

Market Link Guide - International (CBF)

22/03/2021

Key features

CSD link as defined under CSDR^a	Yes ^b	
Type of link	For CBF customers with counterparty in CBL	Direct link ^c to CBL
	For CBF customers with counterparty in EB	Direct link ^c to CBL Interoperable link CBL to EB according to CSD Regulation (EU) No 909/2014 Article 2(33))

a. CSD Regulation (EU) No 909/2014 art. 2 (29)

	CSD
Name	Clearstream Banking S.A.
FATCA GIIN	N1V1GJ.00000.LE.442
LEI	549300OL514RA0SXJJ44
Country of incorporation	Luxembourg
Account type	Omnibus account
Legal Account name / holder	Clearstream Banking AG

Name of the linked CSD	Euroclear Bank NV/SA
FATCA GIIN of the linked CSD	1X6QDZ.00000.LE.056
LEI of the linked CSD	549300OZ46BRLZ8Y6F65
Country of incorporation of the linked CSD	Kingdom of Belgium

Operational arrangements

Key services offered	CBF customers receiving from/delivering to counterparties in CBL	CBF customers receiving from/delivering to Counterparties in EB via the Bridge	Remarks
Settlement free of payment	Yes	Yes	Settlement free of payment between a T2S customer and an OUT-CSD customer must be with matching
Settlement against payment in Non-EUR ccy¹	Yes	Yes	CoBM settlement in non-EUR currencies is settled via the related 6-series cash account in CBL securities settlement system using Commercial Bank
Settlement against payment in EUR	Yes	Yes	CeBM settlement takes place via the T2S Dedicated Cash Account (DCA)
Bridge settlement	No	Yes	

¹ For eligible currencies, please consult the "Foreign currency matching tolerance amounts" document on Clearstream website

Shaping facility	No	No	
Partial settlement	No	No	
Settlement penalty fees	No	No	
Pre-matching	Yes	Yes	
Back-to-back processing	No	No	
Allegements	Yes	Yes	
Automatic compensation	No	No	
Registered securities	No	No	
Multi Market Securities	No	No	
Lending and borrowing	No	No	
Proxy voting	Yes	Yes	
Investment Funds	Yes	Yes	
Liquidity Hub Connect	No	No	
Sale and purchase of rights	No	No	
Repo services	No	No	
Market restrictions	No	No	
Bilateral Cancellation	Yes	Yes	
Daily reconciliation	Yes	Yes	
Link eligible for use in Eurosystem credit operations	Yes	Yes	

<p>Moment of entry of instructions</p>	<p>Counterparties in CBL : 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.</p> <p>Counterparties in EB : 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.</p>
<p>Irrevocability of instructions</p>	<p>Counterparties in CBL : 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.</p> <p>Counterparties in EB : Customers can request a cancellation for all Bridge securities instructions already sent to CBL. A Bridge delivery or receipt instruction cannot be cancelled or amended in the following circumstances:</p> <ul style="list-style-type: none"> • 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.
<p>Settlement finality of instructions</p>	<p>Counterparties in CBL : Internal instructions that have settled in the CBL settlement system are final.</p> <p>Counterparties in EB : Finality is reached for the Bridge Instructions which have been reported as settled via Xact Web Portal, CreationOnline, ClearstreamXact MT536 (Statement of Transactions), MT54x and additional MT950 (Money Statement) for against payment.</p>

Legal arrangements

The below section is based on the legal opinion obtained by CBF that was issued on 12 February 2020. The information is provided for guidance only and should not be considered in isolation or as constituting a complete or definitive legal advice on any specific matter.

