribution of CFF Qualified Fund Shares, there shall be a credit made by the CFF Transfer Agent on the CFF Omnibus Account. The CFF Transfer Agent shall instruct the CFF Settlement Agent accordingly. Without undue delay, the CFF Settlement Agent shall transmit a Settlement Instruction to CBL to deliver the investment fund shares from the FIA to the Entitlement Distribution Account (the "EDA", account number 10999). The CFF Settlement Agent shall use a unilateral (without Matching) securities Instruction for the Settlement of a distribution of shares in favour of the EDA.

CBL shall distribute the investment fund shares from the EDA to the Customers without undue delay.

CBL shall accept any new fund shares distributed in a corporate action as CFF Qualified Fund Shares, unless the Investment Fund has modified the conditions of the new shares, in which case CBL may at its discretion refuse to accept the new fund shares. Specific handling of EDA Settlement Instructions may be agreed from time to time.

Monitoring of Settlement Instructions

The CFF Settlement Agent shall monitor the status of the Settlement Instructions it has sent to CBL. The CFF Settlement Agent shall contact CBL promptly in case of a rejected Instruction that the CFF Settlement Agent is unable to repair on its own, in particular if the instructed counterparty fails the validation by CBL's systems (unrecognised or invalid agent, MT548 reason code :24B::REJT//ICAG). When contacting CBL for assistance, the CFF Settlement Agent shall provide all relevant information of the rejection including the underlying Instruction that the CFF Settlement Agent has received from the CFF Transfer Agent.

If CBL detects a Provision failure that cannot be resolved with the Customer, CBL may contact the CFF Settlement Agent for assistance. The CFF Settlement Agent shall then respond promptly and provide CBL with the necessary support.

Cash services

The CFF Settlement Agent recognises that the management of cash credits and debits resulting from the Settlement on its FIA remains the responsibility of the CFF Settlement Agent. An account in the ledger of CBL may hold cash balances in multiple currencies. CBL offers a foreign exchange service that is defined in [Cash Financing services](#) on page 5-1.

The CFF Settlement Agent undertakes to respect the operational requirements detailed in this Customer Handbook, including but not limited to processing and market deadlines for the timely provisioning of sufficient cash for the FIA.

The CFF Settlement Agent recognises that CBL uses a number of cash correspondent banks worldwide, to receive money for the benefit of the FIA. Upon the opening of the FIA, the applicable cash management and credit facilities shall be agreed by separate credit line agreements.

Handling of exceptions for CFF Order Handling Agents

The following procedures apply only to CFF Orders Handling Agents. Order Issuers please refer to section 10.6 Communications contingency.

Contingency

In the event of a contingency situation whereby the CFF Order Handling Agent is unable to receive SWIFT messages, CBL needs to be contacted by telephone. During the contingency period, the CFF Order Handling Agent shall feasible make use of secure and authenticated communication media to replace any of the unavailable media, for example the Internet web services of CBL and retrieve orders using the Vestima web browser. Orders can be accessed either individually (order by order) or in bulk via the download function (CSV file). Any query related to the use of the Vestima browser can be addressed to Vestima Client Services. Once the problem is solved, the OHA will call-off the contingency and the SWIFT messages will be transmitted to the OHA as normal Clearstream will reconcile with the OHA in order to avoid any possible duplicate orders.

If the contingency situation persists and the CFF Order Handling Agent is unable to send confirmation messages, the CFF Order Handling Agent can input/upload the confirmations via the Vestima browser. If for any reason the OHA is unable to use the browser, Vestima Client Services can be contacted by phone.

9.3 Fund Market Groups (FMG) Definitions

Investment Funds feature complexities depending on the fund structure. In order to account for these distinct complexities, Clearstream Banking classifies funds into Fund Market Groups (FMG):

- FMG A: simple mutual funds
- FMG B: complex mutual funds and
- FMG C: alternative investment instruments.

FMG A

A fund is classified as A when it is deemed to be an asset that is fully fungible and eligible for an omnibus account. These funds typically offer easy settlement of cash and securities within the Clearstream network and the order routing of transactions is completely automated.

FMG B

In its simplest form a fund is deemed to be B when it is neither in the category of A or C. For example, we will classify a fund as B if:

- The fund requires additional communication media to process a transaction, that is, as well as the standard Investment Fund Order, the fund will also require additional notification by telephone.
- The fund requires manual intervention after order placement – provision of additional documentation for the initial investment.
- The fund offers a daily dividend option requiring additional focus and monitoring.

FMG C

A fund will fall into the C category when it is clear there are key restrictions within the asset. These restrictions can vary toward type of investor acceptance criteria or where an investor, for example, is restricted in its withdrawal capabilities. Similarly, the investment can be subject to differing types of mandatory fund events such as withdrawal fees or a need for a full documentation submission for every investment.

Disclaimer

Clearstream Banking publishes the FMG for all eligible investment funds ISINs.

The FMG is determined at the discretion of Clearstream Banking based on its assessment of the operational and technical efforts required per investment funds ISIN for Clearstream Banking to provide its services.

When submitting transaction instructions, and/or holding assets, relating to any investment funds ISIN held through Clearstream Banking, the customer acknowledges awareness of the FMG allocated and the applicable pricing.

The FMG is based on information obtained from third party sources. Clearstream Banking endeavours to ensure that such information is correct and up to date but cannot be held liable in case of any change of which it would not have been aware and will not be liable for retrospective reimbursement of amounts charged. In the event of corrections to the FMG, the relevant pricing will only apply to future transactions, and/or safekeeping services as from the date of correction.

9.4 Disclosure requirements for Investment Funds

CBL applies certain disclosure requirements for Investment Funds that enables an officially appointed agent of the Investment Fund to satisfy the regulatory/KYC/AML obligations and/or to perform all the normal functions, such as calculating contingent deferred sales charges (CDSCs), trailer fees and early redemption fees, for Investment Fund Shares held in CBL.

Also refer to the Disclosure Requirements published on the Clearstream website.

Highlights of the disclosure requirements

- If required by the applicable legislation, regulations, KYC/AML obligations, and/or for the operation of an Investment Fund (including but not limited to the calculation of fees, tax-related reasons, or providing to the distributor's services for which they have been appointed by the Investment Fund), CBL will communicate with the regulator and/or the agent of the Investment Fund the respective position and movement information (including the name of the position holder whenever required by the agent). The agent includes, but is not limited to, the TA, the fund Promoter, the fund manager, the fund custodian, the fund Paying Agent and the fund processing agent.
- Agents may outsource parts or all of their functions to third-party service providers. CBL is authorised to disclose the information to the service provider acting as an attorney of the agent.
- The disclosure requirements will apply to all Investment Fund Shares held in CBL for which such reporting is required to comply with the applicable legislation, regulations, KYC/AML obligations and/or to ensure the operation of the Investment Fund.
- The disclosure requirements of CBL are designed to ensure compliance with banking secrecy requirements, unless CBL is obligated by applicable law to disclose the required investor information to authorised requesters.
- CBL's Wolfsberg Anti-Money Laundering (AML) Questionnaire located on the Clearstream website provides CBL's responses to the questionnaire, along with a statement on CBL's AML preparation

Background

Applicable laws of different markets may impose an obligation on CBL to disclose details of the customer (or as required in some cases the ultimate beneficial owners) to regulators and authorised agents of the Investment Fund. The disclosure obligation may be periodic or only upon request. For more information on Disclosure, please refer to [Corporate action services](#) on page 8-10.

For most types of Investment Fund, shares are kept in registered form in the shareholder register of an Investment Fund. Shares are registered in the name of CBL as nominee or of the depository acting as a nominee on behalf of CBL. The attribution of Investment Fund Shares to specific shareholders and the ability to track the position and movement of the Investment Fund Shares are often prerequisites for various aspects and activities of an Investment Fund. The reporting of Customer name, movement and position information to agents is in fact necessary to enable them to calculate, in accordance with the terms of the Investment Fund Prospectus, components such as the following:

- Contingent deferred sales charge (CDSC) - a "back-end" sales charge paid by the shareholder when selling shares. The rate applied for a CDSC varies with the length of time for which a shareholder holds shares, in accordance with the calculation method indicated in the prospectus.
- Early redemption fee - a redemption charge paid by the shareholder when selling shares. The retention period will determine the rate to apply.
- Trailer fee - sales commission paid to fund distributors according to the number of shares they sell and, in some cases, the length of time for which those shares are held by the individual investors. For fund distributors to be paid trailer fees on the positions that they hold in CBL, the

agent must know exactly what those positions are and for how long the distributor has held them.

These and other attributes of Investment Funds are based on the assumption that the agent can identify the exact position held by a specific distributor or shareholder and the length of time for which the position is held.

Conditions

- CBL will make available position and movement reports to agents and/or their attorneys on a real-time, daily, weekly or monthly basis.
- CBL will only provide position and movement information to the authorised agent (and/or its attorney) as stated in the Investment Fund Prospectus.
- The disclosure requirements are applicable to all CBL Customers and to all Investment Fund Shares held in CBL, if such reporting is required for the operation of the Investment Fund.
- The disclosure requirements are applicable for shares held under registered, bearer, Certificated or global form.
- The disclosure requirements will remain in effect between CBL and Customers as long as the contractual relationship is valid.

Additional conditions for VestimaTRACK

- By providing additional information to CBL which is relevant for VestimaTRACK, the Customer explicitly authorises CBL to communicate this to the agent of the Investment Fund and any other agent as may be appointed from time to time by the Customer, without any obligation on CBL to verify the accuracy or completeness of this information.
- To ensure compliance with any applicable data protection law and/or regulation, no data relating to natural persons may be included in the information provided to CBL for VestimaTRACK and CBL may hold the Customer liable for any such data included in the information provided to CBL, whether or not subsequently forwarded to the agent of the Investment Fund and/or any other agent as may be appointed from time to time by the Customer.
- The Customer undertakes to comply with the applicable laws, regulations and orders when providing additional information that is relevant for VestimaTRACK and remains responsible towards CBL in connection with such information. The Customer will hold CBL harmless and agrees to indemnify CBL in case of the Customer's non-compliance with obligations that it incurs by its subscription and subsequent use of the VestimaTRACK service.

9.5 VestimaPRIME Enhanced Pricing & Reference Data Service (VestimaPRIME Data)

CBL offers enhanced alternative fund pricing and reference data services (VestimaPRIME Data) for Vestima and VestimaPRIME account holders in conjunction with HedgePole AG (HedgePole) who have been appointed as partner to provide this service.

The specific and detailed scope of performance of the VestimaPRIME Data services are defined in separate, written service level agreements (SLA) and subscription terms agreed directly between CBL Customers and Hedgepole.

Customers can subscribe to the HedgePole Price Collection and Reference Data Maintenance services for investments in alternative funds such as hedge funds and private equity funds and their respective share classes/series which are either

- Type A: held directly by the CBL Customer and not serviced by CBL;
- Type B: serviced by CBL.

For type A funds, the Customer provides correctly, in time and at its own expense the services, deliverables, information, data, materials and rights as explicitly agreed, detailed and designated as such in the HedgePole Subscription Form and respective SLA that are required in order to enable Hedgepole to perform the service (Duties of Co-operation). The Customer provides the required data in adequate capacity, in pre-agreed format and with adequate performance and security. If the Customer fails to comply with its Duties of Co-operation in a timely and comprehensive manner, Hedgepole will inform both the Customer and CBL thereof in writing as soon as practicably possible. Where Hedgepole is not able to provide the Services due to a lack of or inadequate fulfilment of Duties of Co-operation, Hedgepole will call the Customer's and CBL's attention to the lacking or inadequately rendered Duties of Co-operation and its effects in writing and in timely manner - CBL shall not be responsible for resultant defects in the services. If this prevents Hedgepole from rendering the services within any execution periods, which may have been agreed upon in the SLA, then agreed execution periods shall be extended by a reasonable period of time.

For type B funds, CBL will, for all positions serviced by CBL on the account specified in the Service Subscription Form, provide necessary authorisation to Hedgepole for access to Customer data to enable provision of the service. By signing the CBL and HedgePole Service Subscription Forms, the Customer agrees to waive professional secrecy obligations related to the supplied data. The Customer hereby agrees and authorises CBL to

- i) gather and collect any required information; and
- ii) confirm and validate all information;

that the Customer does not provide to Hedgepole directly.

More specifically, in addition to providing the necessary authorisation for access to data to enable provision of the service, CBL will

- provide a report for the initial set up of Securities and Accounts in VestimaPRIME Data to facilitate the onboarding process using Clearstream automated reporting capacities.
- provide Hedgepole with historical Prices and fund documentation reasonably required as part of the onboarding process.
- upon Customer instruction
 - will seek to resolve any Persistently Non-reporting cases;
 - when executing a new investment, Clearstream will ensure that the relevant administrator is instructed to include Hedgepole as interested party to receive the Prospectus, updated fund documents, pricing updates as well as corporate actions notifications on an ongoing basis;

- for Clearstream serviced funds, once a month (on the first Business Day of the month) Clearstream will provide Hedgepole with the list of the entire active Pricing Universe for reconciliation purposes;
- will assist in review of open issues log and agreed resolution actions.

In particular the Customer consents to the collection and processing by Hedgepole of the data provided by the Customer and CBL while using the service in order to benefit the Customer. The Customer will actively support CBL to collect and provide any information required and not yet available to CBL. It is the Customer's responsibility by accessing, using or providing personal information to or through Hedgepole, to comply with all applicable laws and regulations and the Customer accepts to bear all consequences resulting from non-compliance with these requirements.

For type B funds

CBL (through HedgePole) shall adhere to and agree upon, timelines and deadlines and inform the Customer immediately of any delays to those timelines or deadlines as soon as they become evident. Moreover, in the respective SLAs the Parties may additionally provide for binding deadlines, which are of decisive importance for the success of the Services.

CBL (through HedgePole) always endeavours to comply with deadlines agreed upon in the respective SLAs. CBL, however, cannot be held responsible for the compliance with deadlines, and the Customer is not entitled to assert any claims or remedies of whatever kind due to delays for this service. The customer is not entitled to cancel or rescind the subscription service due to any delay.

For type A and B funds

In subscribing to the service, the Customer acknowledges that for the availability, promptness and the correctness of the services, CBL (through Hedgepole) relies on the performance of third party data providers including Hedgepole. Therefore, the promptness and the correctness of the Services provided is to this extent outside the control of CBL. CBL cannot be held liable for any damage caused by late, incomplete or incorrect information provided by such third party data providers, CBL will also not be liable for any damages arising from the unavailability or incorrectness of the services from such third parties for whatever reason.

The Customer (or any of its affiliates) may not operate, access, or alter the systems operated, and the processes and infrastructure installed by Hedgepole, without approval of Hedgepole. The Customer shall observe any and all written instructions by Hedgepole on the use of hardware and software.

CBL does not assume any obligation to deliver particular results unless explicitly agreed so in writing in any SLA.

CBL in no case bears any responsibility for the performance by Hedgepole and does neither assume any responsibility nor liability for the compatibility of services performed by Hedgepole. All consequences of the use of services performed by Hedgepole are at the Customer's sole risk and responsibility.

