CBF Release in November 2015: Advance announcement of changes

Clearstream Banking[1] informs customers in advance about some changes that will be implemented on

Monday, 23 November 2015

with the CBF Release, since these changes may lead to system changes for customers.

We will inform you at a later date about further changes that will come into effect within the scope of the CBF Release in November 2015 and, if necessary, additional details about the changes listed below.

1. Launch of the record date for income and non-income events in Germany

Under the 2014 ammendment of the German Stock Corporation Act (*Aktienrechtsnovelle* 2014), it is planned to introduce the following content into section 58 (4) of the Stock Corporation Act (*Aktiengesetz* - AktG):

"This entitlement is due on the third business day following the general meeting resolution. A later due date may be specified in the general meeting resolution or in the articles of association."

This legal amendment is required for the introduction of the record date for income events in Germany. It is scheduled to take effect on 1 January 2016.

Section 44 of the German Income Tax Act (*Einkommensteuergesetz* - EStG) has yet to be amended.

The introduction of the record date for non-income events, which does not require the law to be amended, is also scheduled for 1 January 2016, subject to approval by the Federal Financial Supervisory Authority (BaFin). CBF will implement the appropriate changes in the November 2015 Release.

For detailed descriptions of the effects, please refer to the customer notification entitled "Record Date Germany", which is available on the Clearstream website www.clearstream.com under Products and Services / Asset services / Corporate actions / CSD Frankfurt.

2. CASCADE-PC

In November 2015, a new version of CASCADE-PC will be required due to extensions and changes to various online screens on the host. It will be mandatory for users to install this new version. You will receive further details in a separate customer notification.

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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.

3. Xemac

The November 2015 Release will require a new version of Xemac due to extensions and changes to various online screens. It will be mandatory for users to install this new version; the client will be made available through the Clearstream website.

You will receive further details of the changes and information on migration measures for Xemac due to T2S in a separate customer notification.

4. Preparatory measures for TARGET2-Securities (T2S) Wave 3

The implementation plan published by CBF for the implementation of measures for T2S explains that CBF applications are being adapted in stages. Since November 2013, CBF has been providing functionality required for T2S in each Release, the aim being to prepare customers for the changes in good time. In particular, the following changes in this Release due to T2S provide measures that reduce the migration workload associated with implementing Wave 3.

4.1 Changes in KUSTA (account master data)

When T2S is implemented, the CBF participant will be set up on the new settlement platform as a T2S Party. The identifier code for this is BIC11. In an email on 6 January 2015, CBF asked its customers to use the form T2S Party Identification Registration BIC Branch Code (BIC11) to provide the related TS2 Party BIC for their CBF account master number. CBF has been implementing this new flag with customers since April of this year. The aim is for our customers to send CBF the T2S party BIC information in good time in order to ensure that it is fully processed by 15 September 2015[2]. The following changes will become active in the November Release so that our customers are also able to make full use of this new code.

For this, the existing master data are being extended to include the T2S Party BIC, that is the BIC11 provided by customers, and a flag to indicate whether the information on the CBF account master is provided on T2S. Third Party accounts are not set up on T2S.

4.1.1. Changes to reports

The report "KUSTA data carrier ICP users" containing information on market users is being renamed "KUSTA data carrier market". In addition, the fields "ICP" and "KV/CL" are being renamed "MARKET".

The "KUSTA data carrier" containing account master data is being extended to include the following new fields:

- "T2S relevant" with the attributes Y (yes) / N (no) / NK (account only)[3]
- "T2S Party BIC" is the BIC11 provided by the customer

The additional fields are displayed both in publication mode "VERÖFFENTLICHUNG: GRUNDDATEN" and in "VERÖFFENTLICHUNG: GESAMTDATEN".

The internet files are also being adapted accordingly.

A description of the block format can be found in Annex 5.1.

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2. When opening an account, it is necessary to provide the related T2S party BIC. The account cannot be opened without this BIC11.
3. The attribute "NK" (account only) is used in exceptional circumstances defined by CBF where only a securities account is set up on T2S. This only affects account masters where CBF itself is the account holder.

4.1.2. Changes in the bank information

As all users in T2S will only be identified by means of the T2S party BIC in future, an account overview containing the customer information on the cross-border markets linked to CBF is no longer necessary. For CSDs that have already migrated to T2S, the account data of the CSD users are being removed from the bank information (alpha search and direct entry). The entry for the market "10 Monte Titoli" will therefore be removed from the international market overview when the November Release is implemented.

