

Information on the production launch in June 2021 – T2S Release 5.0 and CBF services – Final update

Note: This announcement and the related attachments, originally published on 22 January 2021 [and updated](#) on 19 February 2021, 19 March 2021, [and 7 May 2021 was further updated](#) to [inform about the final scope of the release in June 2021](#).

Clearstream Banking AG, Frankfurt¹ informs customers about the upcoming release in June 2021. Along with the implementation of TARGET2-Securities (T2S) Release 5.0, CBF will introduce functional modifications. According to the [T2S Release Concept](#), the release will be deployed on

the weekend 12 and 13 June 2021

for business day, Monday, 14 June 2021

T2S Release 5.0 – Scope

In mid-February 2021, the scope of the T2S Release 5.0 was adjusted. The revised planning shows that with the release in June 2021, 18 Change Requests (CRs) will be introduced in production. The implementation of the T2S CR “T2S-0722-SYS - Upgrade of non-repudiation for U2A” has been postponed from T2S Release 5.0 to T2S Release 5.2. The approval has already been provided. In addition, the resolution for various T2S Problem Tickets (PBIs) will be delivered.

With this Announcement, CBF provides two lists with the scope elements for T2S Release 5.0. These lists show the descriptions of the approved T2S CRs status mid-February and of PBIs² status end of April 2021 that might have impact on CBF customers acting in ICP and / or DCP mode:

- **Overview CRs**

The report attached shows all approved T2S CRs. Customers acting in DCP mode will find an indication whether a T2S CR requires an update of the XSD files (please refer to column “XSD Change for DCP”). More details on these requirements can be found in the related ECB documentation³. In addition, the XSD files modified for T2S Release 5.0 have been available for download via MyStandards (SWIFT) since the end of January 2021.

- **Problem Tickets**

The updated list (version 3.0) attached shows only T2S Problem Tickets (PBIs) that, based on CBF’s analysis, may have an impact on customers acting in ICP and / or DCP mode. Therefore, nine PBIs are shown. Compared to the version published on [7 May 2021](#),

- [One PBI \(215699\) for the T2S GUI regarding the T2S Cash Forecast has been added to the scope, and](#)
- [One already planned PBI \(213908\) regarding the Following Day Cash Forecast has been rescheduled to T2S Release 5.1.](#)

CBF’s assessment of these Problem Tickets shows that the fixes will not require software changes in CBF. Customers are recommended to validate these scope elements and to check whether operational and / or functional modifications in their procedures are required.

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

² The list of PBIs is based on T2S Reporting provided end of [May 2021](#).

³ Details about the scope elements of [T2S Release 5.0](#) are published on the ECB’s website.

- **Transition plan**

The installation of T2S Release 5.0 into production is planned for the second weekend in June 2021. The deployment will be executed via the "[Release Weekend Schedule](#)". In line with the deployment approach of previous T2S Releases, the schedule of the T2S Operational Day will be modified due to the implementation activities. The deployment will start after the end of day procedure ("T2S End of Day") on Friday, 11 June 2021, has been completed. On 7 May 2021, CBF provided an [indicative timeline](#) for changes in the operational day during the deployment weekend.

The table below provides an overview of the important T2S milestones:

T2S Service Transition Plan - Activity for T2S Release 5.0	Date
End of testing of R5.0 scope elements in Pre-Production (UTEST)	Wednesday, 26 May 2021
Market Infrastructure Board (MIB) approves the R5.0 deployment to Production	Tuesday, 1 June 2021
Deployment of R5.0 to Production environment	Saturday, 12 June 2021

Table 1 – T2S Release 5.0 Implementation timeline

CBF – Enhancements for T2S Release 5.0

CBF aims to compensate the impact on customers acting in ICP mode as much as possible. Functional enhancements provided by T2S will be integrated in CBF's service. CBF will adapt the CASCADE Online functionality (HOST / PC) as well as Xact Web Portal and the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) to the new service offering. If new fields are offered for optional use, they can be implemented according to the customers' demands. CBF recommends verifying the relevance of changes that are marked as mandatory and to implement them in due time.

Based on CBF's implementation approach, the following T2S Change Requests will be made available to customers:

- **T2S-0383-URD "Possibility of submitting already matched cross-CSD settlement instructions"**

In order to meet the objective of a harmonised pan-European settlement, T2S will allow already-matched instructions (ALM) for cross-border transactions as of June 2021. Hence, a CBF customer will be able to send already-matched instructions against a counterparty CSD account providing the counterparty details in Party Level 1. According to the current definition of T2S⁴, the entry of own party data in Party Level 1 information is not mandatory. However, for the processing of ALM instructions for cross-border transactions, the input of counterparty details is mandatory, although no validation takes place. CBF's implementation approach is that instructions without a Party Level 1 detail for the receiver or deliverer are not released for processing on T2S. These instructions will be set to status "CSD Validation Hold (CVAL)". They must be deleted and re-entered by the customer.

For this purpose, CBF customers need to dispose of a Power of Attorney (PoA) for the counterparty's account with the T2S In-CSD involved. In order to ensure that the authorisations of all T2S actors are sufficiently secured, T2S will extend its rights management.

Customers and their counterparties must inform the central depositories (CSD) involved on their intention to send already matched cross-border instructions, so that the CSDs can assign them the related rights with T2S. The CSD can set up the PoA for a T2S Party or for a T2S Securities Account (SAC). Once a related customer order has been received, CBF will set up the privilege for a T2S Party. Hence, the PoA is given for the CBF account master and can be

⁴ A T2S Change Request has been created ("Own party data must be present for already matched cross CSD instructions") and is being assessed. At a later stage, CBF will provide information on the implementation date.

used for the CBF main account ("000") and all related subaccounts. The set up requires two steps. The PoA needs to be established with CBF as well as at the CSD of the counterparty.

CBF will offer this service for customers acting in ICP and / or DCP mode. Therefore, it is necessary to check with the T2S In-CSDs if they will offer this service immediately or only in future. CBF will inform the customers about the necessary documentation to be provided by the customers and their counterparties, so that the PoA can be stored in T2S in due time.

According to CBF's implementation approach, an additional flag for sending already-matched cross-border instructions will be added to the account master data (Kundenstammdaten, KUSTA). Based on this flag, customers have the possibility to create, modify or cancel ALM instructions:

- Free of payment (FoP);
- Versus payment (DvP) against settlement currency EUR⁵;
- Payments free of delivery (PFoD) resulting out of a netting; and

To all [T2S markets](#) supporting this service. If CBF customers would like to receive already matched cross-border instructions from a T2S market, the validation will be done at T2S.

Instructions in ICP mode are requested to be set up with instruction types AA01 or AA02. Once they are received, in the settlement instruction to be sent to T2S (sese.023), CBF fills the field "member ID" (<Mmbld>CBFXXXALRMCBUSER</Mmbld>) with the CBF account master indicating that the privilege has been established. In line with today's procedures, customers acting in DCP mode and receiving a copy of the sese.023 sent by CBF, need to consider that this copy is always provided by T2S, even if the instruction was created in ICP mode via CBF.

Already matched cross-border instructions can be modified or cancelled according to the related T2S rules. For this purpose, the existing online functionality or message types in ICP and / or DCP mode can be used.

Customers acting in ICP mode can transmit a modification (Transaction Processing Command, MT530) or a cancellation (MT54x "CANC") message for already matched cross-border instructions. CBF will reuse the existing procedures for the maintenance of domestic already matched instructions. That is, if a transaction is to be modified / cancelled, the customer is requested to use for:

- A single leg, the CASCADE Auftragsnummer ("RELA");
- Both legs, in the field previous message reference ("PREV"); providing the sender's message reference ("SEME").