Notwithstanding the above, CBL shall be liable towards the Customer under the subscription service for losses or other damages caused by Hedgepole's or CBL's wilful misconduct or gross negligence. Any further liability of CBL towards the Customer or third parties under any title and of any nature whatsoever, including any liability for indirect and consequential damages, for loss of data, for additional expenses or claims of third parties, and for loss of profit or non-realised savings, is, regardless of the cause of action and to the maximum extent legally possible, excluded. CBL shall not be liable for damage caused by acts beyond CBL's control, including force majeure events.

Any liability of CBL towards the Customer for damage caused by hardware, systems, installations or software which are not directly or indirectly used or delivered by CBL (through Hedgepole), or which are transferred to or put at Hedgepole's disposal by the Customer is excluded.

The Customer is entitled to reflect VestimaPRIME Data data as part of the normal provision of order routing, custody and settlement service to their customers. The Customer shall be prohibited from

- (i) distributing the Services provided by HedgePole to any other third party,

- (ii) authorising any other third party to link to, or use, the applications made available or services provided by CBL (through HedgePole) under this section 9.5 of the Customer Handbook and
- (iii) making any report or data provided by CBL (through HedgePole) available, in any form, to any other third party.

9.6 Clearstream Fund Desk

Clearstream Fund Desk is a highly automated platform through which CBL offers distribution support services. Distribution support services collectively refer to services provided to both fund providers and distribution partners and are further described in the sub-sections of this chapter. The service level applicable to both fund providers and distribution partners depends on their respective service choices as highlighted in the service application forms separate to the Customer Handbook. The Clearstream Fund Desk platform allows distribution partners to enter into distribution agreements with fund providers, receive access to information about investment funds, fund providers and fund research information. Fund providers benefit from a wider distribution coverage, an easy to manage contractual framework, as well as distribution information and analytics of their respective funds. Fund Providers can additionally promote products directly to the distribution partners through Clearstream Fund Desk.

Services for fund providers

This section sets out the scope and the terms of the distribution support services CBL provides to fund providers.

Services provided to fund providers by CBL include:

- Fund distribution agreement and commission management support;
- Fund distribution analytics;
- Fund distribution analytics PRIME;
- Fund distribution due diligence support;
- Marketing support.

Fund providers can select to receive one or more of the above-mentioned services through a secure online website dedicated to fund providers called "Fund Provider Portal" (FPP). The FPP is part of Clearstream Fund Desk and is dedicated to providing fund providers with up-to-date distribution information as well as custody, transaction and net new money (NNM) reporting on their investment funds covered by a distribution agreement. Dedicated sections of the FPP offer fund providers access to legal documents pertaining to them. Additionally, the FPP provides fund providers access to relevant information on distribution partners to support their Know-Your-Distributor (KYD) obligations.

Fees charged by CBL in relation to transactions, custody and asset servicing of funds shares may, if so selected by the fund provider, entirely or partially, be borne by the fund provider. Information to that effect will be made available to the distribution partners via the Clearstream Fund Desk. The relevant investment funds of the fund provider will be categorised as "Sponsored Funds" and will be clearly visible to the distribution partners on Clearstream Fund Desk.

Fund distribution agreement and commission management support

Clearstream Fund Desk proposes a contractual framework that allows fund providers to efficiently and dynamically enter into bilateral distribution agreements with all the distribution partners that are connected to Clearstream Fund Desk. Upon conclusion of a new distribution agreement, all existing distribution partners are notified, through Clearstream Fund Desk, and receive a list of covered investment funds as well as applicable commission rates. Fund providers remain in full control over their distribution network as all distribution agreements are entered into bilaterally with each distribution partner.

Under the terms of the distribution agreement, distribution partners may be eligible to receive distribution commissions, as applicable. CBL makes this process seamless and efficient for the fund provider by acting as a central point for the reconciliation, collection and distribution of applicable commissions to the relevant distribution partners. Fund providers are ultimately responsible for the calculation of the final distribution commissions due to each distribution partner for any period in question.

Fund distribution analytics

Under this service module, CBL provides the fund provider, on a monthly basis, with custody statements showing nominal positions with valuations subdivided by distribution partner and the relevant investment fund.

Fund providers have the flexibility to run several reports with different parameters for custody, transactions and NNM information. Reports generated within the FPP can be downloaded in a variety of formats.

CBL provides the fund provider with a daily list of all investment fund orders and transfers placed by the distribution partners via CBL. This list will also be made available on the FPP and includes the following information:

- subscription and redemption orders;
- executed orders; and
- custody transfers.

CBL provides the fund provider with NNM reporting on their investment funds held by distribution partners with CBL. NNM reports include granular level of details and can be filtered by asset class, by individual investment fund and by distribution partner.

CBL provides to the fund provider additional periodical and statistical reporting on their investment funds held by distribution partners, including the following details:

- volume charts and asset summaries by asset classes over a three-month period;
- top five funds traded in the previous period by volume;
- transactions statistics (subscriptions, redemptions and transfers) and NNM flows.

Fund distribution analytics PRIME

Under this service module, CBL provides the fund provider, on a monthly basis, with custody statements showing nominal positions with valuations subdivided by CBL customers and the relevant investment fund.

Fund providers have the flexibility to run several reports with different parameters for custody, transactions and NNM information. Reports generated within the FPP can be downloaded in a variety of formats.

CBL provides the fund provider with a daily list of all investment fund orders and transfers placed by CBL Customers. This list will also be made available on the FPP and includes the following information:

- subscription and redemption orders;
- executed orders; and
- custody transfers

CBL provides the fund provider with NNM reporting on their investment funds held by all customers with CBL. NNM reports include granular level of details and can be filtered by asset class, by individual investment fund and by distribution partner.

CBL provides to the fund provider additional periodical and statistical reporting on their investment funds held by CBL customers, including the following details:

- volume charts and asset summary by asset classes over a three-month period;
- top five funds traded in the previous period by volume;
- transactions statistics (subscriptions, redemptions and transfers) and NNM flows.

Fund distribution due diligence support

Under this service module, fund providers have the option to receive relevant information on all the distribution partners part of their distribution agreement to support the fund provider's KYD obligations. Distribution partners will make available information relating to themselves and, if applicable, to sub-distributors (such as company records, annual accounts, due-diligence questionnaires, and any data that may be relevant in the context of the know-your-customer, know-your-distributor and money laundering and terrorist financing matters, regulatory reports). Fund providers have access to these documents on a dedicated section of the FPP.

Marketing support

CBL will allow fund providers to build and publish their own microsite through the FPP. Within this feature, fund providers can establish and manage their own profile. Fund providers have the possibility to present, among others, their company profile, funds currently in focus, marketing documents, news and contact details. Fund provider microsites are accessible by distribution partners who are part of Clearstream Fund Desk.

In addition, fund providers also have the option to record webinars which are published on Clearstream Fund Desk and are visible for the distribution partners.

Services for distribution partners

This section sets out the scope and the terms of the distribution support services CBL provides to distribution partners.

Services provided by CBL to distribution partners include:

- Distribution agreement negotiation and maintenance;
- Fund distribution commission management;
- Provision of fund data and documentation; and
- Fund research information

Distribution partners can select to receive one or more of these services through a secure online website dedicated to distribution partners called "Client Extranet". The Client Extranet is part of Clearstream Fund Desk and is dedicated to providing distribution partners with up-to-date information on all distribution agreements they are party to, along with the list of investment funds and associated commercial terms. In addition, distribution partners have access to several reports within the Client Extranet that provide them with information on transactions and custody assets. Dedicated sections of the Client Extranet offer distribution partners access to legal documents pertaining to them, including any declarations made with regards to the KYD information provided to Fund Providers.

Distribution agreements negotiation and maintenance

In its agent capacity, CBL negotiates distribution agreements on behalf of distribution partners with each fund provider to ensure wide coverage with competitive terms and conditions on each of the investment funds. All distribution agreements concluded with fund providers to which the distribution partner is party, will be made available on the Client Extranet. Distribution partners adhering to the terms of the distribution agreements also benefit from any applicable fund distribution commissions. Any deviations to the standard terms of the distribution agreements, are additionally disclosed to the distribution partners via the Client Extranet, along with any updates to the list of investment funds and other related conditions. Deviations to the standard contract may be specific to certain jurisdictions and are documented, if need be, by a jurisdiction specific addendum to the distribution agreement and any associated legal documents to that effect. Such documents will be made available on the Client Extranet for full transparency.

Fund distribution commission management

CBL manages the reconciliation and collection of fund distribution commissions from fund providers as well as the payment to distribution partners in accordance with the respective distribution agreement's terms. CBL relies on the final calculation provided to it by the fund provider. The fund distribution commissions to be paid to the distribution partners are presented for payment and proceeds are credited to the distribution partner's CBL account on payment date, after deduction of applicable withholding taxes and under reserve of full receipt of funds from the fund providers. CBL distributes 100% of the funds distribution commissions to the distribution partners.

In addition, distribution partners are provided with monthly trailer fee estimate reports and income reports via the Client Extranet.

Fund data and documentation

Enhanced fund information will be made available by fund providers to the distribution partners via the Client Extranet (subject to the information being made available by the fund provider, or another source that CBL may use for the sourcing of such information from time to time), including:

- KIID(s) / KID(s) / prospectus.
- Factsheets / annual reports / unaudited half-yearly reports / quarterly bulletins and other relevant information.

Fund research information

CBL offers access to fund research information as an integral part of its distribution support services to distribution partners.

Fund research information is provided exclusively by one or more fund research provider. For the avoidance of doubt, CBL has no influence on the selection of investment funds, the fund analysis process, monitoring and definition of selection criteria with respect to fund research information and shall therefore not be considered as providing fund research to the distribution partner.

CBL will make the fund research information available to the distribution partner by granting access to the information in accordance with the level of service that may be agreed with the distribution partner from time to time. Distribution partners who have been granted access can access this information through the Client Extranet.

Three levels of research information are available to distribution partners:

- Digital Advisor - A highly sophisticated fund research tool developed by fundinfo AG. Digital Advisor evaluates thousands of funds based on qualitative and quantitative criteria combined with investors' needs and values, displaying all relevant investment funds based on the criteria chosen.
- Top Funds Professional - Integrated within the Digital Advisor tool, distribution partners also benefit from fundinfo's "Top Funds Professional" recommendation list of funds.
- Custom fund research reports - CBL, based on individual distribution partner's needs, can offer tailor made fund research solutions provided by an independent fund research provider, and delivered via the Client Extranet similar to the other Clearstream Fund Desk research information services.

10. Communications media

Customers can submit instructions to CBL and receive reports using a variety of communications media.

The communications media available within our suite of Connectivity products are:

- ClearstreamXact; with the following choice of channels
 - Xact Web Portal;
 - Xact File Transfer;
 - Xact via SWIFT.
- CreationOnline.

Exact format specifications and deadlines for instructions are given in the latest versions of the respective market link information, available for each market link on the Clearstream website, under Products & Services / Market Coverage.

The reports sent to customers from CBL provide details on the status of instructions, as well as account movements, Balances and other information. For further details of report content and the media through which they can be received, please see [Chapter 11. Reports and information services](#).

Note: Customers are strongly advised to exercise due care in ensuring and maintaining the security of the communications media by which they submit instructions to CBL or receive reports from CBL.

10.1 ClearstreamXact

ClearstreamXact is a suite of connectivity products that gives real-time access to enhanced information provision, instruction input, position and Transaction reporting. ClearstreamXact offers a choice of Web Browser Based Interface, file transfer and the SWIFT network. It offers secure multichannel connectivity.

ClearstreamXact is fast, efficient and ISO 15022 compliant. The three components of ClearstreamXact are Xact Web Portal, Xact File Transfer and Xact via SWIFT. As ISO 15022 terminology is used for Message Types, MTxxx applies to these three components as appropriate.

Customers can use ClearstreamXact services after signing the relevant agreements and application forms. Customers shall use these services in compliance with such agreements, forms and any other relevant documentation. For any further information, please contact Clearstream Banking Client Services or your Relationship Officer.

10.2 Xact Web Portal

Xact Web Portal is a web graphical user interface (GUI). The key aspects of Xact Web Portal are:

- New technology enabling customers to use a common graphical user interface (GUI) for more than one service and processing platform. Designed to complement existing ICSD and CSD connectivity channels.
- Consistent look and feel and delivery of services regardless of the legal entity, service or geographical location of Clearstream customers or their business partners.
- Eventual streamlined user access to our full range of services from a single entry point.
- Dynamic, easily configurable dashboard and context sensitive help.

Access and security

- Accessible from anywhere in the world via internet.
- State of the art security, based on internationally recognised standards to ensure the highest security for customers, whether using a secure public internet connection or virtual private network.
- Single sign on and User Management, fully customisable at the customer site.

Xact Web Portal Dashboard

- Interactive landing page after login;
- Easy navigation throughout the system;
- Dashboard panels give you an overview of your current Activities, Tasks or Alerts (profile-dependent);
- Number of outstanding Activities broken into comprehensive segments;
- The Dashboard will become fully customisable as Xact Web Portal expands;
- Go to the Main Menu to reach Services, User Management along with Help and Resources;
- Search the Help and Resource centre.

User Guides

The latest versions of the user guides are available on the Clearstream website, under Products & Services / Connectivity / ClearstreamXact.

Queries

The following types of query are available through Xact Web Portal:

- **Settlement**
 - Instruction status and life cycle up to thirteen months retrospectively, including the current month;
 - Security Instructions;
 - Security Positions.
- **Collateral Management**
 - Contracts data
 - Exposures
 - Collateral allocated pieces
 - Principal securities
 - Collateral Management Instructions
 - Settlement Instructions
 - Allegation Instructions
 - Positions check
 - Collateral Management Reports (Eligibility, MIS, Scheduled, Extended and Realtime simulation reports)
 - Reference data
- **Cash & Liquidity**
 - Cash Instruction status and life cycle - up to thirteen months retrospectively, including the current month;
 - Cash Balances including intraday and End of day Balances.
 - Cash File Upload;
 - Credit & Collateral Query.
- **Asset Servicing**
 - CA Event;
 - CA Confirmation;
 - CA Instruction;
 - Forecast Movements.
- **Tax**
 - US Tax;
 - Tax Refund;
 - Tax Certificates;
 - FTT query.
- **Reference data maintained and updated by CBL**
 - Financial instruments;
 - Place of safekeeping;
 - Currencies.
- **Help & Resources**
 - Message Exchange.

10.3 Xact File Transfer

Xact File Transfer is the file transfer solution for bi-directional data transfer. It has been designed for secure straight-through processing that can support high-speed and large instruction volumes. Xact File Transfer can be used for rapid distribution of all reports that are available in SWIFT ISO 15022 format, extensible mark-up language (XML), MS Excel (XLS) and portable document (PDF) formats.

Xact File Transfer can be linked from any in-house system to CBL via SWIFTNet. Xact File Transfer can be fully integrated with in-house systems and various operating platforms. Xact File Transfer can also be accessed via a standard internet browser on customer desktops thereby allowing customers to continue working with their current infrastructure. Xact File Transfer can be fully automated, hence requiring no manual intervention, to facilitate straight-through processing.

Xact File Transfer can be used in conjunction with Xact Web Portal or CreationOnline for comprehensive instruction input and Transaction life cycle monitoring and reporting.

It may also be used as an upload facility for French Financial Transaction Tax (FTT) declaration files.