In addition, in the detailed view of the CASCADE Online functionality for Bank Information (alpha search in KVAV IA and direct entry in KVAV IB), the following information is being added for market "01 CBF":

- T2S RELEVANT   Flag indicating the output as in the KUSTA data carrier
- T2S PARTY BIC   T2S Party of the account master

4.2   Changes in CASCADE

The CBF Release in November 2014 adapted the CASCADE Online interface (HOST / PC) in line with future T2S processing. This adaptation involved the establishment of new entry fields and the restructuring of screens. The changes to date have only affected the layout, that is it is not possible at present to enter new data. The November 2015 Release will release the first fields for input and partly activate the related functionality.

4.2.1. Establishment of the T2S matching criteria

The existing matching logic in CASCADE for domestic instructions is being aligned with the T2S matching logic. The changes affect the matching of instruction type AA01 / AA02 new settlement restrictions. Further details on matching can also be found in our Detailed Functional Description (DFD) "Domestic OTC Settlement". The DFDs for T2S are available to premium users on the Clearstream website www.clearstream.com under Strategy and Initiatives / TARGET2-Securities / Detailed Functional Descriptions.

In preparing for the upcoming migration to T2S and CBF's plan to transfer domestic instructions to the new settlement platform, this measure can ensure that the future T2S matching criteria are already met on the date of migration to T2S.

The CBF Direct Matching Service is unaffected by this switch and can continue to be used up until migration in Wave 3.

Adaptation of the EUR tolerance amount

As part of the adaptation, the existing tolerance limit of EUR 25 for the settlement amount is being adapted in line with European Central Securities Depositories Association (ECSDA) standards. This change affects all instructions where CBF acts as Issuer CSD or settlement takes place only between CBF customers and is a preparatory measure for the implementation of Wave 3. Please note that for instructions where CBF acts as Investor CSD, the matching logic of the Issuer CSD concerned applies outside T2S. For further details, please see our CASCADE Link Guides.

Below are the rules on checking the settlement amount:

- If the cash countervalue of at least one instruction is less than or equal to EUR 100,000, the tolerance limit is EUR 2.
- If the cash countervalue of both instructions is more than EUR 100,000, the tolerance limit is EUR 25.

If the aforementioned limits differ, the countervalue is adjusted based on the settlement amount entered by the seller. The settlement amount processed is shown in the CASCADE settlement report.

The CASCADE Online functionality KVAV IW is being extended accordingly so that the tolerance limit stated applies to a cash countervalue of more than EUR 100,000.
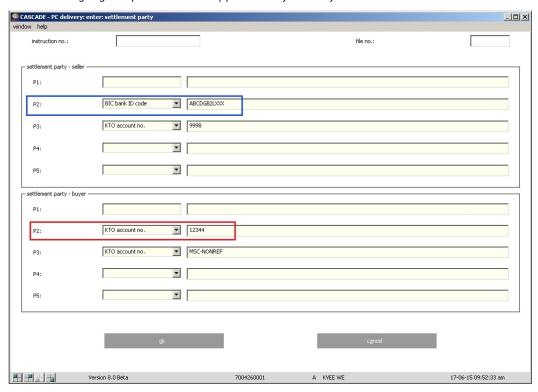
When processing instructions in non-EUR, the applicable maximum tolerance amounts will apply as they do today and remain unaffected by the above change for EUR amounts.

Matching of Party Level 2

As of November 2015, CBF will introduce optional matching on Party Level 2 for domestic instructions based on the new structure for settlement party information that was introduced in the German market in November 2014. In the case of an optional matching criterion, the values must be the same if given in both the delivery and receipt instruction.

CASCADE field	ISO 15022 levels				
	5 levels	4 levels	3 levels	2 levels	1 level
LAST-KTO / GUT-KTO	DEAG / REAG				
P1 Delivering party / P1 Receiving party					
P2 Delivering party / P2 Receiving party	DEI1 / REI1	DEI1 / REI1	DECU / RECU	SELL / BUYR	
P3 Delivering party / P3 Receiving party	DEI2 / REI2	DECU / RECU	SELL / BUYR		
P4 Delivering party / P4 Receiving party	DECU / RECU	SELL / BUYR			
P5 Delivering party / P5 Receiving party	SELL / BUYR				

The matching logic explained below applies solely to Party Level 2.