CBF will enhance the existing functionality of message type MT530 for settlement instructions with the flag "already matched" by using the "T2S Actor Reference". After implementation on 27 September 2021, the new referencing can also be used to modify cross-border instructions. Further details on the extended functionality of the MT530 and the message layout for a modification request are available in Announcement [D21021](#).

Customers acting in DCP mode can request the modification or cancellation via CBF and / or T2S. In T2S, the transaction can be modified using the "Securities Settlement Conditions Modification Request (sese.030)" or cancelled using the "Securities Transaction Cancellation Request (sese.020)". The following references can be used for instruction maintenance:

- At CBF, via the field previous message reference ("PREV") providing the sender's message reference ("SEME");
- At T2S, if the instruction has been created by the DCP, the T2S Actor Reference;
- At T2S, if the instruction has been created by a third party of the DCP or another T2S-In CSD, the T2S Market Infrastructure Transaction Identification (MITI).

⁵ CBF does not support settlement against Danish Crowns (DKK) with T2S.

In general, if an already matched cross-border instruction was sent by another T2S In-CSD, then the leg to be settled with this T2S In-CSD cannot be modified or cancelled in the CBF instruction management. The modification or cancellation must be instructed via the responsible CSD.

The settlement and status reporting by CBF and T2S is not affected by the modifications related to already matched cross-border instructions. At present, customers continue to receive the reporting for the CBF account related instructions based on the connectivity settings of the related CSD and T2S. Hence, CBF will set up a reporting only for instruction legs to be processed by CBF. For instructions with the already matched flag, CBF will not generate any Allegement Reporting (Settlement Allegement, MT578 or a display in the Statement of Settlement Allegements, MT586). Furthermore, no status reporting for unmatched instructions (Settlement Status and Processing Advice, MT548 "MTCH//NMAT") will be provided.

This procedure will also apply to already matched cross-border instructions sent in DCP mode or by another T2S In-CSD on behalf of a CBF customer. However, currently CBF will set up realignment instructions⁶ for cross-border instructions in CASCADE.

For the settlement of already matched cross-border instructions, the validation rules of T2S and of the CSDs involved are applicable. According to the current settlement procedures, an instruction accepted by CBF can be rejected by T2S, as T2S applies its own rules and those of the involved T2S In-CSD. If, for example, CBF accepts an instruction against payment, T2S can still reject it because of a missing dedicated cash account (DCA) of the counterparty.

T2S can reject an instruction if the security instructed is not eligible at the CSD of the counterparty. In principle, the Intended Settlement Day (ISD) of an already matched cross-border instruction must be equal or later than the issue date of the security. If a security is still not eligible for settlement with CBF, instructions sent in ICP mode will be subject to the "[OTC Reinstruction Procedure](#)". The instruction will be forwarded to T2S once the ISIN has been admitted to settlement with CBF.

According to the settlement terms in T2S, the customer's CSD is responsible for the processing of pending instructions and the related services. For corporate events in particular, this may lead to a different instruction management. If a corporate event leads to a change of the instruction details, for instance a transformation, then CBF can only cancel and re-instruct the instruction to be processed with CBF. The processing of the counterparty instruction belongs to this CSD. Therefore, customers should check the usage of an opt-out flag before sending the instruction. Not all T2S In-CSDs support this flag and the processing can be different in their settlement systems.

This usage of this new service is optional for customers. It has been designed to ease the securities realignment among T2S In-CSDs. In addition, T2S will not charge the matching fee for instructions with the already matched flag.

Customers will have the possibility to activate the new service at any time after the implementation of the release in June 2021. As a first step, customers should send already matched cross-border instructions only for securities with no special settlement rules ("Plain Vanilla"). Due to the additional information needed for the customers and their counterparties, the settlement of Italian or Belgium bonds, Spanish securities or French registered shares has not been defined by T2S yet.

- **T2S-0688-SYS "Enhanced reporting of cancellation reason codes"**

With Release 5.0 in June 2021, T2S will introduce additional cancellation reason codes already available in the ISO 20022 standard allowing for an improved reconciliation of a cancellation and the related transaction. In addition to the already existing reason code "CANT" in use for the operational processing of corporate events (transformations for instance), T2S will support the following values:

⁶ No realignment instructions will be generated for PFoDs.

Reason code	Description	Usage in CBF
BYIY	Cancelled due to Buy In	This value will be added to prepare the Buy In procedure, but it will not be actively used.
CANI	Cancelled by Yourself	The current use remains unchanged.
CANS	Cancelled by System	The current use remains unchanged.
CANT	Cancelled due to Transformation	The current use remains unchanged.
CANZ	Cancelled Split Partial Settlement	This value will be added to CBF's service offering and passed on to customers if transmitted by T2S.
CORP	Cancelled due to Corporate Action	This value will be added to CBF's service offering and passed on to customers if transmitted by T2S.
CSUB	Cancelled by Agent	In future, CBF will use this value if <ul style="list-style-type: none"> a) An instruction created in DCP mode will be rejected during the CASCADE validation and CBF initiates the cancellation at T2S; b) CBF Operations cancels an instruction in the CASCADE instruction management ("Storno"); c) A T2S Out-CSD rejects or cancels an instruction.
CTHP	Cancelled by Third Party	This value will be added to CBF's service offering and passed on to customers if transmitted by T2S.

Reason code	Description	Usage in CBF
CXLR ⁷	End of Life, that is an instruction exceeds the recycling period	This value is not part of the ISO 15022 definitions. It will be mapped by CBF to the value "EXPI" ("Instruction has been expired") and reported as such to customers acting in ICP mode. In future, CBF will use the value "EXPI" if <ul style="list-style-type: none"> a) CBF cannot revalidate instructions for bond stripping (AA14 / AA15) or for the management of warrants (AA17 / AA19); b) CBF sets up a correction / additional booking (AA99) which cannot be processed on the business day and will be cancelled by T2S. c) Settlement instructions created by KADI⁸ were not successfully executed within 40 business days and are cancelled by the CASCADE system; d) An instruction with an ISIN at the end of its TEFRA D period (debit on CBF main account ("000") and credit on TEFRA D subaccount ("671")) is cancelled.
OTHR	Other	This value is not part of the ISO 15022 definitions. It will be mapped by CBF to the value "NARR (Narrative Reason)" and reported as such to customers acting in ICP mode.
SCEX	Securities No Longer Eligible	This value will be added to CBF's service offering and passed on to customers if transmitted by T2S.

Table 2 – Cancellation reason codes

The values mentioned in the table above will be displayed in the status reporting provided to customers.

- Customers acting in DCP mode may be informed by T2S with the following message types:
 - Securities Settlement Transaction Status Advice (sese.024);
 - Intra Position Movement Status Advice (semt.014);
 - Statement of Pending Settlement Instruction (semt.018);
 - Securities Transaction Cancellation Request Status Advice (semt.027); and
 - Statement of Pending Settlement Restriction (semt.034).

⁷ [The code "CXLR" will not be used for the cancellation of pending Vaults instructions \(AA16 / AA18\) as this information is not available via T2S.](#)

⁸ KADI = Kapitaldienste, CBF application for corporate actions.

The usage of the additional values in the different message types requires a modification of the XSD Files.

- Customers acting in ICP mode will be informed by CBF through the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) with message type Settlement Status and Processing Advice (MT548). At present, the values will be provided together with the Reason Code (field "24B") and the qualifier "CAND".