Invalid cash instructions will be rejected every thirty minutes, using the MTn95 Query message.

Instructions sent to CBL for same day provisioning are processed immediately upon receipt by the Settlement system. Consequently, customers should send prioritised instructions first, to ensure they are processed before any other instructions.

Where customers include two or more instructions for the same security and for same-day provisioning in a single file, priorities and sequences associated to instructions, cannot be assured. In this case, it is recommended to instruct and release the prioritised instruction in a separate file.

Access and security

Xact File Transfer is available on Clearstream Banking's highly secure IP-based VPN or the public internet. In addition, Xact File Transfer offers a communications option via SWIFTNet, based on the SWIFTNet FileAct service. Overall, this communication infrastructure includes different contingency scenarios in case of network failure and thus provides continuous business and service availability. This network offers customers a flexible and high performance communication solution for the exchange of instructions and reports.

Xact File Transfer is available 24 hours a day, six days per week (not available from 22:00 (CET) on Saturdays until 22:00 on Sundays).

Flexible security options enable customers to control access to their data, network and resources by individual users or classifications of users. Standardised security policies may be implemented across heterogeneous security systems to ensure data protection. Violations are tracked and sources are identified through audit trails and statistics.

User Guide

Details concerning the usage of Xact File Transfer are published in the Xact File Transfer User Guide.

The latest version of this guide is available on the website, www.clearstream.com under Key Documents / ICSD / Connectivity Manuals.

10.4 Xact via SWIFT

CBL provides full service support via SWIFT and complies with the latest ISO 15022 recommendations. Xact via SWIFT is fully ISO 15022 compliant. It is secure, fully automated and able to provide high-speed, high-volume straight-through system-to-system processing.

Access and security

The SWIFT Message Types used for sending instructions to CBL are, without exception, authenticated messages. Customers using SWIFT must, therefore, have exchanged authenticator keys with CBL. Rules governing the exchange of authenticator keys are set out by SWIFT.

Users can enter instructions for only those accounts that are linked on CBL's files to their SWIFT address. Users can request CBL to link several of their accounts to one address or, alternatively, they can use multiple addresses to send instructions for the same account. However, CBL must be informed in advance of the exact relationship between accounts and BIC destinations.

Unauthenticated messages cannot be used to send instructions.

Securities Settlement instructions

SWIFT ISO 15022 Message Type MT54x is used for all securities clearing and Settlement instructions. All normal SWIFT syntax rules must be applied. CBL provides validation and informs customers in real time of erroneous or badly formatted messages.

The following messages can be sent:

- MT530 Transaction Processing Command;
- MT540 Receive Free;
- MT541 Receive Against Payment;
- MT542 Deliver Free;
- MT543 Deliver Against Payment;

Securities instructions for custody

- MT565 Corporate Action Instruction.

Triparty Collateral instructions

- MT527 Triparty Collateral Instructions

User Guide

The Xact via SWIFT User Guide provides customers with an overview of formats and reports available through the SWIFT connectivity service.

The latest version of this guide is available on the website, www.clearstream.com under Key Documents / ICSD / Connectivity Manuals.

Cash instructions

SWIFT Message Types MT103, MT200 and MT202 are used to instruct funds withdrawals (90 Instruction) and transfers (9X Instruction) while MT210 is used to pre-advise funds (10 Instruction). [Figure 10.1](#) below shows the fully authenticated Message Types that can be used for cash instructions:

Message Type	CBL instruction
MT200 - Financial Institution Transfer for its own Account	90 Withdrawal of Funds
MT202 - General Financial Institution Transfer	90 Withdrawal of Funds 9X Book-entry Transfer of Funds
MT210 - Notice to Receive	10 Pre-advice of Entry of Funds
MT103/MT103+	90 Withdrawal of Funds 9X Book-entry Transfer of Funds
MT192/MT292	Cancellation request

Figure 10.1 Instructions via MT103, MT200, MT202 and MT210

Customers are reminded that CBL will not process payments whose final recipient is a non-financial institution. CBL recommends the use of BIC codes to identify financial institutions in order to achieve straight through processing.

Invalid cash instructions will be rejected using the MTn95 Query message. The reason for the rejection will be contained in the MTn95 together with a selection of fields of the rejected message. The MTn95 Query message will be returned by SWIFT in real time.

Other messages

Message types MT199, MT299 and MT599 can be used for free-format authenticated messages; for example, to instruct foreign exchange Transactions (9E Instruction), to request services or to provide information to CBL.

Reports via SWIFT

Via SWIFT, security and cash information are contained in separate reports corresponding to specific SWIFT message categories. Please refer to [Chapter 11. Reports and information services](#) for an overview of these reports.

10.5 CreationOnline

CreationOnline is a Web Browser Based Interface to Clearstream that allows the monitoring and intervention of cash, custody and securities instructions. CreationOnline provides easy to use instruction input with real-time validation and Matching information, online queries and exception handling facilities. This makes it ideal for cash and securities management. CreationOnline users are able to monitor the entire life cycle of their Transactions independent of the media that has been used to send an instruction. Customers have a choice of whether to use a secure public internet connection or a virtual private network.

By using ISO 15022 standards, CreationOnline provides standardised information flows and technology.

Queries

The following types of query are available through CreationOnline:

- **Securities**
 - Instruction status and life cycle up to thirteen months retrospectively, including the current month, on over-the-counter and stock exchange trades;
 - Allegements with ability to create Matching instructions and search for potential Matching instructions;
 - Balances.
- **Cash**
 - Instruction status and life cycle - up to thirteen months retrospectively, including the current month;
 - Balances including intraday and End of day Balances.
 - Credit and Collateral usage queries.
- **Custody**
 - Income Pre-Advice Report (IPAR);
 - Corporate Action Confirmations;
 - Corporate Action Notifications;
 - Corporate Action life cycle;
 - Corporate Action Instruction status and Instruction life cycle.
- **Triparty Collateral**
 - Collateral Pre Release.
- **Message Exchange**
 - Received messages;
 - Sent messages.
- **Tax**
 - US Tax;
 - Tax refund;
 - Tax certificates;
 - French FTT.
- **Reference data maintained and updated by CBL**
 - Financial instruments;
 - Place of safekeeping;
 - Currencies;
 - Settlement parties;
 - Cash correspondents;
 - Corporate actions.

Exception management

The Dashboard function allows users to view instructions requiring action, for example, rejections and urgent unmatched instructions.

Alerts

CreationOnline provides real-time notification of important information where customer action is required. This includes alerts for instruction rejections and general information.

Reports

Flexible filtering and sorting options facilitates the customisation of the content of reports. Using CreationOnline, customers can schedule reports for a specific frequency to be received via CreationOnline, SWIFT or Xact File Transfer. For an overview of the reports that can be scheduled for retrieval please see [Chapter 11. Reports and information services](#).

Security

CreationOnline uses sophisticated security measures with the design being based on the latest Public Key Infrastructure (PKI) technology. All security mechanisms are based on internationally recognised standards to ensure the highest security for customers, whether using a secure public internet connection or virtual private network.

Installation and support

CreationOnline has been designed to be easily installed by customers on their premises. For further information and assistance, please contact your Clearstream Banking Client Services or your Relationship Officer ([Client Services](#) on page 1-7).

User Manual

Details about performing and managing activities with CreationOnline are published in the CreationOnline User Manual on the Clearstream website, under Products & Services /Connectivity / CreationOnline / CreationOnline User Guides.

10.6 Communications contingency

CBL provides a suite of communication channels (Xact Web Portal, CreationOnline, Xact via SWIFT and Xact File Transfer).

In case the regular communication channel should become inaccessible or unavailable, customers are recommended to have at least one backup communication channel in place.

In the event that none of the usual available channels of communication can be used, and as a last resort contingency means of communication, instructions can temporarily be accepted or information exchanged via facsimile or email, on condition that a duly signed Letter of Indemnity has been established between the customer and CBL for such contingency.

To reduce the risk of failure in processing instructions in the event of such contingency and in order to act with the shortest possible delay, customers are recommended to establish a Letter of Indemnity in advance, specifying that it shall be valid either until revoked (with No transfer period) or until a specified date (with a specified transfer period).

Such Letter of Indemnity, signed by CBL and by the customer, shall be valid for all open and new accounts in the name of the customer within its country of operation.

For example, a Letter of Indemnity established with a branch of a supranational corporation in one country will not be valid for other branches of the same supranational corporation in other countries.

Customers who want to establish a Letter of Indemnity as described above should contact CBL Client Services or their Relationship Officer (see [Client Services](#) on page 1-7).

Procedure for establishing a Letter of Indemnity

For a contingency situation to be accepted by CBL, the customer must agree to comply with the requirements of the following procedure:

- 1 Inform CBL about a presumed contingency situation by contacting CBL Client Services and/or their Relationship Officer via telephone.
- 2 Agree with CBL that there is a contingency situation.
- 3 Inform CBL about the contingency communications medium to be used for the duration of the current contingency situation with the customer.
- 4 Inform CBL of the end of the contingency situation as soon as possible via telephone, to confirm that the contingency situation has been resolved.

The above procedure shall be applied by the customer every time a contingency situation occurs.

Once the contingency situation is agreed, CBL will verify whether a valid Letter of Indemnity is recorded in its books.

If, on contingency date, no valid Letter of Indemnity is available for the customer, CBL will insist that it immediately receives a valid Letter of Indemnity duly signed by authorised persons in the customer's institution.

The Letter of Indemnity shall be sent to the customer via the appropriate communications medium (facsimile or email) and the customer shall return it duly signed to CBL by the same means. The original of the Letter of Indemnity shall also be delivered promptly to CBL via postal mail.

Based on CBL's internal validation of the customer signatures, the process of inputting manual instructions on behalf of the customer can begin.

On request and depending on the customer's needs, CBL Client Services will provide the customer with different templates for their cash and/or Settlement instructions.

Only valid and complete instructions containing the necessary level of information detail will be processed.

Note: CBL will always act on a "best efforts" basis and shall not be held responsible for any delay or any loss, damage, expense that might occur with regard to any manually handling instructions, unless such is due to CBL's gross negligence or wilful misconduct.

The manual setup of customer contingency instructions is subject to fees as published in the Clearstream Banking Fee Schedule.

11. Reports and information services

This chapter provides an overview of the reports available via the different communications media currently supported by CBL and it gives an outline of the information available in each type of report. Technical information appropriate to each medium, and fuller descriptions of the reports together with examples, are given in the user manuals for each communications medium.

Unless advised otherwise within 30 days, CBL considers the information indicated in customer reports to be accepted and approved by the customer.

11.1 Choice of reports

Customers can choose from the range of reports available via the connectivity channels described within this chapter. Reporting profiles can be set up that are tailored to their own business requirements. For these profiles, customers are asked to specify which reports¹ they want to receive/retrieve, and via which communications media. They can do this via the Xact Web Portal Reporting Centre or CreationOnline Report Subscription facility² where they specify the delivery channel, format, frequency and time of the reports they want to receive. Alternatively, customers can send a SWIFT MT599 (see [Message Exchange](#) on page 11-18) or a subscription form signed by authorised signatories for the attention of the PPIconnect team in Prague.

Tailored reporting profiles can be set up to meet customers business requirements. Customers can also select to receive/retrieve versions of reports according to the frequency with which updated information on Transaction status and positions is needed.

11.2 Reconciliation

In order to enable customers to comply with their obligations to reconcile their records on a daily basis under articles 64 (3) and 86 (1)(a) of the Commission Delegated Regulation EU No 2017/392 (ESMA RTS), customers are provided, on a daily basis, with the following necessary information specified for each customer account and each securities issue:

- the aggregate balance of each securities account at the beginning of the respective business day;
- the individual securities transfers in or from a securities account during the respective business day; and
- the aggregate balance of a securities account at the end of the respective business day.

Important Note: The customer shall provide CBL with the information that CBL deems necessary to ensure the integrity of the securities issue and in particular to enable it to solve any reconciliation problems in accordance with the chapter IX of the ESMA RTS.

Customers hereby acknowledge and authorise that, according to article 64 (4) of ESMA RTS, CBL may provide the information referred to above at the request of other holders of accounts with CBL, to the sole extent that information is necessary for the reconciliation of those holders' records with the records of CBL.

1. There is no default reporting for Clearing and Settlement and Cash reports. However, in the absence of, or in cases of incomplete, account opening form, a default subscription for Income and Corporate Action reporting will be created at new account creation.
2. Specific reports only.

11.3 Connectivity Channels

The communications media: Xact Web Portal; Xact File Transfer; Xact via SWIFT and CreationOnline are based on ISO 15022 standards and terminology. As ISO 15022 terminology is used for Message Types, MTxxx applies to these three components as appropriate.

Reports and online queries

The information available via the connectivity channels can be broadly grouped into:

- Clearing and Settlement reports;
- Custody reports;
- Miscellaneous reports;
- Triparty Collateral reports (some also available via ClearstreamXact);
- Online queries via Xact Web Portal and CreationOnline.

Clearing and Settlement reports

Clearing and Settlement reports are shown in the following figure:

Report	Description
Intra-Position Advice (MT508)	The MT508 Intra-Position Advice reports movements between sub-balances linked to lending, Collateral and blocking/unblocking activity.
Statement of Transactions (MT536)	The MT536 Statement of Transactions reports settled transactions impacting the customer's aggregate and/or sub-balances.
Statement of Pending Transactions (MT537)	The MT537 Statement of Pending Transactions reports transactions that are not yet booked because they have either a forthcoming Requested Settlement Date or have failed to settle. All statuses or the most relevant status can be reported.
Vestima Transfer Service Statement of Pending Transactions (MT537)	The same report as the MT537 Statement of Pending Transactions, with an additional narrative field that is populated with information recorded in the Relocator module of Vestima.
Statement of Intra-Position Advice (MT538)	The MT538 Statement of Intra-Position Advice reports movements between sub-balances linked to lending, Collateral and blocking/unblocking activity.
Settlement Confirmations (MT54x)	The MT544, MT545, MT546 and MT547 Settlement Confirmations report all receive and deliver securities Transactions, free of and against payment, that have settled on the date of the report.
Settlement Status and Processing Advice (MT548)	The MT548 Settlement Status and Processing Advice reports the rejection or Pending status(es) of a previously received instruction or cancellation request.