The entry for settlement party information comprises a three-letter code and the related value. Depending on the qualifiers chosen, the following matching logic applies when entering a settlement party on Party Level 2:

- The qualifiers BIC and BLZ are optional matching criteria, that is they can be matched against the same value and against a blank field, but not against a different value.

- The qualifiers KTO, ACC and TXT are not relevant to matching; that is to say, the value entered is not taken into account during matching.

- The qualifiers DSS ("Data Source Scheme"[4]) will not be supported in CASCADE Online until Wave 3 and therefore will not become a matching criterion until Wave 3. If the DSS is sent via an automated connectivity channel, it will be converted to the qualifier KTO until Wave 3 and is therefore not relevant to matching.

This matching logic applies both to the delivering party on Party Level 2 – in the blue box in the figure above – and to the receiving party – in the red box in the figure above.

The following overview shows how the different qualifiers are matched against one another. The overview also shows that a blank field – if a different number of party levels are populated and Party Level 2 is only populated by one counterparty – always matches.

Matching logic		Party Level 2 – Delivering party						
		BIC	BLZ	KTO	ACC	TXT	DSS	<blank>
Party Level 2 – Receiving party	BIC	Matched when value is the same	Not matched: match error	In this combination of qualifiers and related values, they are always matched.				
	BLZ	Not matched: match error	Matched when value is the same					
	KTO							
	ACC							
	TXT							
	DSS							
	<blank>							

CBF advises customers to check that the counterparty data currently in use in their systems (for example standing settlement instructions) are up-to-date before implementing this Release. In addition, customers should agree with their counterparties whether matching on Party Level 2 is required in future and, if so, whether the "BIC" or "BLZ" is to be used as the matching code. If using the "BIC", a BIC11 should be agreed with the counterparty. The counterparties could also agree that a code not relevant to matching is given in the instructions by one of the two parties. These measures can minimise potential cross-matching and prevent potential match errors.

For the transition weekend of the Release, the above changes mean that pending instructions that have already been matched will continue to be used for settlement. The new matching logic applies only to pending instructions that have not yet been matched and to new instructions.

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4.   In automated data transfer (ISO 15022), the settlement party is provided in field :95R:.

Common Trade Reference (reference no.)

The common trade reference (reference no.) will become an optional matching criterion, that is the common trade reference can be matched against the same value and against a blank field, but not against a different value.

If the counterparty information on Party Level 2 is not populated with information relevant to matching, the common trade reference can be used to agree a unique criterion for matching. In this case, the common trade reference should only contain a value if it has been agreed with the counterparty to populate the reference.

```
TRAN: KVAA FC: AA SB:

AUFTRAGSABWICKLUNG        WP-UEBERTRAG / AENDERUNG                AUFTRAGSSTATUS

AUFTNR: 6999999           WKN: I DE0008404005

T2S ACTOR BIC: TESTDEFFXXX         T2S ACTOR REF    : CUSTOMERORCBFREF
                                   MITI REF         : T2SREFERENCENUMB
REFERENZ-NR  :                     AUFTRAGS-REFERENZ:
ALREADY MATCHED(J/ ):              PARTIAL SETTL IND: NPAR
ISO TRANSACTION CODE: TRAD         REASON CODE      : LACK CVAL

SCHLUSSTAG  : 11.12.2013           KURS / WRG    :
EXT SET-DAY  :
UEB-GRUND    : 601 KEINE ZUORDNUNG
URSPR-NOM    :                     RUECKUEBERTRAG: N       TR:
BELEGSCHAFTS-SP:                   SP-DATUM      :
KUPONINFO/RECORD-DATE:



TEXT:
-- ID-KZ: 9999999999 -- PW:         ------ B999988S -- 11/12/13 -- 09:09:09 --

 PF2:Druck  PF3:Rücksprung  PF4:Abbruch  PF7:Zurück  PF8:Vor  PF5:Status
```

In automated communication (SWIFT, MQSeries and File Transfer), our customers can state the common trade reference in field ":20C::COMM".