In addition, the new values may be displayed in CASCADE Online functionality (HOST / PC).

- CASCADE HOST: transaction "KVAI" and function "HA" ("Historische Aufträge"). The following draft of the screen will be valid from 14 June 2021:

```

TRAN: KVAI FC: HA SB: #M###I###1234

AUFTRAGSABWICKLUNG          WP-UEBERTRAG / INFORMATION-2          AUFTRAGSSTATUS
AUFTNR:      76543          WKN: I FR0000030827          CBF-SYS-LOESCH-CA          : 7999999999

T2S ACTOR BIC: ABCDEF12XXX          T2S ACTOR REF          : CBFGRDFP00099
MITI REF          : 2021120456789011
REFERENZ-NR          :          AUFTRAGS-REFERENZ: LKMRGRDFP001U2
ALREADY MATCHED          :          PARTIAL SETTL IND: NPAR          BENE-IND:
ISO TRANSACTION CODE: TRAD          REASON CODE          : XXXX
T2S ACCEPTED          : 04.01.2021 15:43:00          T2S MATCHED          : 04.01.2021 15:44:00
SCHLUSSTAG          : 28.12.2020          KURS / WRG          :
EXT SET-DAY          :          PARTIAL BUYIN IND:
UEB-GRUND          :          BUCH-TXT-GELD:
URSPR-NOM          :          CA-OPTION NR          :          CA-OPTION KEY:
BELEGSCHAFTS-SP: N          SP-DATUM          :
KUPONINFO/RECORD-DATE:          RUECKUEBERTRAG          : N          TR:

TEXT:
-- ID-KZ:          -- PW:          ----- B79075SH -- 04/01/21 -- 18:00:00 --

PF2:Druck PF3:Rücksprung PF4:Abbruch PF7:Zurück PF8:Vor

```

- CASCADE-PC: Function “OTC: pending instructions: instruction history”.
The following draft of the screen will be valid from 14 June 2021:

The screenshot shows a software window titled "CASCADE - PC delivery: full display: further data". The window contains a form with the following fields and values:

- instruction no.: 68569
- custody type: collective safe custody
- ref. no.: (empty)
- price: (empty)
- T2S actor BIC: ABCDEF12XXX
- T2S actor reference: AK-690-INCSD-T01
- priority: (empty)
- reason code: CANI (highlighted in red)
- MITI reference: 2102240326728693
- already matched: (empty)
- ext. settlement date: (empty)
- partial settlement indicator: partial settlement
- ISO transaction code: TRAD Trade
- T2S-acceptance: 24-02-2021 05:41:54 pm
- T2S-matched: (empty)
- instruction ref.: AK-690-INCSD-T01
- partial rights: (empty)
- coupon information/record date: (empty)
- transfer reason: (empty)
- rights sec. code: ISIN
- ex date/start: (empty)
- corp. act. date: (empty)
- blocked for staff: (checkbox unchecked)
- return transfer: (checkbox unchecked)
- blocking date: (empty)
- text: 70ESPRODELITEXT TC1

An "cancel" button is located at the bottom center of the form.

CBF recommends customers to consider the new values in their internal processes and to validate necessary operational and / or functional modifications for the implementation on 14 June 2021.

- **T2S-0690-SYS “Unprune fields in settlement allegements”**

With the implementation in June 2021, T2S will provide additional information in the allegement messages. This information is already part of the Settlement Instruction (sese.023) sent by customers or the CSD to T2S, but currently they are not taken into consideration by T2S when setting up the allegements.

Already today, CBF customers acting in ICP mode receive in CBF’s allegement reporting (Settlement Allegement, MT578) instruction details for intra-CSD instructions, hence, for instructions to be settled between CBF customers.

With the upcoming release, additional instruction details for domestic and cross-border instructions can be provided through the automated connectivity channels (SWIFT, MQ or File Transfer (FT)), if previously sent by T2S.

In future, in cross-border instructions the “Place of Clearing” - if provided by the counterparty - will be displayed in CBF’s allegement reporting:

- Settlement Allegement (MT578)

Based on the current layout for domestic instructions, the message structure will be used for cross-border instructions.

In the following, the layout and a sample of MT578 with the Place of Clearing (:94H::CLEA//) mentioning the BIC of the clearing house is shown:

**Sample – Extract of MT578
Optional Subsequence C2 Transaction Details**

```
:16R: TRADDET
:94H::CLEA//EUXCDEFFXXX
:98A::SETT//20210107
:98A::TRAD//20210107
:35B: ISIN DE0005085708
CINEMAXX AG O.N.
:22H::PAYM//APMT
:22H::REDE//DELI
:16S: TRADDET
```

- Statement of Settlement Allegement (MT586)

The structural modification of this message type is relevant for domestic and cross-border instructions.

In the following, the layout and a sample of MT586 with the details provided in “Optional Repetitive Sequence B – Allegement Details” related to the Place of Clearing (:94H::CLEA//) mentioning the BIC of the clearing house is shown:

Tag	Status	Field Name	Format
25D	0	Status Code	ALLE/[8c]/4!c
94H	0	Place of Clearing	CLEA//4!a2!a2!c[3!c]
94B	0	Place of Trade	TRAD//EXCH/4!c
98A	M	Settlement Date	SETT//8!n
98A	M	Trade Date	TRAD//8!n
90B	0	Deal Price	DEAL//ACTU/3!a15d
35B	M	Identification of the Financial Instrument	[ISIN1!e12!c] [4*35x]
22H	M	Payment Indicator	PAYM//4!c
22H	M	Receive / Deliver Indicator	REDE//4!c
22F	0	Trade Transaction Condition Indicator	TTCO//4!c

Sample: MT586 – Removal

```
:25D::ALLE//REMO
:94H::CLEA//EUXCDEFFXXX
:94B::TRAD//EXCH/XFRA
:98A::SETT//20210107
:98A::TRAD//20210107
:35B: ISIN DE0005085708
CINEMAXX AG O.N.
:22H::REDE//RECE
:22H::PAYM//APMT
:22F::TTCO//CCPN
```

Customers acting in DCP mode may receive additional information in the T2S message types Securities Settlement Transaction Allegement Notification (sese.028) and Statement of Settlement Allegements (semt.019):

- Place of Clearing – BIC of the clearing house;
- Settlement Parties: Party 1 - Declaration Details – Delivering and Receiving Party;
- Settlement Parties: Party 2 - Declaration Details – Delivering and Receiving Party;
- Settlement Parties: Party 3 - Declaration Details – Delivering and Receiving Party.

The usage of the additional values in the different T2S message types requires a modification of the “XSD Files”.

CBF recommends customers to consider the additional values in the allegements for cross-border instructions and to validate necessary operational and / or functional modifications in terms of processes for the implementation on 14 June 2021.