Report	Description
Vestima Transfer Service Status Advice (MT548)	The same report as the MT548 Statement of Pending Transactions, with an additional narrative field that is populated with information recorded in the Relocator module of Vestima.
Settlement Allegement (MT578)	The MT578 Settlement Allegement reports urgent allegements from Clearstream Banking Luxembourg, Euroclear or Clearstream Banking Frankfurt participants, as well as from the following domestic markets: Austria, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hong Kong, Hungary, Indonesia, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, United Kingdom and U.S.A.
Statement of Settlement Allegements (MT586)	The MT586 Statement of Settlement Allegements reports allegements from Clearstream Banking Luxembourg, Euroclear or Clearstream Banking Frankfurt participants, as well as from the following domestic markets: Austria, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hong Kong, Hungary, Indonesia, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, United Kingdom and U.S.A.
Statement of Repaired Transactions	The Statement of Repaired Transactions shows detailed information from CBL's depositories, identifying repaired instructions with the reason for the repair.
Confirmation of Debit/Credit (MT900/910)	The MT900 and MT910 Confirmation of Debit/Credit reports debits and credits for pre-selected type(s) of Transactions for all or specified currencies open for the account.
Money Suspense report (MT940)	The MT940 Money Suspense reports all Pending cash transactions, as well as all cash countervalues of against payment securities transactions that are reported in the Statement of Pending Transactions report via SWIFT MT537. It includes the anticipated net balances and forward balances for the next five Business Days. All statuses or the most relevant status can be reported.
T2S Dedicated Cash Account Statement (MT940)	The MT940 T2S Dedicated Cash Account Statement reports all cash movements (settlement and custody) of the T2S Dedicated Cash Account (DCA) including securities movements of the T2S Securities Accounts (SACs) linked to any Central Securities Depositories (CSDs). Please see T2S Dedicated Cash Account Statement (MT940) on page 11-22 for further details.
Interim Money Suspense report (MT942)	The MT942 Interim Money Suspense reports new Transactions and those Transactions that are already in suspense and whose status has changed since the last Money Suspense or Interim Money Suspense report. All statuses or the most relevant status can be reported.

Report	Description
Cash Balances report (MT950)	The MT950 Cash Balance reports cash Balances for all or specified currencies open for the account.
Money Statement (MT950)	The MT950 Money Statement report contains for all or specified currencies open for the account all booked cash Transactions, as well as all cash Countervalues of against payment securities Transactions that are reported in the Statement of Transactions report via MT536.

Figure 11.1 Clearing and Settlement reports

Availability of Clearing and Settlement reports and online queries

The following figure summarises Clearing and Settlement reports and their availability and shows if the equivalent information can be queried using Xact Web Portal or CreationOnline. The report formats available for download via Xact Web Portal, CreationOnline or via Xact File Transfer are also shown.

Note: The times indicated for report availability are approximate and may be subject to delays in processing beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available	Xact via SWIFT	Xact Web Portal ^a and CreationOnline	Xact File Transfer
MT508 Intra-Position Advice	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Format: this report is only available in ISO format.	ISO	ISO Queries	ISO
MT536 Statement of Transactions	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT537 Statement of Pending Transactions	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15 Weekly: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT537 Vestima Transfer Service Statement of Pending Transactions	Intraday (complete): 07:30; 00:00	ISO	ISO CSV	ISO CSV
MT538 Statement of Intra-Position Advice	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML

Report	Available	Xact via SWIFT	Xact Web Portal ^a and CreationOnline	Xact File Transfer
MT54x Settlement Confirmations	Via SWIFT:Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; Continuous: every 15-20 minutes	ISO	ISO Queries	ISO
MT548 Settlement Status and Processing Advice	Via SWIFT: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00; Continuous: every 15-20 minutes	ISO	ISO Queries	ISO
MT548 Vestima Transfer Service Status and Processing Advice	Via SWIFT: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00; Continuous: every 15-20 minutes	ISO	ISO Queries	ISO
MT578 Settlement Allegement	Via SWIFT: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00	ISO	ISO Queries	ISO
MT586 Statement of Settlement Allegements	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Statement of Repaired Transactions	Weekly: 21:15; Monthly: 21:15		PDF XLS XML	PDF XLS XML
MT900/910 Confirmation of Debit/Credit	Via SWIFT:Real-time Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00	ISO	ISO Queries ISO Queries	ISO
MT940 Money Suspense	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML

Report	Available	Xact via SWIFT	Xact Web Portal ^a and CreationOnline	Xact File Transfer
MT940 T2S Dedicated Cash Account Statement	The report can be generated either at fixed time, or upon the occurrence of a T2S event (please refer to the respective subscription form available on the Central website for further details)	ISO		
MT942 Interim Money Suspende	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT950 Cash Balances	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15; Quarterly: 21:15; Yearly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT950 Money Statement	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Daily: 21:15; Continuous: every 15 minutes	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML

a.HTMLreports not available in Xact Web Portal

Figure 11.2 Clearing and Settlement reports and their availability

Custody reports

Custody reports are shown in the following figure.

Report	Description
Statement of Holdings (MT535)	The MT535 Statement of Holdings reports the holdings that CBL services for the customer. The Complete report contains all holding information. The Delta report contains only changes since the previously sent statement.
Corporate Action Notification (MT564)	The MT564 Corporate Action Notification reports details of a corporate action event along with the possible elections or choices available to the customer. It can be initially sent as a preliminary advice and subsequently replaced by another MT564 with complete or confirmed information.
Urgent Uninstructed Notifications (MT564)	The MT564 Urgent Uninstructed Notifications Report provides a regularly updated breakdown of instructed and uninstructed securities Balances related to Corporate Action and Tax breakdowns.
Income Pre-Advice Report - IPAR (MT564)	The MT564 Income Pre-Advice Report provides a forecast on cash and securities proceeds over the five Business Days following the day the report is sent.
Claim and Reversal Advice - CRA (MT564)	The MT564 Claims and Reversal Advice reports detected market claims and reverse market claims subject to compensation by CBL, as well as the reversal of compensated market claims or reverse market claims and of paid income events.
Corporate Action Confirmation (MT566)	The MT566 Corporate Action Confirmation reports proceeds from income and Redemption events as well as corporate action events which are credited to a customers account.
Corporate Action Status and Processing Advice (MT567)	The MT567 indicates whether a Corporate Action instruction or cancellation is accepted for processing, rejected or denied. It is also sent to customers whose Corporate Action instruction is Pending due to insufficient holding.
Corporate Action Narrative (MT568)	The MT568 Corporate Action Narrative reports extraordinary or general meetings details and resolutions.
US Withholding Tax Report (MT568)	The MT568 US Withholding Tax Report provides a monthly report of U.S. taxable income events including withholding tax rates applied per beneficial owner.
Holdings Distribution by Markets Report	The Holdings Distribution by Markets Report provides customers with an alternative view of their holdings to monitor exposures by markets in order to optimise risk management. It summarises customer holdings by account with each Clearstream Banking Luxembourg domestic market depository and by account with each Clearstream Banking Luxembourg international market depository.

Report	Description
Market Claims Report	<p>The Market Claims Report provides a complete overview by account of potential market claims that are created when the actual Settlement of a security trade takes place after the entitlement date of an associated income or non-income distribution.</p> <p>In addition, the report offers information about CBL's compensation activities for market claims by providing the current processing status of a claim, together with a related reason code, throughout its life cycle.</p>
The Corporate Action Reference Data Report	<p>The Corporate Action Reference Data Report provides detailed information about corporate actions for any security held in Clearstream Banking, even if customers do not hold the underlying securities.</p> <p>Customers must submit a list of financial instruments to Clearstream Banking via Xact File Transfer via Internet and receive a report with all Corporate Actions Notifications associated with the securities. The report will be sent to their Xact File Transfer FileStore or can be downloaded via Xact Web Portal or CreationOnline.</p> <p>Additionally, Triparty Collateral Management Services customers can receive Corporate Actions Notifications and Income Pre-advices for securities blocked in Triparty Repo Transactions.</p>
Terms and Conditions	<p>Customers can download Terms and Conditions from Xact Web Portal by querying first on the financial instrument via the Reference Data Module.</p> <p>Customers can request delivery in electronic format of the Terms and Conditions relating to financial instruments via CreationOnline. If the documents are available in the Clearstream database, delivery will be immediately available for download via CreationOnline or within several minutes through Xact File Transfer via Internet.</p> <p>When requested to be sent through Xact File Transfer, the documents requested by the customers will be sent to a dedicated folder, named "Terms and Conditions", in the Xact File Transfer FileStore. Published documents are electronic copies of the latest versions of prospectuses, other definitive documents for stand-alone securities, or pricing supplements for program-linked securities.</p> <p>Customers can access the service by querying first on the Financial Instrument via the Reference Data menu item of the navigator in CreationOnline.</p>

Figure 11.3 Custody reports

Availability of custody reports and online queries

The following figure summarises custody reports and their availability and shows if the equivalent information can be queried using Xact Web Portal or CreationOnline. The report formats available for download via Xact Web Portal, Xact File Transfer or via CreationDirect are also shown.

Note: The times indicated for report availability are approximate and may be subject to delays in processing beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available	Xact via SWIFT	Xact Web Portal and CreationOnline	Xact File Transfer
MT535 Statement of Holdings	01:00, 02:00; 03:00, 04:00; 05:00; 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Daily: 21:15; Weekly: 21:15 Monthly: 21:15; Quarterly: 21:15; Yearly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT564 Corporate Action Notification	Via SWIFT: Real-time (Delta) Intraday: 03:00; 08:00; 21:30; 22:30 Continuous (Delta) every 30 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Urgent Uninstructed Notifications Report	Intraday: 06:00; 10:00; 12:00; 14:00; 16:00; 18:00; 21:30		PDF XML Queries	PDF XML
MT564 Income Pre-Advice Report (IPAR)	Via SWIFT: Real-time (Delta) Intraday (complete): 03:00; 08:00; 21:30; 22:30 Continuous (Delta) when available via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT564 Claim and Reversal Advice	Via SWIFT: Real-time (Delta) Continuous (Delta) every 15 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT566 Corporate Action Confirmation	Via SWIFT: Real-time (Delta) Continuous (Delta) every 30 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT567 Corporate Action Status and Processing Advice	Via SWIFT: Real-time (Delta)	ISO	ISO Queries	
MT568 Corporate Action Narrative	Via SWIFT: Real-time (Delta) Intraday: 03:00; 08:00; 21:30; 22:30 Continuous (Delta) every 30 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Holdings Distribution by Market	Daily: 21:15; Weekly: 21:15 Monthly: 21:15		PDF XML	PDF XML

Report	Available	Xact via SWIFT	Xact Web Portal and CreationOnline	Xact File Transfer
Market Claims Report	Daily: 22:30		PDF XLS XML	PDF XLS XML
Corporate Actions Reference Data Report	Intraday: 06:00; 21:30		ISO PDF XLS XML Queries	ISO PDF XLS XML

Figure 11.4 Custody reports and their availability

Free-format message reports

Report	Description
MT568 Corporate Action narrative	Manually generated free format messages sent by CBL about any topic.
MT599 Free-format report	Manually generated free format messages sent by CBL about any topic.

Figure 11.5 Free-format message reports

Availability of reports

The following figure summarises the free-format message reports and their availability.

Note: The times that are indicated for report availability are approximate and may be subject to delays in processing that are beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available at	Xact via SWIFT	Xact Web Portal and CreationOnline	Xact File Transfer
MT568 Corporate Action narrative	Via SWIFT: Real-time Continuous every 15 minutes via Xact Web Portal and Xact File Transfer	ISO	ISO	ISO
MT599 Free-format report	Via SWIFT: Real-time Continuous every 15 minutes via Xact Web Portal and Xact File Transfer	ISO	ISO	ISO

Figure 11.6 Free-format message reports and their availability

Miscellaneous reports

In addition to reports on specific Transactions or Balances, CBL provides other information to customers to assist in day-to-day account operation and administration. This information includes the following miscellaneous reports:

Report	Description
Notification of Fees (MT290)	The MT290 Notification of Fees reports the total amount of all charges due for the previous month. The MT290 notifies, with a forward date, an impending debit to the account.
Notification of Interest (MT935)	The MT935 Notification of Interest reports a breakdown of the calculation of interest per currency for the previous month. It is available after DTP on the first Business Day following the ninth calendar day of the month.

Figure 11.7 Miscellaneous reports

Availability of reports

The following figure summarises miscellaneous reports and their availability.

Note: The times that are indicated for report availability are approximate and may be subject to delays in processing that are beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available at	Xact via SWIFT	Xact Web Portal CreationOnline	Xact File Transfer
MT290 Notification of Fees	Generated between the second and fifth Business Days of the month at 21:15	ISO	ISO Queries	
MT935 Notification of Interest	21:15 on first Business Day following the ninth calendar day of the month	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML

Figure 11.8 Miscellaneous reports and their availability

Triparty Collateral Management reports

Report	Description
Triparty Collateral Management Daily Exposure Report	The report gives details of outstanding exposures and list the allocated collateral. The PDF version shows only one exposure, whereas the text version shows all exposures. The text version is available in both a standard version and a BASEL Regulation version. The report is available to both Collateral Receivers and Collateral Givers
Collateral Shortage Daily Report	The report provides information about all collateral activities that are not fully processed due to a lack of collateral (for example, amount of (replacement) collateral missing for partially opened/covered trade, unsubstituted positions due to custody events or deliveries). The report takes into account settled positions only.
Triparty Collateral Management Summary report	<ul style="list-style-type: none"> - The Triparty Collateral Management Collateral Giver Summary report This report summarises the status of all the Collateral Giver's open Transactions and all notified trades against all counterparties in Clearstream Banking; it also summarises the net exposure against each of the Giver's counterparties by product. - Triparty Collateral Management Collateral Receiver Summary Report This report summarises the status of all the Collateral Receiver's open Transactions and all notified trades against all counterparties in Clearstream Banking; it also summarises the net exposure against each of the Receiver's counterparties.
Triparty Collateral Management Securities Forecast report	<p>These reports are:</p> <ul style="list-style-type: none"> - Summary Report This report is intended for Clearstream Banking AutoAssign Collateral Givers. It gives a snapshot of the potential trading capacity for each counterparty. It takes into account the eligibility profiles set by the relevant Collateral Receivers and shows capacity, both including and excluding securities, which are due to return to the Collateral Giver's Clearstream Banking account as a result of Closing triparty Collateral management Transactions. The information is also organised by security rating and type. - Detailed Report A detailed report showing eligible securities is also available on an ad-hoc basis, upon request from the Collateral Giver. For an indication of the potential trading capacity with existing counterparties using an alternative portfolio (either within or outside Clearstream Banking), Sellers may request a sample forecast report by providing a list of Security Codes (ISIN or common code) and nominal values.

Report	Description
Euroclear Collateral Management Instruction report	The Euroclear Collateral Management Instruction report is generated when the Collateral Giver gives the list of securities to be delivered to or received from Euroclear to collateralise a Clearstream exposure. Details shown include the instruction type, account number, details of the security, the Nominal Amount, cash amount, currency, and the deal reference.
Extended forecast reports	The report provides a snapshot indication of the potential trading capacity per counterparty for the current and following Business Day. The report takes into account the eligibility and concentration profiles set by the relevant Collateral Receivers and includes pending Triparty Collateral Management and securities instructions. Customers can choose to include or exclude unmatched securities instructions.
Triparty Collateral Status and Processing Advice (MT558)	The MT558 messages provide feedback on instructions sent via MT527 messages. Customers will receive feedback on the validation of their instructions, Matching feedback on their instructions and feedback on the validation of the acceptability of any Collateral provided.
Triparty Collateral and Exposure Statement (MT569)	The MT569 report provides an overall summary of the Triparty Collateral Management activity with a breakdown per service type. For each service type a further breakdown by contract is given. Optionally, all open exposures per contract are provided with the list and valuation of each piece of principal and Collateral.

Figure 11.9 Triparty Collateral Management reports

Availability of reports

The following figure summarises miscellaneous reports and their availability.