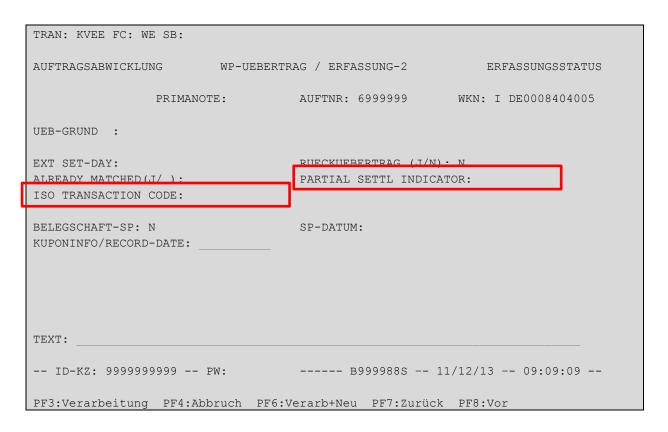|	Counterparty 1	Counterparty 2	Match
Example 1	ABCD1234	XYZ789	✗
Example 2	ABCD123	ABCD123	✓
Example 3	ABC45	<blank>	✓
Example 4	<blank>	XY12345	✓
Example 5	<blank>	<blank>	✓

4.2.2. Activation of T2S-specific fields

Since the November 2014 Release, the CASCADE Online functionality has contained T2S-specific fields in which it has so far not been possible to enter data.

With this Release in November 2015, it will be possible to enter the partial settlement indicator and the ISO transaction codes in instruction types AA01 / AA02 both online (HOST / PC) and in automated communication.

These changes affect the CASCADE Online transactions KVEE WE, KVEE MI and KVEA. The values entered through CASCADE Online and data sent via Straight-Through-Processing (STP) channels are displayed in the CASCADE Online transactions KVEK, KVAI, KVEI, KVAA and KVDU.

```
TRAN: KVEE FC: WE SB:

AUFTRAGSABWICKLUNG        WP-UEBERTRAG / ERFASSUNG-2          ERFASSUNGSSTATUS

              PRIMANOTE:        AUFTNR: 6999999      WKN: I DE0008404005

UEB-GRUND  :

EXT SET-DAY:                       RUECKUEBERTRAG (J/N): N
ALREADY MATCHED(J/ ):              PARTIAL SETTL INDICATOR:
ISO TRANSACTION CODE:

BELEGSCHAFT-SP: N                  SP-DATUM:
KUPONINFO/RECORD-DATE: _____




TEXT: _____

-- ID-KZ: 9999999999 -- PW:           ------ B999988S -- 11/12/13 -- 09:09:09 --

PF3:Verarbeitung  PF4:Abbruch  PF6:Verarb+Neu  PF7:Zurück  PF8:Vor
```

The values entered are stored in the CASCADE instruction database and can be viewed in the views mentioned. However, the related settlement functionality will not become available until CBF migrates in Wave 3. The ability to enter the aforementioned values from this Release onwards will enable instructions to be entered in a T2S-compliant manner, thereby ensuring that pending instructions are migrated on the weekend when T2S Wave 3 is implemented.

It will not be possible to enter data in other T2S-specific fields until CBF migrates in Wave 3. This affects the following fields:

- Deviating DCA (DCA/REF)
- Linkages/Pools
- Already matched
- BATM/ADEA
- Modifications of PSI

Partial settlement indicator

Partial settlement is a functionality of the T2S settlement platform that will be fully supported by CBF as of its migration in Wave 3. Further details on this functionality can also be found in our Detailed Functional Description (DFD) "Domestic OTC Settlement".

Partial settlement indicator	Description
NPAR	Partial settlement not allowed. The instruction will not be taken into account for partial settlement.
PART	Partial settlement is allowed. The instruction will be taken into account for partial settlement.
PARQ	Partial settlement is allowed but must satisfy a minimum quantity of securities. The instruction can only be included in partial settlement if the minimum settlement threshold stated in the T2S securities master data is exceeded. The threshold is checked by T2S.
PARC	Partial settlement is permitted, but must meet a minimum cash countervalue. The instruction can only be included in partial settlement if the value defined in the T2S master data is exceeded. The value depends on the ISIN and the currency of the cash countervalue. The threshold is checked by T2S.

Our customers can obtain information on the partial settlement indicator using the message type MT548 (Business Validation Feedback and Lifecycle Information, Product Processing Information). Alternatively, this information is also available in the message type MT537 (statement of pending transactions).