Link CBF to CBL

No insolvency proceedings against the CSD	Confirmed
Liability for negligence	Confirmed
Book-entry regime with in rem rights	Confirmed
Recognition as direct CSD account-holder	Confirmed
Recognition of nominee concept	Confirmed
No right of retention to the CSD	Confirmed
Segregation of assets at the CSD	Confirmed
No right of use	Confirmed
No upper-tier attachments	Confirmed
Insolvency of CSD with no impact on CBF's rights	Confirmed
Shortfall pro-rated among holders	Confirmed
Record keeping period of at least 10 years	Confirmed
Settlement finality in case of insolvency	Confirmed

Link CBL to EB

The below section is based on the legal opinion obtained by CBL that was issued on 7 December 2020. The information is provided for guidance only and should not be considered in isolation or as constituting a complete or definitive legal advice on any specific matter.

Liability of CBL towards customers	<p>Yes.</p> <p>As the settlement is taking place in each of the CSD securities settlement system, i.e. in Clearstream Banking S.A. (CBL), as far as CBL's customers are concerned, the liability for negligence rules is set out in CBL's GTCs.</p>
Book entry regime	<ul style="list-style-type: none"> • In the jurisdiction of the linked CSD: Yes • In the jurisdiction of CBL: Yes
Recognition of in rem rights	Yes

	<p>There is no sub-deposit with Euroclear Bank NV/SA. Such legal concept is nevertheless recognised in the linked CSD jurisdiction and in the jurisdiction of CBL.</p>
<p>No right of retention for the CSD</p>	<p>Yes</p> <p>There is no sub-deposit with Euroclear Bank NV/SA. Such legal concept is nevertheless recognised in the linked CSD jurisdiction and in the jurisdiction of CBL.</p>
<p>Segregation of assets at the CSD</p>	<p>Yes</p> <p>The rules applicable to the segregation are the one defined by CBL as there is no sub-deposit with Euroclear Bank NV/SA.</p> <p>Such concept is nevertheless recognised in the linked CSD jurisdiction and in the jurisdiction of CBL.</p>
<p>No right of use</p>	<p>Yes</p> <p>There is no sub-deposit with Euroclear Bank NV/SA. Such legal concept is nevertheless recognised in the linked CSD jurisdiction and in the jurisdiction of CBL.</p>
<p>No upper-tier attachments</p>	<p>Yes</p> <p>There is no sub-deposit with Euroclear Bank NV/SA. Such legal concept is nevertheless recognised in the linked CSD jurisdiction and in the jurisdiction of CBL.</p>
<p>Insolvency of the CSD with no impact on the other CSD's rights</p>	<ul style="list-style-type: none"> • Insolvency of the linked CSD: no impact on CBL's rights • Insolvency of CBL: no impact on the linked CSD's rights
<p>Shortfall pro-rated among holders</p>	<ul style="list-style-type: none"> • In the jurisdiction of the linked CSD: Yes • In the jurisdiction of CBL: Yes
<p>Record keeping period of at least 10 years</p>	<ul style="list-style-type: none"> • In the jurisdiction of the linked CSD: Yes • In the jurisdiction of CBL: Yes

Validity and enforceability of the Bridge Agreement	<ul style="list-style-type: none"> • In the jurisdiction of the linked CSD: Yes • In the jurisdiction of CBL: Yes
--	---

CBF-eligible security types

Selected Eurobonds eligible as ECB collateral

- Selected Eurobonds eligible at the Stock Exchange²
- Selected Eurobonds eligible in Eurex CCP (Non Repo)²
- Physical form: NGN
- Safekeeping: Common Safekeeper
- Issuing CSD: Clearstream and Euroclear Bank
- Denomination currency: All currencies as appearing on ECB list
- Settlement currency: EUR³

Selected LU & IE ISIN (ETF)

Depository

Clearstream Banking S.A.
42 Avenue John F. Kennedy
L-1855 Luxembourg

Cash correspondent details

Currency:	Euro (EUR) via TARGET2
CCB name:	Bundesbank
CBF account:	RTGS account of a direct TARGET2 participant

Pre-matching service

Matching is attempted directly and the results are reported to customers as "pre-settlement information".