Note: The times that are indicated for report availability are approximate and may be subject to delays in processing that are beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available at	Xact via SWIFT	CreationOnline	Xact File Transfer	Xact Web Portal
Exposure Report	start of day / End of day and upon request	n/a	n/a	PDF TXT	PDF TXT
Collateral Shortage Daily Report	01:00, 03:00, 07:30, 12:00, 15:00, 16:00, 18:30 and 20:00. This report is sent at least once a day, at the default generation time of 07:30, the other generation timings of the report are available as options.	n/a	n/a	PDF TXT	PDF TXT
Summary Reports	start of day / End of day and upon request	n/a	n/a	PDF TXT	PDF TXT
Forecast Reports	start of day / End of day and upon request	n/a	n/a	PDF TXT	n/a
Euroclear Instruction Report	generated upon receipt of seller's instruction	n/a	n/a	PDF TXT	PDF TXT
Extended Forecast Report	01:00; 03:00; 05:00; 06:30; 08:30; 10:30; 12:30; 14:30; 16:30; 17:45; 23:00 The 23:00 and 06:30 reports always provide information from T to T+3; the other reports show value for T and T+1 only.	n/a	n/a	PDF CSV	n/a
MT558 Triparty Collateral Management services	Real-time	ISO	ISO Queries	n/a	n/a
MT569 Triparty Collateral and Exposure Statement	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 18:15; 19:00; 21:15 Daily: 21:15	ISO	n/a	ISO PDF XLS XML	n/a

Figure 11.10 Triparty Collateral Management reports and their availability

Online queries via CreationOnline

CreationOnline provides online queries on security and cash Transactions and Balances. It is also possible to query the life cycle of security and cash instructions. Users can query reference data and historical data up to 13 months retrospectively, including the current month.

Users can customise their queries and print or export the results obtained.

Cash, securities and triparty collateral queries

The following queries on securities, cash and triparty collateral are available:

Securities queries	Description
Post-release instruction	Post-Release includes all over-the-counter and stock exchanges instructions that have been released and have been validated by the Creation Platform up to thirteen months retrospectively, including the current month.
Allegements	This query lists counterparty instructions alleged against an account for which CBL have not received a matching instruction from the user. Via this query CreationOnline also allows the user to create a Matching instruction or to search for a Matching instruction.
Balances	Balance queries: <ul style="list-style-type: none">- Current Balances (Balance at the moment of the query);- Intraday Balances (changes in Balances within one Business Day);- End of day;- Inter-day (changes in Balances for a range of up to seven calendar days).

Cash queries	Description
Post-release instruction	Post-Release includes all instructions that have been released and have been validated by the Creation Platform.
Balances	Balance queries: <ul style="list-style-type: none">- Current Balances (Balance at the moment of the query);- Intraday Balances (changes in Balances within one Business Day);- End of day;- Inter-day (changes in Balances for a range of up to seven calendar days).
Credit and Collateral usage	Provides online access to the current usage and forecasting reporting showing the current situation, and additionally the forecast credit and Collateral situation based on all Pending valid instructions for next-day value.

Triparty Collateral queries

Collateral post-release	The Post-Release function enables customers to track the progression of an instruction throughout its life cycle. For more details please refer to the CmaX Connectivity Guide.
Contract summary	This query serves as a tool for customers to view summary information on their Triparty Collateral Management contracts. For more details please refer to the CmaX Connectivity Guide.
Exposures	<ul style="list-style-type: none">- Summary: This query serves as a tool for customers to view their exposures with summary details. For more details please refer to the CmaX Connectivity Guide.- Principal Securities: This query serves as a tool for customers to view securities defined as principal, including the principal details (Exposure Type TSLS1 or TSLS2). For more details please refer to the Cmax Connectivity Guide.- Collateral Cash & Securities: This query serves as a tool for customers to view the list of cash or securities allocated as collateral on their exposures with additional details. For more details please refer to the CmaX Connectivity Guide.

Custody queries

The following queries on custody are available:

Custody queries	Descriptions
Income Pre-Advice Report (IPAR)	This query displays the Pre-advice of income (cash and securities) including all items to be paid in the next five days. Customers can query a specific item or perform a general search based on their criteria.
Corporate Action Notifications	This query displays all received corporate action notifications against defined selection criteria, such as version number, date and timestamp or notification type.
Corporate Action Notifications life cycle	This query displays details of the version of any corporate action notification received. Selection criteria includes: version number, date and timestamp, notification type, and the date and timestamp when first read by the assigned owner.
Corporate Action Pre-Release Instruction	This query displays corporate action instructions that have been created but are yet to be released for processing by Clearstream Banking.
Corporate Action Post-Release Instruction	This query displays corporate action instructions that have been sent to Clearstream Banking for processing.
Corporate Action Confirmation	This query displays any cash and/or security proceeds related to corporate actions.

Tax queries

The following queries on tax are available:

Tax queries	Description
US Withholding tax	Information includes all payment and tax details both in the original currency and in USD. Foreign exchange rates are provided for each payment and split. Payment and split statuses have been simplified and you can easily associate a beneficial owner, Tax Identification Number (TIN) and/or IRS income, Chapter 3 and Chapter 4 exemption codes and Chapter 3 and Chapter 4 recipient types with a payment split.
Tax refunds	Customers can retrieve a list of refunds by account, market, tax refund attributes, dates, event type and beneficial owner. Customers can use the expanded refund statuses, comments and refund type to track refunds submitted to Clearstream Banking.
Tax certificates	The results of a customer's queries provide tax certificate inventory and expiry information. Customers can define their query by account, market, document, event and/or certificate validity dates, beneficial owner and event type. Customers' reference numbers and Clearstream Banking's reference numbers can also be used.
French FTT	Customers can retrieve and download their declaration files or the status of their declarations.

Reference Data queries

The following queries on Reference data are available:

Currencies; Places of Safekeeping; Cash Correspondents; Financial Instruments; Corporate Actions.

Dashboard

The Dashboard provides at a glance a real-time overview of the state of the entire clearing and Settlement and corporate action operations allowing the customer to take the appropriate action on failing instructions. Customers can list all the Transaction exceptions for cash, securities, triparty collateral and corporate action instructions and corporate action notifications.

Message Exchange queries

The following queries on message exchange are available:

Message Exchange queries	Description
Receive Messages	Free format messages sent from Clearstream Banking to the CreationOnline workstation user.
Sent Messages	Free format messages sent from the CreationOnline to Clearstream Banking.

Message Exchange

CreationOnline offers a choice of business processes enabling customers to route messages to the appropriate department/unit at CBL and to the customer.

Customers are recommended to use these specific free format message types and mention a recipient when contacting CBL, as the message will be routed to the unit in charge avoiding potential delays.

Business process	SWIFT format
Corporate Actions	MT568
Income	MT568
New Issues	MT599
Investment Funds	MT599
Nostro	MT299
Clearing and Settlement	MT599
Forex	MT299
Banking Transactions - Cash	MT299
Banking Transactions - Treasury	MT399
Client Services	MT599

11.4 Monthly billing reports

Fees and charges levied by CBL for its services are given in the Clearstream Banking Fee Schedule on the Clearstream website, under Key Documents / ICSD/ Fee Schedule.

Statement of Fees

The Statement of Fees is a monthly advice providing a breakdown of individual fees, divided into the following categories: safekeeping, Settlement and cash, custody administration, information provision, Global Securities Financing, miscellaneous fees and additional external charges. In addition, a separate summary of out of pocket expenses debited throughout the month is sent, easing the reconciliation of these charges and the related Value Added Tax (VAT), when applicable.

Securities Lending and Borrowing Commissions Report

The Securities Lending and Borrowing Commissions Report is an advice, sent at the beginning of each month to lenders and borrowers of securities, providing details of securities loans closed during the previous month. It also provides the fee on each loan and the total income and/or borrowing fees for book-entry over the account on the 15th of the month or, if that is not a Business Day, on the first Business Day after that.

Billing Portal

The Clearstream Billing Portal provides easy online access to customer's invoices, including billing history dating back to October 2003.

Once an invoice has been dispatched by mail it can be accessed directly via the Billing Portal, thus enabling customers to review their invoices at an earlier date. In addition, all invoices can be downloaded from the Billing Portal in PDF and XML format, and are continually updated to reflect the payment status. Details on how to register for this service can be found on our website.

11.5 Customer documentation

A wide range of technical documentation describing CBL's products and services is published, including Announcements, the Market Guide, Codelist, Securities Timings Matrix, Cash Timings Matrix and Multi-Market Securities List.

New and replacement pages are published for the Market Guide whenever a new link is launched or changes occur in a domestic market, sometimes together with an Announcement summarising the developments.

For further details about customer documentation, see [Customer publications](#) on page 1-13.

To request further copies of any CBL documentation, or to amend your mailing details in any way, please contact Clearstream Banking Client Services or your Relationship Officer.

11.6 Domestic Markets Monitoring Report

Customers can subscribe to CBL's Domestic Markets Monitoring Report, supplementing existing materials with additional reporting on the domestic market links maintained on the Creation platform (CBL) and those maintained on the CASCADE platform (CBF).

Covering information related to subcustodians, agents and local market infrastructure, the report, which is available to customers on an individual subscription basis and whose content is reviewed and updated at least annually, is designed to help customers to obtain a comprehensive view of the network (and the custody chain) established and maintained by CBL and CBF. This information can support the due diligence obligations and the regulator-related functions that the customer may be required to perform, particularly where, for example, it is acting as a "depository bank" under AIFMD¹ or UCITS V².

The report, for which an annual fee is charged as stipulated in the Clearstream Banking Fee Schedule, contains information related to:

- The domestic markets maintained by CBL and CBF;
- The structure of CBL and CBF direct and indirect custody links and a description of CBL and CBF relationships with key market institutions, including information on the restitution of securities in the event of loss;
- CSD account structures, regulatory supervision, audit provisions, liens on participant accounts and other relevant information;
- CBL and CBF subcustodian account structures, corporate status, audit details, asset reconciliation and other relevant information (for example, due diligence visits);
- General information on CBL's and CBF's subcustodian network selection and review procedures.

Note: Due to market or link specificities, the level and quantity of information may differ from one market to another.

The report is prepared for general information purposes only, based on trusted third-party sources or publicly available information. The information contained in the report, which is subject to change without notice, cannot be considered as exhaustive and should not be relied upon in that regard. The CBL customer shall keep such information strictly confidential at all times and shall not divulge any part of it to any third parties, except as required by law or the relevant regulatory authorities. CBL makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information.

1. Alternative Investment Fund Managers Directive 2011/61/EU (AIFMD) came into force in 2011 and was to be transposed to the national laws of all 27 EU member states by July 2013. Among other things, AIFMs are required to provide reporting to their upstream regulators and investors that demonstrates their understanding of the custody chain through which securities belonging to an AIF are held.
2. Directive that was adopted by the European Parliament on 15th April 2014 (currently pending European Council approval) amending Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities.

11.7 Registrar Monitoring Report

Customers can subscribe to CBL's Registrar Monitoring Report. This service reports on due diligence information collected by CBL relating to the agents appointed by Investment Funds available through Vestima. These agents include but are not limited to the TA, registrar and the processing agent registering ownership. For Investment Funds in markets where holdings are registered at a CSD, please refer to section 11.5. The customer will receive the due diligence information relevant to the Investment Fund Shares it holds in CBL.

The due diligence information is delivered monthly and refers to:

- General information such as the agent's annual report and number of investment funds serviced;
- Regulatory authorisations;
- Auditor details;
- Internal risk and compliance structure;
- Legal information, such as previous or ongoing legal proceedings and insurance cover;
- Operational information and production environment;
- Record keeping such as audit trails and records longevity;
- Key performance indicators;
- Prospectus cross-check;
- Dedicated financial integrity screening.

CBL collects this due diligence information and applies a systematic scoring methodology, giving a clear structured overview of each agent in the report provided to the customer. This due diligence information is prepared for general information purposes only on the basis of information made available to CBL by third parties or publicly available information. The information contained herein cannot be considered as exhaustive and should not be relied upon in that regard. CBL customers shall keep such information strictly confidential at all times and shall not divulge any part of it to any third parties, except as required by law or regulators.

CBL is only responsible for collecting, scoring and transmitting the information and neither makes any guarantees, representations or warranties nor accepts any responsibility or liability as to the accuracy or completeness of the information. The agents remain responsible for the correctness and completeness of the information they provide. This due diligence information is subject to change without notice.

11.8 T2S Dedicated Cash Account Statement (MT940)

When offered by a Central Bank, holders of a T2S Dedicated Cash Account (DCA) can subscribe to the T2S Dedicated Cash Account Statement (MT940). This statement is the conversion of the T2S message “camt.053 – Statement of Account” into ISO 15022 format. The customer acknowledges that this service reports all DCA cash movements (settlement and custody) including the cash leg of securities movements in and out of the T2S Securities Accounts (SACs) linked to any of the Central Securities Depositories (CSDs).

The T2S Dedicated Cash Account Statement (MT940) includes:

- The start-of-day balance;
- The end-of-day balance;
- Information on booked entries;
- Underlying details of transactions; and
- Cash available on the T2S DCA.

The MT940 T2S Dedicated Cash Account Statement does not constitute part of CBL’s books but represents the official statement from T2S and Central Banks and will be sent to customers from the BIC address CEDELULLXXX.

CBL accepts no responsibility or liability beyond the correct conversion of the report into the ISO 15022 format, provided the statement is received from T2S.

A CBL customer holding a T2S DCA at a Central Bank offering the service and that wishes to receive the T2S Dedicated Cash Account Statement (MT940) must subscribe to the “camt.053 – Statement of Account” (SWIFT ISO 20022 format) through their Central Bank that will then apply for the message on behalf of its client in T2S.

Only then can the CBL customer subscribe to the service in CBL by sending a free-format message (SWIFT MTx99, Xact Web Portal or CreationOnline) to CEDELULLXXX for the attention of “PPI Connect - for the T2S Dedicated Cash Account Statement (MT940)” indicating:

- CBL account for billing purposes;
- BIC address;
- DCA number;
- Start date.

The customer can use an existing CBL account or open a new one and is required to provide a payment BIC address.

Through this set-up, CBL automatically receives the “camt.053 – Statement of Account” on behalf of its customer. CBL handles the mapping of the camt.053 message into the MT940, the distribution of the statement to the respective customers and the billing of the statement to the CBL account.

Glossary

This Glossary is intended for information purposes only and is designed to help **customers** to understand the terminology used by CBL in this Handbook. In some cases, the way in which the terms are used in CBL may differ from how the terms may be applied in another context. The descriptions given are not to be considered as legally binding definitions of the terminology used.

CBL gratefully acknowledges that some definitions given here are based on those used by the Group of Thirty, the International Society of Securities Administrators (ISSA), and in other market publications.

A

Account Holder

The **customer**.

Account Option

The Account Option determines whether internal **transactions**, and Bridge deliveries for **settlement** sequence purposes only, are included automatically in the optional **settlement** processing. Account options consist of the **default option** or a **standing instruction**. They can be overridden on individual **transactions** using an **instruction flag**.

Actual settlement Date

See **Settlement date**.

Allotment List

See **Allottee**.

Allottee

A subscriber to a **New Issue** who receives part of the initial distribution of securities from the **Lead Manager**, against payment of a subscription. Lead managers provide CBL with a list of Allottees on an **Allotment List**.

ANNA

Association of National Numbering Agencies.