- **T2S-0691-URD “Recycling period of 60 business days for matched instructions”**

With T2S Release 4.2 in November 2020, a 60 days-recycling period for pending matched instructions has been introduced. Details have been published in CBF Announcement “T2S: Introduction of a recycling period for matched trades” ([D20010](#)). With the release in June 2021, CBF will update the current settlement periods displayed in the CASCADE Online functionality (HOST / PC):

- CASCADE HOST: Online transaction “KVAV” and function “IS” (“System-Information”). The following draft of the screen will be valid from 14 June 2021:

```
TRAN: KVAV FC: IS SB:

AUFTRAGSABWICKLUNG          SYSTEM-INFORMATIONEN          VEROEFFENTLICHUNGEN

1. Aufträge verbleiben 2 Bankarbeitstage im Erfassungsstatus, bevor sie
   gelöscht werden.
2. Aufträge werden in der Regel nicht automatisch gelöscht. Ausnahmen sind:
   A: Nicht gematchte Aufträge werden höchstens 20 Bankarbeitstage vorgetragen
      und dann auf T2S gelöscht. Eine Warnung erfolgt nach 15 Bankarbeitstagen.
   B: Gematchte Instruktionen werden nach einer 60-tägigen Recycling-Frist am
      Ende des Abwicklungstages (gegen 18:00 Uhr) von T2S gelöscht.
      Die Recycling-Frist beginnt am Tag des Matching, am Intended Settlement
      Date (ISD) oder am Tag der letzten Statusänderung (Freigabe / Sperre /
      Teilabwicklung), je nachdem, welches Ereignis zuletzt erfolgt ist.
   C: Auftragsarten aus der Tresorverwaltung, die zu keiner Abwicklung auf T2S
      führen, werden höchstens 90 Bankarbeitstage vorgetragen und danach von
      CASCADE gelöscht. Eine Warnung erfolgt nach 65 Bankarbeitstagen.

Online-Eingabe zwischen 03:00 Uhr und 05:00 Uhr nicht möglich. CBF behält sich
vor, das System auch zu anderen Zeitpunkten für Online-Eingaben zu schliessen.

-- ID-KZ: 7907260001 -- PW:          ----- B790758R -- 08/01/21 -- 08:00:00 --

PF3:Rücksprung  PF4:Abbruch  PF8:Vor
```

- CASCADE-PC: Function “bank info: system information”.
The following draft of the screen will be valid from 14 June 2021:

publications

Bank working days for instruction in status creation before system-wise deleted by CASCADE:

Maximum no. of bank working days by which unmatched instructions are being recycled before system-wise deleted by T2S:

Maximum no. of bank working days by which matched instructions are being recycled before system-wise deleted by T2S:

The recycling period begins on the day of matching, on the Intended Settlement Date (ISD) or on the day of the last status change (release / hold / partial settlement), depending on which event occurred last.

Maximum no. of bank working days by which instructions in different instruction types are being recycled before system-wise deleted:

1. Warning will take place after: 2. Warning will take place after: bank working days

An online input is not possible: -

deadline

	CBF			T2S	
NTS (Night Time Processing):	<input style="width: 50px;" type="text"/>			<input style="width: 50px;" type="text" value="08:00 pm"/>	(start)
RTS FOP (free of payment):	<input style="width: 50px;" type="text"/>			<input style="width: 50px;" type="text" value="06:00 pm"/>	(end)
RTS DvP in Euro:	<input style="width: 50px;" type="text"/>			<input style="width: 50px;" type="text" value="04:00 pm"/>	(end)
RTS BATM (Bilaterally Agreed Treasury Management):	<input style="width: 50px;" type="text"/>			<input style="width: 50px;" type="text" value="05:40 pm"/>	(end)
RTS DvP in foreign currency: (the reservation -CDLR- in T2S is binding)	<input style="width: 50px;" type="text" value="05:30 pm"/>			<input style="width: 50px;" type="text"/>	(end)
FoP (free of payment) for non-T2S instructions:	<input style="width: 50px;" type="text" value="06:00 pm"/>	(end)		<input style="width: 50px;" type="text"/>	(end)

note

It is recommended transferring instructions, relevant for T2S, to CBF 0 minutes before the start and end times for receipt.
The time needed for processing and transfer might cause delays while handing over the instructions to T2S.
However, there is no settlement guaranteed on the T2S system at all.

- **T2S-0692-SYS “Send status update message upon transition to ‘Failing’”**

Since the implementation of the T2S Release 3.2 in November 2019, pending instructions which can no longer be settled on the Intended Settlement Date (ISD), are displayed with the settlement status “Failing” and the status code “PENF” in the status reporting.

The settlement status “Failing” is valid for instructions that are eligible for a settlement with T2S and additionally for stock exchange transactions (non-CCP instructions) in non-collective safe custody (NCSC) or third-party custody (“Streifbandverwahrung”) securities. Besides the status code “Failing”, the reason code will be provided. After the relevant T2S cut-off time for a dedicated settlement procedure, a status reporting indicating the failed instruction will be transmitted. More details on the settlement reporting have been published in Announcement “Information on the production launch for the T2S Release 3.2” ([D19036](#)).

Currently, T2S detects the status “Failing” and provides it in the status reporting exclusively at the end of the day. For the introduction of the Central Securities Depositories Regulation (CSDR) in February 2022, T2S adapts the point in time for the detection and the transmission of the reporting.

After the implementation of T2S Release 5.0 in June 2021, the status failing will be detected at the following T2S cut off times and the related reporting will be transmitted immediately afterwards:

Settlement instruction types	T2S Cut-off time
Delivery versus Payment (DvP)	16:00
Receipt versus Payment (RvP)	
Delivery with Payment (DwP)	
Receipt with Payment (RwP)	
DvP / RvP instruction with the BATM flag (usage of label "ADEA" (Accept After Regular Settlement Deadline))	17:40
Delivery free of Payment (DFoP)	18:00
Receipt free of Payment (RFoP)	

Table 3 – Settlement instruction types and T2S cut-off times

CBF's implementation approach does not plan any modification of the settlement reporting or message types. After the implementation of the T2S software, customers acting in ICP mode and having subscribed to the "OTC Statement of Pending Transactions (MT537) or Life Cycle Products: STAREP Processing Information (MT548)", will receive the reporting with the status failing in real time via MT548 or at the transmission times via MT537. If a customer acting in DCP mode sends an instruction (Settlement Transaction Instruction, sese.023) with the "YCON" flag to T2S, CBF will transmit the ICP reporting, if the related message configuration has been set up at CBF.

- **T2S-0710-URD "Daily maintenance window only for urgent changes"**

The current T2S settlement day ("Daily Schedule") includes a maintenance window between 03:00 and 05:00. T2S indicates the beginning and the end of the maintenance window with the transmission of a camt.019 (Return Business Day Information) via the automated connectivity channel.

After the implementation of the T2S Release 5.0 the maintenance window will be executed:

- On business days only on demand between 03:00 and 05:00 and announced minimum one business day in advance; and
- On every Saturday from 02:30 to Monday at 02:30.

In future, as well as providing the beginning and end of the maintenance window, the "camt.019" message will also provide information that no maintenance window is planned to be executed. In relation to the maintenance window, the following codes will be used:

Code	Description
NOMW	No Maintenance Window
MTNW	Maintenance Window
RTMS	With the start of the Real-Time Settlement for daytime processing, the maintenance window will finish.

Table 4 – T2S Maintenance Window – Codes

The daily maintenance window in CBF from 03:00 to 05:00 is unaffected by the modification in T2S. The current message flow between CBF and T2S remains unchanged. Messages received during the maintenance window ("CBF Inbound") are stored in the backend system and will be sent to T2S respectively processed in the CBF applications in due time.

With the release in June 2021, CBF will show in the CASCADE Online functionality (HOST / PC) the new code which defines that T2S will not execute a maintenance window. The value "NOMW" will be displayed exclusively during the CBF maintenance window if no maintenance window is scheduled by T2S.