In the following example, the partial settlement indicator is marked in blue:

Beispiel – Message Fields and Contents
{1:   F01XXXXDEFFBXXX0000001046}
{2:   I548DAKVDEFFADOMN}
{4:
:16R: GENL
:20C::SEME//C3C62026185B50BJ
:23G: INST
:98C::PREP//20131206202618
:16R: LINK
:13B::DAKV/TESTDEFFXXX
:20C::RELA//123456
:16S: LINK
:16R: LINK
:20C::TRRF//KP44440130810730
:16S: LINK
:16R: LINK
:13B::DAKV/TESTDEFFXXX
:20C::PCTI//T2SactorRef123
:16S: LINK
:16R: LINK
:20C::MITI//T2SRef123
:16S: LINK

Beispiel – Message Fields and Contents
:16R: STAT
:25D::MTCH//MACH
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE0005190003
:36B::SETT//UNIT/3397,
:19A::SETT//EUR3000,
:97A::SAFE//44440000
:22F::SETR//TRAD
:22H::REDE//DELI
:22H::PAYM//APMT
:22F::STCO//PART
:98A::SETT//20131213
:98A::TRAD//20131213
:70E::SPRO///FREE Text
:16R: SETPRTY
:95Q::SELL//UNKNOWN
:97A::SAFE//12345678
:16S: SETPRTY
:16R: SETPRTY
:95Q::DECU//UNKNOWN
:97A::SAFE//123456
:16S: SETPRTY
:16R: SETPRTY
:95P::DEAG//DEAGDEFFXXX
:97A::SAFE//44440000
:16S: SETPRTY
:16R: SETPRTY
:95P::PSET//DAKVDEFFXXX
:16S: SETPRTY
:16R: SETPRTY
:95P::REAG//REAGDEFFXXX
:97A::SAFE//77770000
:20C::PROC//KP77770230810730
:16S: SETPRTY
:16R: SETPRTY
:95Q::RECU//UNKNOWN
:97A::SAFE//789456
:16S: SETPRTY
:16R: SETPRTY
:95P::BUYR//UNKNOWN
:97A::SAFE//BIC-BUYRDEFFXXX
:16S: SETPRTY
:16S: SETTRAN
-}

ISO Transaction Code

An overview of all the ISO transaction codes that will be supported in the future can be found in Annex 5.2.

The entry of the new ISO transaction codes in CASCADE Online (HOST / PC) will not have any impact on settlement prior to migration in Wave 3. The ISO transaction codes currently in use will continue to be processed straight through automated communication channels.

4.2.3. Ex coupon and cum coupon flags

When processing corporate actions, CBF looks to the EX-TRD (SPEX) flag to determine whether atrade was executed cum coupon. In T2S, this is indicated using the Trade Transaction Condition Indicator (TTCO indicator). This indicator is an additional matching criterion in T2S and this instruction can only be settled if both counterparties provide the same value.

Definition for entry in settlement instructions

Until now, the ex coupon or cum coupon flag could be entered in the EX-TRD field using the values Y(es), N(o) or blank. The existing values in CASCADE Online entry are being replaced. The new values correspond to information that is also sent to CBF via Straight-Through-Processing (STP) channels.

- blank continues to have the same meaning.
- CCPN corresponds to the current value N(o); that is to say, the transaction is delivered cum the last coupon. This indicator will not come into play in the domestic market until CBF migrates in Wave 3 and also does not have any effect on matching in the domestic market.
- XCPN corresponds to the current value Y(es); that is to say, the transaction is delivered ex the last coupon. This indicator will not come into play in the domestic market until CBF migrates in Wave 3 and also does not have any effect on matching in the domestic market.
- SPEX corresponds to the current value Y(es); that is to say, the transaction is delivered ex the last coupon and as of November 2015 will only come into play in the domestic market and in T2S Out-CSD markets[5].

Please note that the value "SPEX" will be used in parallel with "XCPN" until CBF migrates in Wave 3 and will then be replaced. The value "SPEX" cannot be taken into account under the T2S matching logic. This means that, in the case of cross-border instructions with Monte Titoli as of the November Release and with the ESES markets as of Wave 2, the value "SPEX" entered by the customer will be changed by CBF to "blank" as part of the mapping. We kindly ask our customers to agree the assignment of the new matching criterion with their counterparties.

In December 2014, CBF had asked its customers not to enter any information for the values ex coupon and cum coupon during the implementation of cross-border instructions with the Italian market as of T2S Wave 1. This rule will cease to apply when the Release is implemented in November 2015.

Regardless of this, the field in CASCADE is not a matching criterion prior to the introduction of T2S Wave 3. This affects the CASCADE Online transactions KVEE WE, KVEE MI and KVEA for input as well as the transactions KVEK, KVAI, KVEI, KVAA and KVDU for displaying the aforementioned values.