Anticipated Net Position

A projection of the posted **Balance**, comprising **Unconfirmed Funds** and **Pending Transactions** for Today's settlement. It can be used as a guide to **Funding** by **value date**.

ASLplus

A complementary service to ASL, allowing **customers** to further enhance lending revenues by offering access to the wholesale trading market for strategic purposes. Loans typically are larger in size and open for longer compared to ASL.

Automated Securities Lending (ASL)

A programme that facilitates the borrowing of securities to prevent **settlement** failures. Such lending is usually short-term. See also **ASLplus**.

Automatic Borrowers

Customers who allow CBL discretion to accept securities loans on their behalf when required.

Automatic Lenders

Customers who allow CBL discretion to arrange loans as required from their available **Balance** in a security.

B

Back-to-Back Transactions

In the context of CBL, separate sale and purchase **Transactions**, for the same **Requested settlement Date**, in the same **settlement** processing and for **settlement** over a **customer's** account where the securities Provision on the sale is provided by the purchase and the funds for the purchase by the proceeds of the sale. See also **Chaining**.

Backvaluation

The debit or credit of funds with a **value date** that precedes the **settlement Date** of the **settlement** processing in which the **Transaction** is reported as settled or confirmed. Securities cannot be backvalued on a **customer's** account: they can only be settled from the processing in which they are credited.

Balance

The segregated holding, in either securities or cash, within the overall position held in an account resulting from the **settlement** of **Transactions**.

Book-entry

A method whereby transfer of ownership of securities is effected by debits and credits to accounts without the need for the movement of physical **Certificates** or documents.

Bridge counterparty

A **counterparty** settling over the Bridge using an account with **Euroclear Bank**. See also **External counterparty**, **Internal counterparty**.

Bridge Transaction

A **Transaction** with a **counterparty** in **Euroclear** via the electronic **link** between CBL and Euroclear that enables book-entry **settlement** to occur between **customers** of either **Clearing** system.

Business Day

Unless otherwise specified, a day on which CBL's Head Office in Luxembourg is open for business.

Buy-In

Action taken by the party failing to receive delivery of securities from a counterparty on **settlement Date** to purchase these securities in the open market. Rules for Buy-In are defined by the **ICMA**.

C**Cash Correspondent**

A appointed by CBL, as its agent, to handle external receipt and payment of funds in a specified currency.

CBF

See **Clearstream Banking Frankfurt**.

CBL

See **Clearstream Banking S.A.**

CBL "service network"

The **Clearance** and **settlement** system operated by CBL. The CBL "service network" encompasses a network of service providers (**Financing Banks**, **Cash Correspondents** and **Depositories**) to which **customers** have indirect access through their accounts with CBL.

CD

See **Certificate of Deposit**.

Cedel

"Centrale de Livraison de Valeurs Mobilières" founded in September 1970 by 66 of the world's major financial institutions as a **Clearing** organisation whose objective was to minimise risk in the **settlement** of cross-border securities trading, particularly in the growing Eurobond market. See also **Clearstream Banking S.A.**

Cedel International

Established on 1 January 1995 under a new Cedel corporate structure as a parent company with Cedel as one of its major subsidiaries. See also **Clearstream Banking S.A.**

Central Facility for Funds (CFF) Services

The CBL post-trade infrastructure for **Investment Funds**.

Certificate

Paper form of the shares or bonds representing ownership of a company, or other **Issuer**, or its debt.

Certificate(s) - internet browser

A Certificate specifies the name of an individual or an entity and certifies that the public key, which is included in the Certificate, belongs to that individual or entity.

Certificate of Deposit (CD)

Negotiable money market instrument issued by a bank, evidencing a deposit for a stated interest rate and period.

Certification Event Date

Dates, notified to **customers** by CBL, by which certificates of beneficial ownership must be submitted to CBL by holders of **Euro-instruments**.

Certification - Investment Funds

Confirmation, from an **Order Issuer (OI)**, sent either directly to the **Order Handling Agent (OHA)** or through Clearstream Banking, that the OI or its **customer** complies with the terms and conditions / governing documentation of the **Investment Fund**.

CFF

See **Central Facility for Funds (CFF) Services**.

CFF Omnibus Account

CBL **customer** holdings are maintained in an account in the **Investment Fund Register** of shareholders in the name of CBL acting as nominee, that reflects the omnibus record of **CFF Qualified Investment Fund Shares**.

CFF Qualified Investment Fund Shares

An **Investment Fund Share** that fulfils the CBL eligibility criteria for **CFF Services**. CFF Qualified Investment Fund Shares must, among other things, be fully **Fungible** and, as a general rule, freely transferable.

CFF Services

See **Central Facility for Funds (CFF) Services**.

CFF Settlement Agent

A CBL **customer** that:

- Has accepted to participate in **CFF Services**;
- Has been appointed by the **Investment Fund**, or its **Transfer Agent**, to facilitate **settlement** using CFF through a **Fund Issuance Account (FIA)**.

Note: The CFF Settlement Agent and the **CFF Transfer Agent** can be the same entity. Where a CFF Settlement Agent has not been appointed by the **Investment Fund** or its TA, CBL can, at its own discretion, act as a CFF Settlement Agent.

CFF Transfer Agent

A **customer** of CBL that has accepted to participate in **CFF Services** as a **Transfer Agent (TA)** for an **Investment Fund** and that holds and manages the **Investment Fund Register**.

Chaining

An interdependent sequence of **Back-to-Back Transactions** (as identified by CBL during a **settlement** processing) between **counterparties** within CBL. Thus, **Transactions** linked into chains need only be provisioned by the securities Provision of the initial seller and the funds Provision of the ultimate buyer in order to satisfy all Provision, **Collateral** and **Financing** conditions for **settlement** of all **Transactions** in the chain.

Classical Global Note (CGN)

Form of **Global Certificate** which requires physical annotation on the attached schedule to reflect changes in the Issue Outstanding Amount (IOA).

Clean Payment Order

An **instruction** to withdraw or transfer funds without an associated transfer of securities.

Clearance/Clearing

In the context of CBL, **Clearing** means the entire processing of a **Transaction**, from receipt of the **instruction**, through **Matching** and the various status levels in Suspense, to final **settlement** and accounting. The final **Clearance** of the **Transaction** is the process of determining accountability for the exchange of cash and securities between the **counterparties** to a trade; Clearance leads to new book-entry **Balances** and positions in securities and/or funds.

Clearstream Banking deadline - Investment Fund

The time defined for each Fund by which orders must be received by CBL to ensure forwarding to the relevant **Order Handling Agent (OHA)** in time for the Fund's next cut-off time.

Clearstream Banking depository or CBL depository

A **depository** appointed by Clearstream Banking - see **Common Depository** and **Specialised Depository**.

Clearstream Banking Frankfurt (CBF)

Formerly Deutsche Börse Clearing, from 1 January 2000 a subsidiary company of Clearstream International. Located in Frankfurt, it handles the **settlement** of foreign securities on behalf of its German **customers** and the **settlement** of German securities traded between its German **customers** and **counterparties** with accounts in external **Clearing** systems such as CBL.

Clearstream Banking S.A. (CBL)

Effective 1 January 2000, Cedel merged with Deutsche Börse Clearing to form the new entity of Clearstream International, jointly owned by Cedel International and Deutsche Börse AG. Clearstream Banking S.A. (CBL) is a subsidiary of Clearstream International and carries out the traditional business of the former Cedel- **Clearing, settlement** and custody. Other subsidiaries include Clearstream Banking Frankfurt (CBF) and Clearstream Services.

Clearstream International

See **Clearstream Banking S.A.**

Client

A customer of the CBL **customer**.

Closing

The process in which securities are first authenticated and released by the **Issuer**, the legal documentation is finalised and the securities (represented by the **Global Note**) are released for distribution to the **Allottees** upon payment to the **Issuer** of the subscription proceeds due.

Closing Date

The date on which the **Closing** occurs.

Collateral

Property that is **Pledged** as security for the satisfaction of a debt or contingency.

Collateral Provision

See **Provision**.

Commercial Paper

An unsecured general obligation in the form of a bearer note issued on a discount or interest-bearing basis by commercial or industrial organisations with a maturity of up to one year.

Common Depository (CDs)

A Common Depository is one jointly appointed by Clearstream Banking and Euroclear to hold and to service securities in either Classical Global Note (CGN) or book-entry form.

Common Safekeeper (CSK)

A Common Safekeeper (CSK) is an institution jointly appointed by Clearstream Banking and Euroclear to hold securities in **New Global Note** form.

Common Service Provider (CSP)

A Common Service Provider (CSP) is an institution jointly appointed by Clearstream Banking and Euroclear to service securities in **New Global Note** form.

Communications User Manuals

Documents that set out the procedures, options and formats to be followed by **customers** according to the method of communication used. Communications user manuals include the Xact via SWIFT User Manual and such other documents as CBL may from time to time so designate. Communications User Manuals are Governing Documents if designated as such by CBL upon publication.

Confirmed Funds

Funds credited to a **customers** account upon receipt by CBL of confirmation from CBL's **Cash Correspondent** (in the case of **Pre-advices**) or from a clearing system or **Depository** (in the case of external against payment deliveries) of a receipt of funds.

Continuous Linked Settlement (CLS) Bank

An international system providing netting and **settlement** services for **Transactions** in the major currencies in the global foreign exchange markets. The **Transactions** have immediate finality, hence eliminating **settlement** risk. The system is supported by the world's major central banks and banking organisations who place **Collateral** in the CLS Bank. The CLS matches and settles foreign exchange trades within a five-hour time frame each day, is regulated by the US Federal Reserve and headquartered in London.

Convertible Bond

A debt instrument that can be exchanged into another financial instrument, usually an **Equity** but sometimes another type of debt instrument or a commodity, at a specified rate of conversion within a given period.

Counterparty

One party to a trade or **Transaction**. A trade takes place between two **counterparties**. Usually one party to a trade refers to its trading partner as the counterparty.

Countervalue

The cash amount to be received in return for a specified delivery of securities.

Coupon

Detachable **Certificate** attached to a security allowing the holder to collect interest or **Dividends** payable on a specified Coupon payment date upon presentation of the detachable **Certificate** to a **Paying Agent**. In the case of fixed rate instruments, the Coupon shows the amount of interest payable.

Creation Platform

CBL's sophisticated processing platform, which delivers a wide range of **Clearing** and **settlement** services. It provides end-to-end processing by bringing together the three core functions of **Clearing** and **settlement**, custody and reporting and is the processing hub for a high performance **Transaction settlement** engine.

CSDR

Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

Currency Code

The three-letter ISO code used by CBL to identify a specific currency.

Customer

A legal person or entity, whether public or private, that has been accepted by CBL as a customer.

D

Deadline

Latest time for submission of **instructions** for inclusion in the processing for the **Requested settlement Date**. All deadlines quoted in hours and minutes (hh:mm) should be understood to include ":00" seconds. For example, 16:00 should be understood to mean 16:00:00.

Debt Securities

Securities created through and evidencing a loan by the **Issuer**, such as, for example, **Commercial Paper**, notes, Certificates of Deposit, **Medium-Term Notes**, and bonds, but excluding **Warrants** and **Equities**.

Default Option

With reference to the optional **settlement** flag, the Default Option is the **Account Option** that applies unless the **customer** requests a **Standing instruction**. Internal **Transactions** and Bridge deliveries on accounts using the Default Option are automatically excluded from the optional **settlement** processing, except if the **customer** uses an **instruction Flag** on specific **instructions**.

Delivery Against Payment / Delivery Versus Payment

The irrevocable exchange of securities (the delivery) and cash value (the payment) to settle a **Transaction**. True Delivery Against Payment involves the simultaneous exchange of securities and cash, as in the case of internal **Transactions** between CBL **counterparties**.

Delivery Free of Payment

A **Transaction** for the irrevocable delivery of securities from a CBL account without an associated payment of funds to the CBL account.

Dematerialisation

The elimination of physical Certificates or documents of title.

Depository

A or a **Clearing** system to which CBL entrusts the safekeeping and administration of securities that CBL holds on behalf of its **customers**. Depositories also administer the receipt and/or delivery of securities into/out of the CBL "**service network**".

Depository Receipt

Certificate issued, within a domestic market, that represents a holding, usually within another domestic market, in the original securities. Examples:

- ADR - American Depositary Receipt
- BDR - Bearer Depositary Receipt
- CDR - Continental Depositary Receipt
- EDR - European Depositary Receipt
- IDR - International Depositary Receipt

Direct File Transfer

A system to system communication channel.

Distribution Date

In CBL, Distribution Date corresponds to the **settlement Date** of the processing in CBL into which a **New Issue** is entered for distribution. On a regular **Closing**, the Distribution Date is the **Business Day** after **Closing** date, as this is the **settlement Date** of the real-time processing in which the **New Issue** is distributed.

Dividend

Allocation of a portion of company profit to shareholders. Dividends are paid pro rata to the number of shares held and are normally paid in cash, although they may also be paid in the form of shares (stock Dividend).

Domestic Bond

Security issued by a borrower in its own country's national market, denominated in the national or foreign currency, and distributed or underwritten in the country of the borrower, through a management group of its own country.

Domestic counterparty

A counterparty that has contracted with a CBL **customer** to settle outside CBL and Euroclear. See **External instruction**.

Domestic Depository

A or **Clearing** system that functions as CBL's agent for a specific national market, or in some cases for a specific category of instrument or segment within that domestic market.

Domestic Security

A security issued in a national market.

Drawdown

A portion of an issue representing a borrowing under the terms of a **Financing** facility or program agreement such as a **Revolving Underwriting Facility**.

Drawing

The process of allocating specific **Certificate** numbers to be redeemed at a pre-agreed price in a partial **Redemption** of an issue of securities, in accordance with the terms and conditions of an issue.

DTC

The Depository Trust Company, which is located in New York.

DVP

Abbreviation for Delivery Versus Payment. See **Delivery Against Payment**.

E**Effectuation**

The act of physically signing the **Certificate** representing the security, executed on the basis of an Effectuation authorisation and Effectuation **instruction** received from the **Issuer** or the **Issuing Agent**.

Entitlement Distribution Account (EDA)

An internal CBL account used within **CFF Services** for processing corporate actions related to **CFF Qualified Investment Fund Shares**. Transfers settle against the EDA so that CBL can distribute to the **customer** accounts in CBL.

Equity

A share in the ownership of a company.

Estimated settlement Date

For external **Transactions**, the date on which CBL estimates that **settlement** of a **Transaction** will take place in the domestic market. For each external **Transaction**, there is a fixed period that elapses between the processing from which the **Transaction** is released to the **Domestic Depository** for **settlement** and the Estimated settlement Date. The Estimated settlement Date corresponds to the **Requested settlement Date** if the **instruction** is input by the **customer** by the relevant **instruction deadline** and is released by CBL in the corresponding **settlement** processing. For the **Countervalue** on external against payment deliveries, the Estimated settlement Date is the anticipated **value date** of the funds to be received. See also **settlement Date**.

Eurobond

Bond issued by a borrower outside of a domestic market, denominated in a Eurocurrency, underwritten and sold by an international syndicate of financial institutions. The securities are generally listed, but not traded, on either the London or the Luxembourg Stock Exchange. **Private Placements**, which are not offered for public sale outside the initial group of **Allotees**, are not usually listed. Eurobonds are not generally subject to the tax and other registration requirements of any national market, but may be subject to selling restrictions, particularly to US residents, before being **Seasoned**.