[Apart from the functional enhancement, customers need to consider the changes in the daily schedule of the T2S Operational Day due to the deployment activities for T2S Release 5.0. Based on the T2S Playbook provided beginning of June 2021, T2S will close the maintenance window on Sunday, 13 June 2021, at around 21:00 and will subsequently start the real-time settlement \(RTS\) cycle. Further information about the deployment weekend has been provided by CBF in an \[indicative timeline\]\(#\).](#)

- CASCADE HOST: Online transaction "KVAV" and function "ID" ("Aktuelle Dispositions- und Buchungsinformationen"). The following draft of the screen will be valid from 14 June 2021:

```
TRAN: KVAV FC: ID SB:
AUFTRAGSABWICKLUNG   AKTUELLE DISPOSITIONS-/BUCHUNGSINFOR.  VEROEFFENTLICHUNGEN

Aktueller Business Day auf T2S      : 11.01.2021
Aktueller Status der T2S Abwicklung: NOMW - NO MAINTENANCE WINDOW

Nächster Business Day auf T2S      : 12.01.2021

-- ID-KZ: 7907000000 -- PW:          ----- B79075BY -- 11/01/21 -- 23:45:00 --
PF3:Rücksprung  PF4:Abbruch
```

- CASCADE-PC: Function “bank info: processing/accounting information”.
The following draft of the screen will be valid from 14 June 2021:

CASCADE-PC Update

For the introduction of the CBF Release in June 2021, rollout activities for the CASCADE-PC version 10.0 need to be taken into account. A mandatory software update has been scheduled, that is, all earlier versions of CASCADE-PC cannot be used after the successful deployment of the CBF Release in June 2021. Starting from 14 June 2021, customers who log on with CASCADE-PC version 9.9 will receive the following error message:

- E00060: your currently installed program version is 9.9, but you need version: 10.0. Terminate this application.

According to the “CBF Customer Readiness Plan”, the CASCADE-PC version [has been](#) available for download from the Clearstream website [since](#) 31 May 2021.

The new CASCADE-PC version will include updates for the following functional enhancements:

- T2S-0688-SYS “Enhanced reporting of cancellation reason codes”;
- T2S-0691-URD “Recycling period of 60 business days for matched instructions”;
- T2S-0710-URD “Daily maintenance window only for urgent changes”;
- For CBF Cash Service; and
- For corporate events (KADI).

A draft of the future layout of the updated screens is displayed in the related sections.

Modifications of the CBF Cash Service

With the T2S Release 5.0 in June 2021, T2S introduces different modifications to the liquidity management services. The following change requests were given priority and their implementation on 14 June 2021 was authorised.

- T2S-0556-SYS “Modification of Cash Forecast for current and following business day after DVP cut-off”

Pending delivery versus payment instructions (DvP), liquidity transfers and intraday credits out of the T2S Auto-Collateralisation, which cannot be settled anymore during the current business day, are currently not included in the Cash Forecast set up after 16:00 (deadline for the settlement of deliveries versus payment, DvP cut-off time).

In future, after the DvP cut-off time, all pending DvP instructions not settled during the current business day will be taken into account in the Cash Forecast for the next business day.

- T2S-0629-SYS “Enhance Cash Forecast Query and Report to display corporate actions related cash movements separately”

In future, the T2S Cash Forecast will show a separate amount for instructions flagged with the ISO Transaction Code “CORP”. This enhancement is a service for the main paying agents in order to allocate the necessary liquidity in due time, as, according to the standards of the Corporate Actions Joint Working Group (CAJWG), income and redemption payments are to be paid by 12:00.

- T2S-0630-SYS “Cash Forecast: Skip cash closing days and introduce breakdown per Hold / Released status”

Today, pending DvP instructions set on “hold” are not part of the T2S Cash Forecast calculation. Furthermore, days closed for settlement in the TARGET2 calendar are not taken into consideration for the calculation of the T2S Cash Forecast.

In future, the T2S Cash Forecast will show separate amounts for credits and debits out of released instructions and those on hold separately. This enhancement will be applied to the enhancement of the T2S Cash Forecast for instructions with the transaction code “CORP” as well. These sums will also be shown in separate amounts.

In addition, days closed for settlement in the T2S calendar will be taken into account in future, so that the additional calculation, for example, for the 1 May banking holiday – if not a Saturday or Sunday – is no longer necessary.

- T2S-0709-URD “Make the mandatory automated cash sweep at 17:45 optional”

The [T2-T2S Consolidation Project](#) replaces the current TARGET2 system with a new RTGS system. In this context, some change requests for the T2S platform were defined which will be implemented step by step to prepare for the implementation of the new platform in November 2022.

The new RTGS system will no longer not required to re-transfer the entire liquidity from the T2S Dedicated Cash Account (DCA) to the Payment Account (RTGS account with the central bank) at the end of day (“Mandatory Cash Sweep”). Therefore, no daily liquidity transfer on the DCA will be necessary neither.

In preparation of the activation of the change request with the T2S Release 6.2 in November 2022, CBF recommends customers to check with their responsible central bank (NCB), if the cash sweep is still necessary and if the current standing instructions need to be modified or cancelled.

The modifications resulting out of the above described change requests affect the CBF Cash Forecast service. Currently, the result of the “Next Day Cash Forecast” calculation is based on the following data:

- Sum of the T2S Cash Forecast plus
- Sum of KADI payments for German Federal Bonds plus
- Sum of the CCP Cash Forecast issued by Eurex Clearing AG.

The calculated amount is the basis for the liquidity transfer from the Payment Account to the DCA.

Today's CBF Cash Forecast Service needs to consider the multiple enhancements initiated by different parties. Since the implementation of the CBF release in June 2020, all corporate event and income payments for securities with CBF as issuer CSD are processed via PFoD instructions. In addition, Eurex Clearing AG (ECAG) will modify their clearing with the C7 SCS project, so that medium-term CCP instructions will be taken into account in the T2S Cash Forecast. When the T2-T2S Consolidation Project is finalised in November 2022, CBF will not be able to offer liquidity transfers to T2S DCAs and customers will then be able to opt out of the mandatory cash sweep.

Based on the functional modifications planned in the interface agreements with CBF, CBF will stop offering the CBF Cash Forecast Service on 14 June 2021. The related CASCADE Online functionality (HOST / PC) will be decommissioned. The transactions

- "Cash Forecast – Übersicht „KUCF“;
- Liquiditätsmanagement – Erfassung „KNEE“;
- Liquiditätsmanagement – Änderung „KNEA“

Will be deactivated. In line with the process in CASCADE, the removal is also carried out in Xact Web Portal, with the result that the "Cash Forecast" icon is removed from the screen and the movement for liquidity transfers can no longer be retrieved.

The underlying functions will not be available anymore. Until the implementation of the release in November 2021, details of historical cash movements can be retrieved with the transaction "Disposition und Abrechnung" ("KNGI" and related function "IG").

Customers can create dedicated queries on pending instructions via the Xact Web Portal using the "Security Instructions" icon. The result of the query can be exported to Excel to calculate sums and to further analyse the data. With this functionality, customers can determine at account level which instructions are ready for settlement for the following business day and thus get an overview of the expected liquidity requirement. Compared to the T2S Cash Forecast, only instructions provided for settlement related to CBF can be included in a query via Xact Web Portal.

The query in the Xact Web Portal takes into account the processing times applicable in the respective market. According to the T2S Operational Day, the DvP cut-off time is 16:00. Afterwards, CBF will receive an updated status reporting on the pending instructions. In principle, the query for the following business day should only be started after 16:15. Customers using the extended DvP cut-off time for the "Bilaterally Agreed Treasury Management (BATM)" should start the query after 18:00.

Each user can define and store a personal query. It can be executed on demand.