Free of payment instructions are required to be matched. This applies both to receipt and delivery instructions. The free of payment matching defaults set on the CBF customer's account will be used; for example, active matchers must enter their instructions

² Available after second cut-over

³ Exceptions apply for assets eligible for 1st and 2nd cut-over

themselves and CASCADE automatically generates the matching instructions for passive matchers.

To ensure matching, CBF customers are recommended to inform their CBL/EB counterparties to instruct with the BIC11 of the CBF counterparty in the second matching field.

Note: CBF recommends to agree on the usage of a common reference (:20C::COMM) with the counterparty in CBL/EB to avoid cross-matching if it is populated in the settlement instructions of both parties.

Settlement times - International

22.03.2021

The deadlines shown below are valid provided that the customer's instructions are complete, accurate and eligible for straight-through processing (STP) in CBF, in CBL and in the local market. Customers must also ensure that any necessary provision is available. If any of these criteria are not met, CBF cannot guarantee timely settlement. Instructions received after the deadline will be processed on a "best efforts" basis.

Important Note: As part of CBF'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.

CBF customers receiving from/delivering to Counterparties in CBL

Instruction	Provisioning		Deadline for receipt of valid instruction ^a	Expected settlement results			
	start	end		from	to	value	
AP=Against payment FOP=Free of payment SD=Settlement date							
Receipts	FOP	20:00 SD-1	18:00 SD	17:45 SD	20:20 SD-1	18:00 SD	SD
	AP (non- € CoBM)	20:00 SD-1	18:00 SD	17:45 SD	20:20 SD-1	18:00 SD	
	AP (€ CeBM)	20:00 SD-1	16:00 SD	15:40 SD^c	20:20 SD-1	16:00 SD	
Deliveries	FOP	20:00 SD-1	18:00 SD	17:45 SD	20:20 SD-1	18:00 SD	SD
	AP (non- € CoBM)	20:00 SD-1	18:00 SD	17:45 SD	20:20 SD-1	18:00 SD	
	AP (€ CeBM)	20:00 SD-1	16:00 SD	15:40 SD^c	20:20 SD-1	16:00 SD	

All deadlines refer to online placement in CASCADE and depend on timely CBL matching and sufficient cover.

^b Start of Night-Time Settlement (NTS) in T2S.

^c Instructions for the same value date must be entered and matched in T2S by the counterparties before the deadline of 15:40 in order to be settled on the same day.

CBF customers receiving from/delivering to Counterparties in EB

Instruction	Provisioning		Deadline for receipt of valid instruction ^a	Expected settlement results			
	start	end		from	to	value	
AP=Against payment FOP=Free of payment SD=Settlement date							
Receipts	FOP	20:00 SD-1 ^b	18:00 SD	17:50 SD	20:20 SD-1	18:00 SD	SD
	AP (non-€ CoBM)	20:00 SD-1 ^b	18:00 SD	17:50 SD	20:20 SD-1	18:00 SD	
	AP € CeBM	20:00 SD-1 ^b	16:00 SD	15:50 SD ^c	20:20 SD-1	16:00 SD	
Deliveries	FOP	20:00 SD-1 ^b	18:00 SD	17:40 SD	20:20 SD-1	18:00 SD	SD
	AP (non-€ CoBM)	20:00 SD-1 ^b	18:00 SD	17:40 SD	20:20 SD-1	18:00 SD	
	AP € CeBM	20:00 SD-1 ^b	16:00 SD	15:40 SD ^c	20:20 SD-1	16:00 SD	

Settlement services - International

22.03.2021

Instruction types

Instruction type	Selected currency	Customers using ICP mode	Customers using DCP mode
Against payment (RvP and DvP)	Euro in Central Bank Money	DvP format and structure	DvP format and structure
Against payment (RvP and DvP)	non-T2S currencies	DvP format and structure	Instruction to be set up as FOP containing debit/credit indicator, currency and cash amount details

Cash management

Settlement in T2S is conducted based on the T2S "Conditional Securities Delivery (CoSD)" logic with the following rule:

The settlement with the external platform (Creation/bridge) must be finalised before the settlement takes place in T2S.