Euroclear Bank

Operator of the Euroclear System (commonly known as Euroclear or EOC).

Eurocommercial Paper (ECP)

Commercial Paper issued in the Euromarket.

Euro-instrument

Any instrument issued in the Euromarkets, for example Eurobonds, (Euro)**Warrants**, **Euronotes** and **Eurocommercial Paper**.

Euro-instrument Depository

A **Depository** appointed as CBL's agent to provide, to CBL, custody and administration services in specified Eurobonds and other **Euro-instruments**.

Euronote

A short-term, underwritten, fully negotiable bearer promissory note (which may also be issued in global form), usually issued at a discount with a maturity of less than one year. Euronotes are generally issued or underwritten by Banks and other financial institutions, as opposed to **Commercial Paper**, which is issued by industrial or commercial corporations.

European Pre-Issuance Messaging System (EPIM)

CBL's automated secure system using standard messaging formats and protocol to disseminate issuance information between **Primary Market** participants. It increases the speed and efficiency of ISIN and common code allocation for selected money market instruments.

Ex-Date

The date on which shares or **Investment Funds** are traded without corporate action entitlement; for example, **Dividend**, purchase right etc.

Execution Agent (EA)

A broker appointed as **Order Receiver (OR)** by an **Order Issuer (OI)** for the execution of **Stock Exchange Orders**.

External counterparty

A **counterparty** settling with an account in a domestic market. See also **Bridge counterparty**, **Internal counterparty**.

External instruction

An **instruction** for receipt or delivery of securities from or to a **domestic counterparty** (or, in the case of physical **Transactions**, any delivery destination outside CBL and Euroclear).

F**Fail/Failed Transaction**

A securities **Transaction** that fails to settle, either at all or on time.

FIA

See **Fund Issuance Account**.

Filter Code

A code that determines whether an **instruction** is eligible for inclusion in the optional **settlement** processing. The Filter Code is applied by a **Standing instruction** on the account, and/or by an **instruction Flag**. If the **customer** does not have a **Standing instruction**, and has not used an **instruction Flag**, the **Default Option** applies, and no Filter Code appears on **customer** reports. See also **Account Options**.

Financing

Cash or securities facility administered or provided by CBL.

Financing Bank

The that provides **Funding** and accepts principal risk in respect of the **Financing of customer Transactions** for **Clearing** and **settlement** in CBL.

Fiscal Agent

A financial institution appointed by the **Issuer** as its **Issuing Agent** for the issue when no trustee has been appointed. Its functions include those of the **Principal Paying Agent** as well as some other administrative functions, but none of the fiduciary responsibilities of a trustee.

Flexible

The criteria used in the **settlement Sequence Options** chosen by the **customer** can be **Strict** or **Flexible**. If the criteria are **Flexible**, the first **Transaction** in the **Transaction Queue** is considered first, but, if it does not settle, then **Transactions** in the same security that are further down the queue will be considered for **settlement**.

Floating Rate Note (FRN)

A bond for which the **Coupon** interest rate is not fixed for the life of the issue. The terms and conditions of the issue can take many different forms. Usually, the **Coupon** is payable semi-annually. The **Coupon** rate on FRNs is generally fixed on predetermined dates in advance of the **Coupon** period in line with changes in market interest rates, often as evidenced by reference to indicators such as LIBOR, LIBID, etc. Mismatch FRNs have a **Coupon** that is re-fixed at more frequent intervals than the **Coupon** interest payment. Capped and mini-max FRNs set maximum, or minimum and maximum, **Coupon** interest rates. Drop-lock FRNs become fixed rate if the method of calculation of the floating rate determines that the **Coupon** interest rate falls below a minimum level. Convertible FRNs carry the option of conversion into fixed rate instruments.

FMA

See **Fund Market Account**.

Foreign Bond

Security issued by a borrower in another country's national market, usually denominated in the lending country's currency, and distributed or underwritten in the lending country through a management group of that country. Examples

Yankee, Samurai, Bulldog and Matador bonds.

Foreign Targeted Bond

A security issued in the domestic market of the **Issuer** (primarily the U.S.A.), usually denominated in the currency of the national market but intended for sale and distribution to investors outside the country of issue.

Free of Payment

A transfer of securities without an associated transfer of funds.

FRN

See **Floating Rate Note**.

Fund Issuance Account (FIA)

The account opened in the CBL system in the name of a **CFF Settlement Agent** and used exclusively for **CFF Services** for credits and debits of **CFF Qualified Investment Fund Shares** and related **settlement Transactions**.

Fund Market Account

A technical intermediary account to facilitate the **settlement** between the **Order Issuer** and the **Order Receiver**. For the avoidance of doubt, its use does not imply that CBL is a party to the trade or the transfer of the **Investment Fund Shares** being settled.

Fund Reference Data

A set of data, either static or dynamic, relating to an **Investment Fund**.

Funding

Funds transferred to CBL by a **Financing** in accordance with the terms of a **Financing** agreement, to cover an overdraft on a CBL **customer's** account.

Fungible

In CBL, a Fungible **Balance** represents a **Nominal Amount** of securities from a pool of interchangeable securities of the same **Security Code**. From 28 January 2002 CBL no longer maintains its services for **Non-Fungible** securities and hence **customers** can only hold Fungible accounts.

G

Global Bond

Instrument distributed in the Euromarket and in one or more domestic markets upon issuance. Global Bonds are normally issued in book-entry form.

Global Certificate, Global Note

A **Certificate** representing the entire issued amount of a security. Global Notes are normally issued in temporary form to be exchanged into physical **Certificates** or permanent or semi-permanent Global Notes according to the terms and conditions of the issue. See also **Classical Global Note** and **New Global Note**.

Global Payment

The consolidated payment effected on behalf of CBL and Euroclear by the **Common Depository** or **Common Service Provider**, as appropriate, to the **Issuer**. This payment represents the net subscription proceeds of a **New Issue**.

Governing Documents

The **General Terms and Conditions**, **Customer Handbook** and **Communications User Manuals**, which may be amended from time to time, and such other documents as CBL may, from time to time, so designate. The Governing Documents describe the overall contractual relations between CBL and its **customers**.

Grey Market (or Pre-Market)

The trading period between the launch and the allotment of an issue, during which trades are arranged on an "if and when issued" basis.

Guaranteed Delivery

In the context of CBL, this refers to the input field called the **Special Instructions Code** on an **instruction**, where the **customer** can indicate Guaranteed Delivery by the code "G" as a condition of the trade with a counterparty. ("N" indicates non-guaranteed, that is, normal delivery.) The field is intended to indicate, for trade **Matching** purposes, that the **Transaction** is a special **Transaction** in accordance with **ISMA** rules and so is subject to different procedures in the event of non-**settlement**.

Guarantor

A that, under the terms of CBL's Securities Lending and Borrowing programme, guarantees to reimburse the lender (in either securities or cash) in the case of default by the borrower.

I

ICMA

International Capital Market Association (created in July 2005 by the merger of the International Securities Market Association (ISMA) and the International Primary Market Association (IPMA)) is an organisation with a broad franchise across the primary and secondary international capital market. This association has the mandate and the means to represent the interests of the investment banking industry in maintaining and developing an efficient and cost effective international market for capital.

Immobilisation

The collective storage of securities in a vault in order to eliminate physical movement of **Certificates** or documents of ownership when transfer of ownership occurs.

Instruction

In CBL, a correctly formatted and authenticated message from a **customer** to execute a **Transaction**. See also **Internal instruction**, **Investment Fund Order**, **External instruction**, **Transaction**.

Instruction flag

Instruction flags can be used on specific **instructions** to override the **customer's account option**. See also **filter code**.

Internal counterparty

A **counterparty** settling with an account in CBL. See also **Bridge counterparty**, **external counterparty**.

Internal instruction

An instruction for a Transaction by book-entry between CBL or LuxCSD accounts.

International Bond

Bond issued by the borrower and distributed simultaneously through an international management group in one or more domestic or international markets. International Bonds include **Foreign Bonds** and **Eurobonds**.

International Central Securities Depository (ICSD)

A central securities **Depository** that provides **Clearance** and **settlement** of **Transactions** in global and **International Securities** and **domestic Securities** traded across borders.

International Security

A security issued and distributed simultaneously through an international management group in one or more domestic or international markets.

Investment Fund

An undertaking for collective investments, in whatever legal form, for example, constituted as unit trust/common fund or as an investment company, that are accepted for order routing through Clearstream Banking.

Investment Fund Order

An order of **Investment Fund Shares** (including but not limited to redemption, subscription, switch and cancellation requests) issued by an **Order Issuer (OI)**.

Investment Fund Register

A register held by the **Investment Fund** or by a **Transfer Agent (TA)** on behalf of an Investment Fund, to record and evidence entitlement in the respective **Investment Fund Shares**.

Investment Fund Share

Any security issued by an **Investment Fund**. The smallest unit of an Investment Fund.

IOA

See **Issue Outstanding Amount**.

IPAR

Income Pre-Advice Report. Provides customers with information about future cash and securities proceeds and capital repayments for all the securities that are held in their accounts.

IPMA

International Primary Markets Association. An organisation founded by Euromarket participants to provide a forum for the discussion of standards for **Primary Market** practices.

ISMA

(see ICMA).

ISIN

International Securities Identification Number. A coding system developed by the ISO with the purpose of creating one unique number on a world-wide basis for identifying securities in accordance with ISO standard 6166. The ISIN for each security consists of a 12-digit alphanumeric code. The prefix is a two-letter country code (or XS in the case of **Euro-instruments**, for which CBL and Euroclear act as numbering agents). The basic number is a nine-digit alphanumeric code, which is the common code of CBL and Euroclear in the case of **Euro-instruments**. The final digit is a numeric check digit computed from the preceding digits.

ISO

International Organisation for Standardisation. The international federation of standardisation bodies for various industries that seeks to set common international standards in a variety of fields.

Issue Outstanding Amount (IOA)

For a debt security, the total remaining indebtedness (other than interest) of the **Issuer** as determined from time to time by the records of the ICSDs. Where relevant, the IOA is the result of the product between the **Nominal Amount** and the **Pool Factor** of the security.

Issuer

A company, or government body, that borrows or raises funds through the sale of securities.

Issuer Agent

A generic term describing an entity that acts on behalf, and upon request, of the Issuer. The term "Agent" includes any Principal Paying Agent, Issuing and Paying Agent, Fiscal Agent, Registrar, or any other agent appointed by the Issuer.

Issuer - ICSDs Agreement

Standard form agreement between the **Issuer** and the ICSDs in relation to the acceptance of securities in **New Global Note** form.

Issuing Agent

Under the terms and conditions of an issue or facility, the agent responsible for arranging the issue of notes or **Certificates**.

L**LBS**

"Primes de fidélité" (PF) Loyalty Bonus Shares

Lead Manager

The financial institution that is primarily responsible for the overall coordination, distribution and documentation of a **Primary Market** (new) issue. The Lead Manager is primarily responsible to the borrower or **Issuer** for selecting the co-managers, determining the terms of the issue, and selecting underwriters and the members of the selling group.

Letter of Request to Clearstream Banking for Reclaim of Withholding Tax

This authorises CBL to reclaim withholding tax from the local tax authorities on the customer's behalf. Market specific versions are available in the relevant Market Taxation Guides.

Link

In the context of CBL, a contractual arrangement between CBL and a **Depository** or clearing agent in a domestic market that enables **customers** of CBL, through their CBL accounts, to execute **Transactions** in **domestic Securities** with **counterparties** in the domestic market.

Lock-Up Period

See **Restricted Period**.

M**Mark-Down (MD)**

A decrease in the **Issue Outstanding Amount (IOA)** of a security.

Mark-Up (MU)

The initial amount and any subsequent increase in the **Issue Outstanding Amount (IOA)** of a security.

Matching, Matching for settlement

The process that compares the mandatory **settlement** and optional trade details given by the two **counterparties** to a trade in their **instructions**. **Presettlement Matching** makes this comparison for information purposes. **Matching for settlement** takes place as part of the **settlement** process on the basis of actual **Transactions** presented for **settlement**.

Medium-Term Note (MTN)

A debt instrument that has a maturity ranging between one and five years, and which is offered under a program agreement through one or more dealers.

Message Type (MT)

Refers to SWIFT Message Types that can be used by **customers** to send **instructions** and messages, and to receive reports. For example, "MT54x" refers to Message Types 540, 541, 542 and 543.

N

New Global Note (NGN)

Form of **Global Certificate** which refers to the records of the ICSDs to determine the Issue Outstanding Amount (IOA).

New Issue

Security offered for the first time.

Next Day Currency, Next Day Funds

In CBL, a currency in which the latest **instruction deadline** is one **Business Day** before the requested **value date**.

Nominal Amount

Face value.

Non-Fungible

Financial instruments (including securities) that have the same **Security Code**, and which are specifically identified by individual and identifiable **Certificate** numbers, and so are not interchangeable. From 28 January 2002 CBL no longer maintains its services for Non-Fungible securities and hence **customers** can only hold **Fungible** accounts.

O

On-delivery / On-sale

A **Transaction** to deliver/sell securities received through a receipt/purchase **Transaction** that provides the necessary **Provision** for the onward sale.

Order Confirmation

The confirmation sent by an **Order Receiver (OR)** that an **Investment Fund Order** from an **Order Issuer (OI)** has been processed.

Order Handling Agent (OHA)

The agent appointed as **Order Receiver (OR)** by the **Investment Fund** or the relevant intermediary accepted by CBL to process **Primary Market Orders**.

Order Issuer (OI)

The legal entity, accepted by CBL as a **Vestima Participant**, that issues **Investment Fund Orders**.

Order Receiver (OR)

The legal entity, accepted by CBL as a **Vestima Participant**, that receives **Investment Fund Orders**. An OR is either an **Order Handling Agent (OHA)**, for **Primary Market Orders**, or an **Execution Agent (EA)**, for **Stock Exchange Orders**.

OTC

Over the counter, that is, (of a **Transaction**) arranged other than in a stock exchange.

P

Paying Agent

The financial institution(s) responsible for the task of making due payments of principal and interest to the holders of an issue of a security against presentation of the security or its **Coupons**. The **Principal Paying Agent** is responsible for collecting the money due from the **Issuer** and for coordinating the distribution of payments, through the sub-Paying Agents, to the holders of the issue, on demand.

Pending

In CBL, Pending **Transactions** are those that have reached the **Processing Date** for **settlement** but which are withheld from the **settlement** processing awaiting confirmation of the occurrence of an event. Examples are **Transactions** in **New Issue** securities where confirmation of actual **Closing** is awaited; and **Transactions** released for purchase of securities in a domestic market where confirmation of **settlement** is awaited from the CBL **Depository** or **Clearing** system in the domestic market.

Physical Delivery

Delivery of definitive or material **Certificates** in a security. More commonly, ownership of securities is transferred by means of **Book-entry Transactions**.

Pledge

To give or deposit as security **Collateral** to cover **Financing** or credit facilities provided by or through CBL.

Pool Factor

Factor to be applied to the **Nominal Amount** of a security, reflecting partial **Redemptions**, to obtain the **Issue Outstanding Amount**.