▼ **Predefined**

Query name Save query

▶ **References**

▼ **Quick Query**

Instruction type =

Safekeeping account =

Securities movement =

Settlement quantity =

Financial instrument =

Description =

Safekeeping place =

Payment =

Credit debit indicator =

Settlement currency =

Settlement amount =

Cash account =

▼ **Settlement status**

Across all statuses
 Per status

Status date * 📅

Status value * =

Reason =

▼ **Dates**

Requested settlement = 📅

Expected settlement = 📅

Effective settlement = 📅

Trade = 📅

Requested value = 📅

Expected value = 📅

Effective value = 📅

▼ **Settlement parameters & trade details**

Already matched

Hold reason =

Priority =

Sec. transaction type =

Sett. transaction cond. =

Partial settlement =

Automatic borrowing =

Securities RTGS =

Modif./Cancel. allowed =

Sec. sub balance type =

Balance from =

Balance to =

Place of trade MIC =

Trade transaction cond. =

Section	Field	Operator	Entry	Note
Predefined	Query Name	=	Customised entry	The definition is available to the query creator. This field offers the possibility to apply a customised name to the query. If stored, the query can be executed on demand.
Quick Query	Instruction Type	=	Instruction	This value enables the selection of settlement instructions.
	Safekeeping Account	=	CBF account number (7-digits)	According to the access concept, all accounts of an organisational unit (OU) can be selected ⁹ for which the system administrator granted rights to the user.
	Payment	=	APMT – Against payment settlement	DvP, RvP, DwP, RvP and PFoD instructions will be selected.
	Credit debit indicator	=	CRDT – Credit DBIT – Debit	During export, the sign of the settlement amount is displayed in a separate column. If sums are to be calculated, it is recommended to define a separate query for buy and sell transactions.
	Settlement Currency	=	EUR	On T2S, CBF uses the settlement in Euro.
Settlement Status	Usage of default			
Dates	Expected value	<=	Date	For the liquidity requirement of the following business day, the correct entry is D+1. If the query is saved with a query name, then the date is carried forward by the system to the next business day when the query is chosen.
Settlement Parameters	Hold Reason	≠	PTYH – Party hold	Using this operator, blocked instructions can be excluded.

Table 5 – Xact Web Portal Query: Liquidity requirement

In addition, ECAG offers a Cash Forecast reporting for the upcoming night-time processing (NTP). CCP members can retrieve the following reports¹⁰ in print form on their demand:

- RPTCD270 for Clearing Member;
- RPTCD271 for Settlement Institution.

⁹ As a general rule, the Cash Forecast for settlement on T2S is based on the underlying Dedicated Cash Account (DCA). The selection should therefore take into account that the query includes all CBF accounts that are assigned to a DCA. The fields "Account Entity" and "Account Id" are available for the selection. In the field "Entity" you can select the value "CBF". Alternatively or additionally, a CBF account master with a "Wild Card Option" (xxxx%) can be entered in the "Account ID" field. After entering these selection criteria, the next step opens a window to select the desired accounts. Mixing accounts from different entities (CBF, CBL, LuxCSD) is not possible in this query.

¹⁰ For questions regarding the ECAG reporting please contact: ccp@eurex.com

These reports will be made available at around 17:00 each day. They show separate sums for released trades ("expected settlement") and blocked trades ("remaining settlement"). With the implementation of the new Clearing System, Trade Date Netting is applied. Hence, the content of the ECAG Cash Forecast report will be adjusted. From 27 September 2021, trades concluded at Frankfurter Wertpapierbörse (FWB) or Eurex and cleared with the C7 CSC functionality will no longer be included in the above-mentioned reports. This data will become part of the T2S Cash Forecast instead. In future, ECAG will send settlement instructions to CBF for further processing on T2S after the end of the business day of the connected trading platform. Principally, the trade is concluded according to the logic "Trade Date +2", so that the instructions can be taken into account in the T2S reporting of the following business day. Along with the deactivation of the CBF Cash Forecast Service, the automated cash transfer for the next business day will no longer be offered. Nevertheless, CBF will continue to show the custody payments for German Federal Bonds under CASCADE Online functionality (HOST):"KVGI" // PC "custody: display:*"). Furthermore, CBF transmits future payments for corporate events by Corporate Action Notifications (MT564 "REPE") via the automated connectivity channels (SWIFT, MQ or File Transfer (FT)).

Customers using the CBF liquidity management are requested to contact their central bank (NCB) in order to possibly subscribe to the T2S Cash Forecast through the automated connectivity channels or to retrieve it in the T2S / T2 graphical interface. At the same time, CBF recommends that customers cancel the PoA deposited with their central bank allowing the transmission of the T2S Cash Forecast to CBF. The PoA and the standing instruction for the liquidity transfer with CBF can be cancelled anytime until 10 June 2021. Once the PoA has been cancelled, CBF will not receive any T2S Cash Forecast details for the related DCA anymore. Hence, CBF asks customers to inform their relationship manager about the planned cancellation of the PoA and, if a standing instruction has been recorded in CBF, to cancel it in due time using the CASCADE Online functionality.

A transition concept has been developed in close cooperation with the Deutsche Bundesbank. For customers who wish to use the CBF Cash Service until the implementation weekend in June 2021, the Deutsche Bundesbank will remove the transmission of the T2S Cash Forecast to CBF in due time. On 9 February 2021, further information has been announced in the Deutsche Bundesbank circular "TARGET2 / T2S - ergänzende Information zur Änderung der CBF Services / additional information on the change to CBF Services". In addition, CBF will delete existing standing instructions in CASCADE during the preparation of the implementation weekend on Friday, 11 June 2021.

Enhancements in the scope of services for corporate actions (KADI)

With the release in June 2021, CBF will update the custody service provided by the KADI application.

- Change of option CAOP in tender and repurchase offer notifications

CBF will enhance the notification of tender and repurchase offers in the automated connectivity channels (SWIFT or MQ) according to the Securities Market Practice Group (SMPG) standards.

Tender and repurchase offers processed in KADI using "Terminart" "280" show in the Corporate Action Notification (MT564) in field :22F::CAEV (CA Event Indicator) the values "TEND" and "BIDS". As of today, customers receive in tender and repurchase offer notifications in field "Indicator" with the qualifier "Corporate Action Option Code Indicator" (:22F::CAOP) the value "CASH", even if the interims security is credited as a first step. In future, the message flow will consider the correct sequence of the processing steps. Hence, for the voluntary "TEND" and "BIDS" offers, the Corporate Action Notification will show the value "SECU".

Extract of the MT564:

Current information	Future information
:16R: CAOPTN	:16R: CAOPTN
:13A::CAON//001	:13A::CAON//001
:22F::CAOP//CASH	:22F::CAOP// SECU
:17B::DFLT//N	:17B::DFLT//N

Table 6 – Modification of the MT564 – due to “COAP”

Customers need to consider that, if there is an acceptance of the offer, then the instruction provided via an automated connectivity channel (Corporate Action Notification, MT565) must show the following values:

- :13A::CAON//001
- :22F::CAOP//SECU

Based on this message, a related position in the interims security will be credited, which then will be paid out in cash.

On Monday, 14 June 2021, after the deployment of the release, a Replacement Notification (MT564 “REPL”) will be sent, for all pending tender and repurchase offers using “Terminart” “280”. At present, MT564 “REPL” will be sent via the automated connectivity channels (SWIFT, MQ or File Transfer (FT)), but it will contain the value “SECU”. After the MT564 “REPL” has been transmitted, instructions (MT565) related to tender and repurchase offers can only be given with the value “SECU”.