The T2S process starts the conditional settlement analysis of matched Settlement Instructions (and their linked T2S generated realignment Settlement Instructions if any), as of their Intended Settlement Date. The T2S system puts the Settlement Instructions (or the linked T2S generated realignment Settlement Instructions if any), that meets a CoSD rule, on CoSD hold and blocks the relevant securities and/or cash depending on the CoSD rule(s). They will be released by CBF once settlement took place in Creation or over the Bridge.

CBF customer DVP or RVP instruction in Central Bank money EUR, will be a standard DVP/RVP in T2S between CBF customer and the InterCSD account of CBL. The Cash movement will take place between the Dedicated Cash Account (DCA) of CBF customer and CBL DCA.

CBF customers' cash management will be identical as for any CeBM EUR versus payment instructions, i.e. the amounts will be included in the reported total amount of the Cash Forecast. Therefore, no dedicated funding procedure is required. Any setting defined for a DCA will also be applicable for such instructions

On ISD, T2S will apply the CoSD rule. For a RVP in CeBM money EUR, it means that T2S will block the cash on CBF customer DCA account and will block securities on the InterCSD account. The confirmation of the CoSD securities and cash blocking will trigger CBF to release the instruction in CBL for settlement. Once the External condition is fulfilled (i.e. settlement has taken place in the ICSD), CBF will release the CoSD Hold. Consequently, settlement will take place in T2S.

"if the RVP in CeBM EUR business instruction is pending at the end of day, then a standard T2S process will release the CoSD blocked cash at 4pm and a new CoSD Cash Blocking instruction will be re-generated for the following Business Day. Settlement of the CoSD regenerated CoSD blocking cash settlement restriction will take place in the 1st night time settlement cycle of the following Business Day in Settlement sequence 0.

Note: The RvP instruction remains subject to CoSD processing at any time. Once CoSD cash is released, the cash amount will be transferred to the RTGS account with the T2S Cash Sweep at around 17:40.

DvP Settlement in non-T2S currencies will settle via the related 6-series cash account in Creation using Commercial Bank Money (CoBM). The instructions in T2S will be FoP.

Procedures for Creation (CBL) counterparties

Procedure for the CBL counterparty
<p>Delivery in CBF / Receipt from CBF</p> <ul style="list-style-type: none">• Deliver to / Receive from: CBF account number in Creation 18757• For the account of / By order of: BIC11 of CBF customer in CASCADE

Allowed countervalue difference

- Settlement in EUR:
 - Tolerance of EUR 2.00 for settlement amounts of up to EUR 100,000.00€
- Settlement in non-EUR
 - Tolerance of EUR 25.00 for transactions of an amount greater than 100,000 EUR

The official exchange rates of the ECB, where available, will be used, with their value on 01 January of the respective calendar year.

If no ECB rate is available for a currency, the Bloomberg rate will be used, with their value on 01 January of the respective calendar year.

Back-to-back processing

Back-to-back processing is not available in this market. Nevertheless, same-day turnarounds are in principle possible, provided that the customer sends its receipt instruction as early as possible to CBF for further processing and that securities provision is available.

Management of failed instructions

We distinguish different recycling rules in T2S and in CBL: the most restrictive timeline will apply.