Pre-advice (MT210 Instruction)

Instruction from a **customer** to inform CBL that funds are to be transferred to a CBL **Cash Correspondent** for a specified **value date**. Customers send Pre-advices to ensure that funds are applied with good value.

Presettlement Matching

See **Matching**.

Primary Market

The market in which securities are first issued, subscribed and distributed.

Primary Market Order

A Vestima order routed to an **Order Handling Agent (OHA)** for execution on the **Investment Fund Register**. A Primary Market Order can be either a subscription, a redemption or a switch, and results in **Investment Fund Shares** being issued and/or redeemed.

Principal Paying Agent

See **Paying Agent**.

Priority Code

Transactions that have a Priority Code are given prior consideration in the allocation of available **Provision** for the **settlement** of **Transactions** over an account. The sequence in which **Transactions** over an account are considered for **settlement** is also affected by the **settlement Sequence Option** selected by the **customer** for the account. A Priority Code can be input by the **customer** when the **instruction** is first submitted to CBL or, subsequently, while the **instruction** is in **Suspense**.

The **customer** cannot input a Priority Code on cash **instructions**. Cash available on the account will always be used first to **Provision** securities purchases before a withdrawal, provided that the security **instruction** fulfils the conditions to settle.

Private Placement

Sale of an entire issue of securities, or of a specific tranche of an issue, to a small group of subscribers without a public offering.

Processing Date

The date on which the **Transaction** is taken from the Suspense file to be considered for **settlement** by CBL. In the case of internal **Transactions**, the Processing Date is the same as the actual **settlement Date** of **Transactions** settled in the **settlement** processing. In the case of external **settlement**, the Processing Date of the **Transaction** normally precedes the **Requested settlement Date**, in order to ensure that timely presentation is made for **settlement** in the domestic market according to the conditions that apply in that market.

Professional Securities Intermediary

Regulated financial institutions, whose license covers the intermediation of securities and custody services, and who conduct the intermediation of such services as part of their regular business activities. This definition generally applies to central banks, central counterparties, central securities depositories, depository banks, custodians and transfer agents.

Promoter

The Promoter of an **Investment Fund**.

Provision

The availability of cash or securities on an account to execute a **Transaction**. Cash Provision is resourced by account **Balances** and **Financing** facilities. Securities Provision is resourced by account **Balances** and securities borrowing facilities. **Collateral Provision** refers to all cash and securities accepted by CBL used to secure risks and contingencies on an account.

Published Fund List

CBL's service providing customers with automated daily reporting on Investment Fund Reference data.

R

Realignment

Generally, the process of bringing the position held at CBL's **Depository** into agreement with the total amount of the instrument recorded in book-entry **Balances** of CBL. Realignment refers in particular to the process of agreement on any net securities **Balances** outstanding between CBL's Depository positions and Euroclear each morning, during the real-time processing, and the subsequent movement of securities to bring the physical positions into alignment with the book-entry **Balances** in each system.

Receipt Against Payment / Receipt Versus Payment

The irrevocable payment of cash upon presentation of securities (the receipt side) to settle a **Transaction**. True Receipt Against Payment involves the simultaneous exchange of securities and cash, as in the case of internal **Transactions** settled in CBL by book-entry.

Receipt Free of Payment

A **Transaction** for the irrevocable receipt of securities into a CBL account without an associated payment of funds from the CBL account.

Receiving Bank

The due to receive the transfer of funds (on a withdrawal of funds **instruction**) or securities (on an **Delivery Free of Payment instruction**) out of the CBL "service network".

Recommended deadline

Recommended **deadlines** are given by CBL where operational constraints mean that CBL or CBL's agent cannot guarantee to process **instructions** received after the Recommended deadline but before the final **deadline**. Therefore any **instruction** received after the Recommended deadline is at the **customer's** own risk.

Record Date

The date, established by an **Issuer** of a security, used by CBL to determine, at the end of that day (that is, after End of day processing) the holders that are entitled to a corporate action.

Redemption

In accordance with the terms and conditions of an issue, partial or full return of the debt **Certificates** of an **Issuer**, for cancellation of the **Certificates** against payment to the holder.

Repo (Repurchase Agreement)

A contract to execute two simultaneous **Transactions** for the against payment sale of securities and their repurchase at a future date. Repo agreements are normally executed (by securities dealers) in lieu of borrowing funds against the delivery of the securities (which form part of the dealer's inventory or trading position and which act as **Collateral** to the lender). The terms of the agreement normally allow the seller to retain the rights of the holder of the security for **Coupon** payments etc. The price at which the securities are repurchased and the period between sale and repurchase reflect money market terms and rates of interest on the loan.

Requested settlement Date

The date given by the **customer** for **settlement** of the **Transaction**.

Restricted Period

The Lock-Up Period. This is the time during which sales restrictions apply to **Euro-instruments** (normally the first 40 days of a euro-issue). It corresponds to the period that the issue is in global form only, before exchange into definitive **Certificates**.

Revaluation

Used in the context of **Collateral** management, the process of recalculating the value of **Collateral** held, and the risks against which **Collateral** is held, on the basis of new information on market prices, exchange rates and eligibility of instruments on an account.

Revolving Underwriting Facility (RUF)

A medium- to long-term finance instrument, underwritten by a group of banks, whereby the borrower can issue and redeem **Euronotes** at his discretion and according to need, within the period of the facility, and so benefit from cheaper short-term **Funding**.

RTS 2017/390

Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services.

RTS 2017/392

Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories.

S

Same-Day Currency

A currency in CBL in which funds are available with **value date** the same as the date of the **instruction**.

Seasoned

In general terms, Seasoned securities are those that are no longer “locked up” (see **Restricted Period**) and that are therefore available for **On-sale** and delivery, including **Physical Delivery**, without restriction.

Secondary Market

The market for tradeable securities that is made by market makers after the completion of **Primary Market (New Issue)** distribution by **Lead Managers** to the initial **Allottees** and until final **Redemption**.

Security Code

Code used to identify a specific security. For example: **common code**, **ISIN**.

Settlement

The completion of a **Transaction**, wherein securities and corresponding funds are delivered and credited to the appropriate accounts.

Settlement Agent

A legal entity whose account is used to settle on behalf of another legal entity.

Settlement Date (Actual)

The date on which ownership of securities traded actually passes from deliverer to receiver. In the case of against payment **Transactions**, this is normally also the **value date** due for payment of the funds **Countervalue**. According to the terms of the trade agreed between the **counterparties**, delivery is to occur at a particular location and over specified accounts. See also **Estimated settlement Date**, **Requested settlement Date**.

For **internal Transactions**, the date that **Transactions** are processed for **settlement** in the CBL **settlement** processing (in which simultaneous book-entry transfer of securities and cash occurs) is the **settlement Date**, except in the case of primary and **Secondary Market Transactions** in **New Issues**, where **settlement Date** corresponds to the **value date** of the backvalued funds, if any, in the distribution processing.

In the case of **external delivery Transactions**, the date of the debit of securities to the **customer's** account in CBL does not necessarily represent the Actual settlement Date of **settlement** in the external clearing system. The Actual settlement Date is determined by the external clearing system upon receipt of the **Transaction** from CBL, and is normally evidenced in CBL by the **value date** applied to the

funds **Countervalue** when credited by CBL. However, if **settlement** occurs before the **Estimated settlement Date**, the **value date** is the **Estimated settlement Date** and not the Actual settlement Date. On external deliveries **Free of Payment, settlement Date** for securities, which is not reported in CBL, is independent of the transfer of the funds **Countervalue**.

On **external receipts against payment, settlement Date** in the external clearing system is evidenced by the **value date** of the funds book-entry in CBL (except when **settlement** occurs before the **Estimated settlement Date**, when the same rule applies as for external deliveries, described above). However, availability of securities for **On-sale** in CBL is determined by the CBL processing into which the confirmation of **settlement** of the **Transaction** is entered for book-entry in CBL.

Furthermore, according to market practice in the domestic market, which is reflected in the conditions of the trade, rights of ownership and entitlement may change on **Trade Date** or on **Record Dates** that precede the **settlement Date**.

Settlement Sequence Option

According to their own business needs, **customers** can select one of four **Settlement Sequence Options** on an account. The Settlement Sequence Option chosen determines the criteria by which **Transactions** for **settlement** over the account are sequenced for use of the available **Provision** unless a **Priority Code** is given. Settlement Sequence Options cannot be changed on a day-to-day basis.

Short Selling

Short Selling is the selling, the transfer or the delivery, whether free or against payment, of an asset that the **customer** does not own in its Clearstream account.

Short-Term Instruments

Notes, bills etc. that have maturities of less than one year.

Special instructions Code

The field of an **instruction** in which **customers** can specify a **Guaranteed Delivery**.

Specialised Depository (SD)

A Specialised Depository is appointed by Clearstream Banking and holds **International Securities** in either physical or book-entry form.

Standing instruction

A Standing instruction is either:

- An **Account Option** specified by the **customer** to ensure that all internal against payment **Transactions**, and Bridge against payment deliveries for **settlement** sequence purposes only, are automatically included in the optional **settlement** processing, unless the Account Option is overridden on specific **instructions** using an **instruction Flag**.

or

- Settlement related data provided by **Order Issuers (OIs)** and **Order Receivers (ORs)** to enable the routing of **Investment Fund Orders** and the optional generation of **settlement instructions**.

Stock Exchange Order

A Vestima buy or sell **Investment Fund Order** routed to an **Executing Agent (EA)** for execution on a stock exchange. A Stock Exchange Order is considered as **Secondary Market** and is not directly reflected in the **Investment Fund Register**.

Stop Order

A stop-transfer or similar order lodged with the relevant **Issuer**, registrar or **Fiscal Agent** or any court or any governing body.

Strict

The criteria used in the **Settlement Sequence Options** chosen by the **customer** can be **Strict** or **Flexible**. If the criteria in the **settlement** sequence are **Strict**, the first **Transaction** in the **Transaction Queue** must settle before other **Transactions** in the same security that are further down the queue are considered for **settlement**. Currently, this applies only to **settlement Date**.

SWIFT

Formal abbreviation of the Society for Worldwide InterFinancial Telecommunications. Also abbreviated as SWIFT.

Syndication Account

An account opened in the name of a **Lead Manager** for the specific purpose of distributing the initial allotments and collecting the subscription proceeds of **New Issues**.

T

TA

See **Transfer Agent**.

TARGET2

TARGET2 uses a direct payment platform, the Single Shared Platform (SSP), without intervention of any local RTGS. TARGET stands for Trans European Automated Real Time Gross Settlement Express Transfer.

Technical Overdraft Facility (TOF)

A short-term contractual credit facility available from CBL for securities **settlement** purposes only.

Trade Date

The date on which a trade is executed or made. For **CFF Services**, this is the effective register date, which records ownership in the relevant **Investment Fund Register**.

Trade Price

The price or rate agreed between **counterparties** to a trade.

Transaction

An **instruction** that has been formatted and authenticated and that has been entered into CBL's processing systems. The Transaction may originate either as a **customer instruction** or as an entry generated by CBL.

Transaction Queue

Transactions over a **customer's** account are ordered in a **Transaction Queue** according to the **Settlement Sequence Option** on the account.

Transfer Agent (TA)

The agent appointed by the **Investment Fund** to process **Investment Fund Orders** and perform ancillary services.

Triparty Agency Services

A family of products in CBL designed to provide an independent and neutral third-party securities **settlement**, administration and monitoring service for securities **Financing Transactions - Repo**, securities lending and other **Transactions** that require a comprehensive **Collateral** administration and custody service.

Triparty Financing Facility

A contractual credit facility that can be used in CBL either for securities **settlement** or for payment of funds.

Triparty Repo Service

A **Repo Transaction** in which all the post-execution events in the life cycle of a **Repo Transaction** are handled by CBL as a third-party agent. CBL provides pre-**settlement** checks for eligibility and sufficiency of the purchased securities, settles the **Transaction** under **Delivery Against Payment** conditions, and both monitors the value of the securities during the term and checks for custody events like **Coupon** payments. At maturity, CBL returns the securities to the cash taker and pays the cash principal plus **Repo** interest to the cash provider.

Triparty Securities Lending Service

A securities lending **Transaction** in which the **Collateral** management functions are handled by CBL as a third-party agent. The lender and borrower agree the terms of the **Transaction** - nominal, term, fee - and CBL provides all the post-trade **settlement** and **Collateral** administration services. These include pre-**settlement** checks for eligibility and sufficiency of the securities **Pledged** as **Collateral** against the borrowed security or securities (a portfolio swap); the generation of the movement **instructions** to as

close as possible to delivery-versus-delivery conditions; and monitoring the value of the borrowed securities against the **Pledged Collateral**. Also called (in the U.S.A.) **triparty bonds borrowed** and (internationally) **portfolio swaps**.

U

Umbrella Credit and Collateral Services (UCCS)

Umbrella Credit Facilities permits the sharing of credit limits and **Collateral** across **customer** accounts.

Unconfirmed Funds

Funds that are anticipated for credit to a **customer**'s account for a current or past **value date** where confirmation of their payment is outstanding. In CBL, **Pre-advices** and **Countervalues** on external sales remain as Unconfirmed Funds until confirmation of their receipt from a CBL **Cash Correspondent**, a third-party clearing system or a **Depository**.

Unconfirmed Funds Facility

The credit facility, provided at CBL's discretion, that allows **customers** to utilise **Unconfirmed Funds** for **Clearing** and **settlement** purposes.

Unpublished Account

A **customer** account excluded from any list published by CBL, usually an additional account opened at the request of **customers** to facilitate their own internal account management.

US Withholding Tax Report

Provides a monthly report of U.S. taxable income events, including withholding tax rates applied per beneficial owner, to enable **customers** to verify and reconcile the applied withholding tax rates on their U.S. source income paid on U.S. securities held with CBL.

V

Value date

The date applied by CBL for the purposes of interest calculation to funds debited from or credited to an account.

VEN

"Valeurs Essentiellement Nominatives" Essentially Registered Securities.

Vestima

CBL's automated order-routing service for the **Investment Funds** industry. It provides a point of access to **Investment Fund** market participants (distributors, custodians, asset managers), simplifying and standardising trading in **Investment Fund Shares** and related **settlement** processing. Provision of Vestima services by CBL is subject to the signature of specific Vestima terms and conditions.

Vestima Participant

An organisation or individual that uses Vestima.

VestimaPRIME

CBL's automated order routing service for customers whose primary portfolio contains complex and alternative **Investment Funds**, with bespoke solutions for order entry, monitoring and reporting.

VON

"Valeurs Occasionnellement Nominatives" Occasionally Registered Securities.

W

Warrant

A security giving the holder the right (or option) to buy ("call") or sell ("put") a specific amount of a security or other financial instrument at a specified price within a stated period.

Web Browser Based Interface

An online platform accessible via the CBL extranet or the public internet; for example, Xact Web Portal, CreationOnline, Vestima.

This page has intentionally been left blank.

Contact:
www.clearstream.com

Published by
Clearstream Banking S.A.

Registered address
Clearstream Banking S.A.
42 Avenue John F. Kennedy
L-1855 Luxembourg

Postal address
Clearstream Banking S.A.
L-2967 Luxembourg

26 September 2019

Document number: 0021