- Implementation of the “Official Corporate Action Event Reference” (COAF)

Furthermore, for the current “Corporate Action Reference (CORP)”, with the release in June 2021, CBF will add the “Official Corporate Action Event Reference (COAF)” as provided by the Wertpapier-Mitteilungen (WM) in the reporting of corporate events.

Customers acting in ICP mode can use the additional reference via the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) in the message types for corporate events (Corporate Action Notification (MT564), Corporate Action Instruction (MT565), Corporate Action Confirmation (MT566), Corporate Action Status and Processing Advice (M567) and Corporate Action Narrative (MT568)).

Additionally, the “COAF” can then be used in instructions MT565, MT567 and MT568 for a linkage to a specific event.

According to the SWIFT standard, the optional field “COAF” will be reported in message types MT564, MT565, MT566, MT567 and MT568 in the “Mandatory Sequence A - General Information”.

The following table shows the structure valid from 14 June 2021:

Field	Status	Field Name	Format
16R	M	Start of Block	GENL
20C	M	CA Reference	:CORP//16x
20C	M	Sender’s Reference	:SEME//16x
20C	0	Official Corporate Action Event Reference	:COAF//16x
23G	M	Function of the Message	4!c
22F	M	CA Event Indicator	:CAEV//4!c
22F	M	Mandatory/Voluntary Indicator	:CAMV//4!c
98C	0	Preparation Date	:PREP//8!n6!n
25D	M	Processing Status	:PROC//4!c

Table 7 – Field definition “COAF”

Sample – Extract MT564
Mandatory Sequence A General Information

```
:16R:GENL  
:20C::CORP//1202020075906600  
:20C::SEME//K023061520DC8CD2  
:20C::COAF//DE0200759066E001  
:23G::NEWM  
:22F::CAEV//DVCA  
:22F::CAMV//MAND  
:98C::PREP//20210104061520  
:25D::PROC//COMP  
:16S:GENL
```

With the implementation of the release on 14 June 2021, the “COAF” will be introduced in MT565 messages and the usage of the reference is optional. This is based on the definition of the Securities Market Practice Group (SMPG). It was agreed, that the “COAF” needs to be mentioned in every corporate action instruction. At the same time, it was defined that “CORP” is not mandatory, if “COAF” is part of the instruction. In this case, the value “NONREF” is accepted in the qualifier “CORP”.

Against this background, CBF will offer customers the possibility to transmit the value “NONREF” in field “CA Reference (:20C::CORP)”, if “COAF” is mentioned in the instruction. In addition, the “COAF” transmitted by the customer with the MT565 will be shown in the MT567 in future.

With the implementation of the “COAF”, CBF can identify the related corporate event with this reference. If KADI cannot identify any corporate event based on the reference mentioned by the customer in the MT565, the instruction will be rejected. The rejection is reported using MT567 with the following details:

- Status: IPRC//REJT
- Reason Code: REJT//EVNM

After the deployment of the release, CBF will generally provide the “COAF” in all corporate action messages. During the first day after the release, Monday, 14 June 2021, “MT564 REPL” will be transmitted via the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) to indicate the “COAF” for corporate actions that have already been announced.

Once the “MT564 REPL” has been provided, the “COAF” can be included to accept a voluntary offer (MT565). In order to avoid rejections due to a missing “COAF”, CBF advises customers to use “CORP” and “COAF”.

- Transformations in cash: Usage of hold / release status and modification flag

With the CBF Release in June 2020, CBF introduced the “Future German Model on Corporate Action Cash Payments in T2S”. The implementation focused on requirements of the Corporate Actions Sub-group (CASG) regarding the usage of PFOs (Payment Free of Delivery) at T2S for payments of German issued securities.

With the implementation of the release in June 2021, CBF will consider the hold / release status and modification flag while creating an instruction for a transformation in cash and thus implement another requirement of the CASG standard.

Transformations in cash can be set up for pending transactions of the following instruction types¹¹:

¹¹ In the Announcement published in January 2021, LION instructions (non-cleared exchange transactions, AA10) were included in the scope for the release. This enhancement will not be implemented, as stock exchange trades will be included in the standard OTC processing with the implementation of the project “Stock Exchange Transactions Go OTC (SET-GO)”.

- OTC instructions (Domestic and cross-border, AA01 / AA02);
- CASCADE RS Account Transfers;
- Cancellations / additional bookings (“Storno / Nachbuchung” (AA99)).

For the event types (“Terminarten”) in the following table:

Event type	Description: Reorganisation in cash	SWIFT event code
120	Dividend Option	DVOP
122	Automatic warrant exercise	EXWA
123	Squeeze Out	TEND
124	Cash compensation for / repurchase of shares	EXOF
130	Final redemption	REDM
131	Redemption of bonus shares	REDM
133	Liquidation	REDM
134	Cash compensation for a redemption in shares	REDM
140	Partial redemption (without reduction in nominal value)	REDM
222	Booking out of valueless securities (no transformation of the redemption price)	REDM

Table 8 – Transformations in Cash: Event Types

In the Settlement Instructions (sese.023) created by KADI for T2S, the flags for “Hold, Release and Modification” will be applied as follows:

Name	Structure	CBF application by KADI
Hold Indicator	<HldInd><Ind>true/false	The hold / release flag present in the underlying instruction in the moment of transformation is copied to the new instruction. After that, the modification of the transformed instruction is possible by using the existing functionalities.
Modification Cancellation Allowed Flag	<ModCxIAllwd>both	During the set up of the new instruction, this field will be filled with the value “both”, which enables customers to modify or cancel the transformed instruction by using the existing functionalities.

Table 9 – Usage of hold / release status and modification flag

For details on relevant events and underlying instruction types, please refer to the [Compensation Handbook](#).

With the release in June 2021, CBF will introduce another processing cycle at 06:00 for market claims related to income payments and transformations into cash as part of the modifications for the Eurex Clearing AG (ECAG) C7 SCS project for Trade Date Netting (TDN). With this new processing cycle, CBF can transmit for the first time settlement instructions resulting from KADI processing to T2S using the “Hold / Release and Modification” flag.

If a cancellation of a reorganisation in cash is necessary, then the instruction details for hold, release and modification are taken from the initial instruction created by KADI for the transformation.

If KADI needs to process a repayment, then the flags for hold, release and modification will be set according to the new processing rules, even if the entitlement date is before 14 June 2021.

- Transformations in cash: Reversal of transaction price claim

Since June 2020, no reversal of the transaction price claim is processed for reorganisations in cash related to the event types ("Terminarten") shown in "Table 8 – Transformations in cash".

After the deployment of the release in June 2021, CBF will consider the transaction price claim if a reversal is processed. The current processing of the redemption price claim remains unaffected by this modification.

No special transition process is required for the implementation. After the introduction on 14 June 2021, the reversal of the transaction price claim will be processed independently of the entitlement date.

- Harmonisation of the market claims procedures for interest payments

The setup of market claims depends on the type of interest payment (interest payments for flat bonds and other fixed income payments) and on the instruction type (OTC or non-cleared stock exchange trades (LION)). With the release in June 2021, this differentiation will be cancelled. Hence, in future, market claims for interest payments will be set up for the following instruction types if the Intended Settlement Date (ISD) is on or before the entitlement date of the interest payment and the instruction is settled after the ISD:

- OTC instructions (Domestic and cross-border, AA01 / AA02);
- LION instructions (non-cleared stock exchange trades, AA10);
- Cancellations / additional bookings ("Storno / Nachbuchung" (AA99)).

For details on additional criteria for underlying business cases, as well as how the different types of interest payments are identified, please refer to the [Compensation Handbook](#).