Unmatched instructions

T2S will cancel unmatched instruction after 20 BD

Matched instructions

T2S foresees that instructions remain active for a period of 60 business days, after which T2S will automatically cancel the instructions

Settlement services - International

22.03.2021

Instruction types

Instruction type	Selected currency	Customers using ICP mode	Customers using DCP mode
Against payment (RvP and DvP)	Euro in Central Bank Money	DvP format and structure	DvP format and structure
Against payment (RvP and DvP)	non-T2S currencies	DvP format and structure	Instruction to be set up as FOP containing debit/credit indicator, currency and cash amount details

Cash management

Settlement in T2S is conducted based on the T2S "Conditional Securities Delivery (CoSD)" logic with the following rule:

The settlement with the external platform (Creation/bridge) must be finalised before the settlement takes place in T2S.

The T2S process starts the conditional settlement analysis of matched Settlement Instructions (and their linked T2S generated realignment Settlement Instructions if any), as of their Intended Settlement Date. The T2S system puts the Settlement Instructions (or the linked T2S generated realignment Settlement Instructions if any), that meets a CoSD rule, on CoSD hold and blocks the relevant securities and/or cash depending on the CoSD rule(s). They will be released by CBF once settlement took place in Creation or over the Bridge.

CBF customer DVP or RVP instruction in Central Bank money EUR, will be a standard DVP/RVP in T2S between CBF customer and the InterCSD account of CBL. The Cash movement will take place between the Dedicated Cash Account (DCA) of CBF customer and CBL DCA.

CBF customers' cash management will be identical as for any CeBM EUR versus payment instructions, i.e. the amounts will be included in the reported total amount of the Cash Forecast. Therefore, no dedicated funding procedure is required. Any setting defined for a DCA will also be applicable for such instructions

On ISD, T2S will apply the CoSD rule. For a RVP in CeBM money EUR, it means that T2S will block the cash on CBF customer DCA account and will block securities on the InterCSD account. The confirmation of the CoSD securities and cash blocking will trigger CBF to release the instruction in CBL for settlement. Once the External condition is fulfilled (i.e. settlement has taken place in the ICSD), CBF will release the CoSD Hold. Consequently, settlement will take place in T2S.

"if the RVP in CeBM EUR business instruction is pending at the end of day, then a standard T2S process will release the CoSD blocked cash at 4pm and a new CoSD Cash Blocking instruction will be re-generated for the following Business Day. Settlement of the CoSD regenerated CoSD blocking cash settlement restriction will take place in the 1st night time settlement cycle of the following Business Day in Settlement sequence 0.

Note: The RvP instruction remains subject to CoSD processing at any time. Once CoSD cash is released, the cash amount will be transferred to the RTGS account with the T2S Cash Sweep at around 17:40.

DvP Settlement in non-T2S currencies will settle via the related 6-series cash account in Creation using Commercial Bank Money (CoBM). The instructions in T2S will be FoP.

Procedures for Creation (CBL) counterparties

Procedure for the CBL counterparty

Delivery in CBF / Receipt from CBF

- Deliver to / Receive from: CBF account number in Creation 18757
- For the account of / By order of: BIC11 of CBF customer in CASCADE

Procedure for the EB counterparty

Please refer to Euroclear Bank operational documentation.

Allowed countervalue difference

- Settlement in EUR:
 - Tolerance of EUR 2.00 for settlement amounts of up to EUR 100,000.00€
- Settlement in non-EUR
 - Tolerance of EUR 25.00 for transactions of an amount greater than 100,000 EUR

The official exchange rates of the ECB, where available, will be used, with their value on 01 January of the respective calendar year.

If no ECB rate is available for a currency, the Bloomberg rate will be used, with their value on 01 January of the respective calendar year.

Back-to-back processing

Back-to-back processing is not available in this market. Nevertheless, same-day turnarounds are in principle possible, provided that the customer sends its receipt instruction as early as possible to CBF for further processing and that securities provision is available.

Management of failed instructions

We distinguish different recycling rules in T2S and in CBL: the most restrictive timeline will apply.

Unmatched instructions

T2S will cancel unmatched instruction after 20 BD

Matched instructions

T2S foresees that instructions remain active for a period of 60 business days, after which T2S will automatically cancel the instructions