With the release in June 2021, CBF will also use the further processing cycle (06:00) for market claims resulting from income payments for fixed-income securities that do not belong to the category "Flat Bonds". Transactions with an entitlement date prior to 14 June 2021 and a market claims period that is still ongoing are excluded from the new processing.

If KADI has to process a repayment, the processing will be based on the new processing rules, even if the entitlement date is before 14 June 2021.

- Implementation of SRD II indicator in corporate actions notifications

In October 2020, CBF announced the impacts of the implementation of the Shareholder Rights Directive Act (SRD II // Aktionärsrechterichtlinie (ARUG II)) on responsibilities, processes and systems of corporate events established until today.

In this context, CBF will extend the reporting for the notification of corporate actions so that a flag related to the requirements of the SRD II is available. According to the SRD II, in Germany only shares are in scope. These shares must also

- Be issued by companies which have their registered office in the EEA; and
- Be admitted to trading on a regulated market according to Section 2 (11) of the German Securities Trading Act (WpHG).

Consequently, CBF will introduce for these securities a flag in accordance with the SWIFT standard. Relevant for the population of the flag are the class data of the security, the depository country and the confirmation of the corporate action execution.

From 14 June 2021, CBF will indicate in the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) whether or not a corporate action is subject to SRD II. In the Corporate Action Notification (MT564), the field "Flag" (:17B:) will be provided with the qualifier "SRDC" (Shareholder Rights Directive Indicator) if one of the following conditions is met:

- Y = the security falls under SRD II; and CBF is the issuer CSD ("Lagerland = 99"); and [has received the notification / event information from the issuer.](#)
- N = the security falls under SRD II; and CBF is the issuer CSD ("Lagerland = 99"); and [has not received the notification / event information from the issuer; or](#)
- N = the security falls under SRD II; and CBF is **not** the issuer CSD.

Extract MT564 Sequence D – Corporate Action Details flag for an ISIN subject to SRD II

```
:16R:CADETL
:98A::XDTE//20210104
:98A::RDTE//20210103
:17B::SRDC//Y
:16S:CADETL
```

For securities not subject to SRD II, the "Shareholder Rights Directive Indicator" field will not appear in the corporate action notification.

No special transition process is required for the implementation. After the introduction on 14 June 2021, the field will be used according to the specification and Replacement Notifications are transmitted, if applicable. This message is only set up separately if the information is not already covered by Replacement Notifications prior to the "Introduction of the Official Corporate Action Event Reference (COAF)".

In the event that a corporate action can only be reported to customers with a delay, the "Shareholder Rights Directive Indicator" will be provided in the related message (MT564).

If a corporate action notification announced before 14 June 2021 has to be cancelled, the information in the related message remains unchanged. That is, as in the past, the field "Shareholder Rights Directive Indicator" is not included.

- Modification of the time zone for voluntary corporate actions

The Securities Market Practice Group (SMPG) recommends using the date format "UTC (Universal Time Coordinated)" in Corporate Action Notification (MT564) of voluntary corporate actions through the automated connectivity channels (SWIFT, MQ or File Transfer (FT)).

With the launch of the release in June 2021, CBF will use the "UTC Indicator" in the message flow, although the KADI processing is based on European summer and winter time (CEST / CET). The following rules apply for the time conversion to the universal time:

- UTC = CEST-2 hours during summer time;
- UTC = CET-1 hour during winter time.

According to the SWIFT standard, the submission time can be announced in the field "Date/Time" (:98a:) with the qualifiers "RDDT (Response Deadline)", "EARD (Early Deadline)" and "MKDT (Market Deadline)".

From 14 June 2021, CBF will continue to use the "Date/Time" field for voluntary offers (deadline type 280), but instead of:

- Option C
:4!c//8!n6!n
(Qualifier)(Date)(Time)
- **Option E**
4!c//8!n6!n[,3n]/[N]2!n[2!n]
(Qualifier)(Date)(Time)(Decimals)(UTC Indicator)

will be used.

As before, with regard to the deadlines for sending a Corporate Action Instruction (MT565), the time zone for CBF applies.

The table below shows the corporate action options used by CBF with the possible values for submission times:

MT564 – Corporate Action Notification: Usage of date / time		
Submission date by	Option (:22F::CAOP)	Format
CBF	CASH, EXER, LAPS, OVER, SECU	:98E::RDDT// YYYYMMDDHHMMSS/00
OneClearstream	CASH, EXER, LAPS, OVER, SECU	:98E::RDDT// YYYYMMDDHHMMSS/00
Market (early)	CASH, EXER, LAPS, OVER, SECU	:98E::EARD// YYYYMMDDHHMMSS/00
CBF (trading)	BUYA, SLLE	:98E::RDDT// YYYYMMDDHHMMSS/00
OneClearstream (trading)	BUYA, SLLE	:98E::RDDT// YYYYMMDDHHMMSS/00
Market	BUYA, CASH, EXER, LAPS, OVER, SECU, SLLE	:98E::MKDT// YYYYMMDDHHMMSS/00

Table 10 – MT564: Formats of submission times

For the deployment, no dedicated transition process is required. From 14 June 2021, CBF will use the new format when transmitting a Corporate Action Notification (MT564) for voluntary corporate actions via automated connectivity channels (SWIFT, MQ or File Transfer (FT)).

- Extend cancellation and repayment period for non-income events

CBF will harmonise the services for the processing of a cancellation and repayment (re-run) of corporate actions.

Currently, the cancellation / repayment period is defined with up to 26 business days for non-income events. For income events, the period is 280 business days. In both cases, the record date is the starting point of the calculation.

With the implementation of the CBF Release in June 2021, the period will be consistent and is set to 280 business days for all corporate actions. With the implementation on 14 June 2021, non-income events with a record date later than 24 April 2020 can be automatically cancelled and / or set up. At present, the information will be transmitted via the automated connectivity channels (SWIFT, MQ or File Transfer (FT)).

Enhancements in the context of the implementation of the Trade Date Netting

With the C7 SCS Project, Eurex Clearing AG (ECAG) will introduce the Trade Date Netting (TDN) as model for securities clearing of trades in CCP eligible securities concluded at the Frankfurt Stock Exchange and at Eurex Deutschland.

The introduction of the Trade Date Netting is supported by CBF in two steps and has consequences especially on the processing of compensations and transformations:

- 14 June 2021: CBF – Implementation of the new KADI functionalities;
- 27 September 2021: ECAG – Implementation of the Trade Date Netting and application of the KADI functionality for CCP trades

Further details regarding the implementation by CBF were published in a separate Announcement ([D20059](#)) in December 2020. In addition, further details regarding the C7 SCS project are available in the [ECAG announcement](#).

Customer simulation

Customers may decide to enter test cases in the CBF Customer Simulation environment (IMS23) in the light of the service updates in the CBF functionality. A dedicated webpage provides information on the [availability](#) of the CBF customer simulation environment (IMS23).

During the period from 10 May to 9 June 2021, customer simulation activities will be supported by CBF. A guided simulation will be offered to customers. The Customer Simulation Guideline with the corresponding simulation calendar was published on 26 March 2021 under [Testing and Simulation](#). Participation in the CBF customer simulation is optional. Customers can execute their test cases on their demand.

Contact

For further information, customers may contact [Clearstream Banking Client Services or their Relationship Officer](#). Questions related to the technical connection can be addressed to [Connectivity Support](#). Particular questions related to the production launch in June 2021 will be routed to the experts of the T2S Settlement Functionality team.