Notes on processing corporate actions

When processing corporate actions (KADI), the existing rules for domestic instructions will apply to the creation of market and reverse claims until we migrate in Wave 3; that is to say, the value "SPEX" continues to be taken into account during processing. The values "XCPN", "CCPN" and "blank" are not taken into account in corporate actions.

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5.   For the CSD SIX SIS, the current processing applies.

When the Monte Titoli and ESES markets migrate to T2S, processing will change and the new values "XCPN" and "CCPN" will be taken into account.

On the transition weekend of the Release, the values will be changed over as follows:

- EX-TRD = Y → SPEX
- EX-TRD = N → <blank>
- EX-TRD = <blank> → <blank>

4.2.4. OPT-OUT flag

The "OPT-OUT" flag is an additional matching criterion in T2S that has not so far been used by CBF. This flag can be used to exclude an instruction from transformations during the processing of corporate actions. Further details on this functionality can be found in our DFD "Custody".
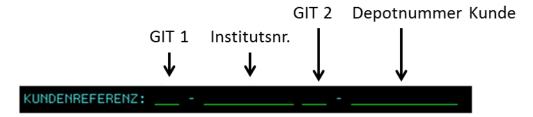
The possible values for the "OPT-OUT" flag are as follows:

- Y(es); the instruction is excluded from KADI processing.
- blank; KADI's general processing rules apply.

This indicator is an additional matching criterion following migration to T2S and this instruction can only be settled if both counterparties provide the same value. Regardless of this, the field in CASCADE is not currently a matching criterion. This affects the CASCADE Online transactions KVEE WE, KVEE MI and KVEA for input as well as the transactions KVEK, KVAI, KVEI, KVAA and KVDU for displaying the aforementioned values.

4.2.5. Populating the customer reference

In the case of deposit and withdrawal instructions (AA16 / AA18) in CASCADE transaction KVEW as well as in CASCADE transaction KVEE and transactions KVCE, KVCU, KVCA and KVCB from CASCADE RS transactions, CSDs must currently populate the GIT1 and institution number fields within the customer reference as they are mandatory fields.

These fields will be optional for all CBF customers in future.

The "Einlieferung von Name" and "Adresse" fields in the KVEW instruction entry screens and the address fields of the other entry screens mentioned are no longer derived automatically from the GIT1 and institution number, but are optional fields that customers can choose to populate.

The customer entering the data is solely responsible for the accuracy of the institution number. It is no longer checked by CBF.

Use of the GIT2 and "Custody account number customer" fields remains unchanged.

```
TRAN: KVEW FC: EL SB:

AUFTRAGSABWICKLUNG         EINLIEFERUNG / EINZELERFASSUNG      ERFASSUNGSSTATUS
                                  LFD.EINLIEFERUNG
PRIMANOTE: ____            AUFTNR: _____        HLG: 01 GS


LAST-KTO : ____ ___
GUT-KTO  : ____ ___
WKN      : I _____

NOMINALE :                            EINHEIT:      ST-ART:
NOM-URK  : _____          EINLIEF-ART  : 1   LFD. EINLIEFERUNG
                                      EINLIEF-GRUND: ___
KUNDENREFERENZ       :   _       -   _         -              KZ-BST: __
EINLIEFERUNG-VON NAME: _____
ADRESSE: _
WKN-STAMMRECHT: I _____

BEARB-STATUS:
```

The changes described affect both entry in the online entry screens mentioned and connectivity channel via LIMA / SPOC.

4.2.6. Validation of BICs against the BIC directory

Under the T2S Party identification system (BIC11), it will be necessary for CBF to check both in the account master data and in the instructions whether the BIC11 transmitted is permissible. At present, the check is only carried out when T2S Party information is entered for account master data. BICs have not so far been validated in the Party Level 2 to Party Level 5 fields.

The Release in November 2015 will extend BIC validation in instruction management. The BIC is checked on all party levels in an instruction; that is to say, it is checked uniformly for levels 1 to 5. All values entered for the BIC are validated against the SWIFT BIC directory. If the value is not there, the instruction is rejected. In CASCADE Online (HOST / PC), one of the following error messages is issued:

Wert	Beschreibung (Deutsch)	Description (English)
KV6188F	BIC in LIEF. P1-BIC nicht im BIC-Directory vorhanden	The BIC in the field DELI P1-BIC cannot be found in the BIC directory
KV6189F	BIC in LIEF. P2-BIC nicht im BIC-Directory vorhanden	The BIC in the field DELI P2-BIC cannot be found in the BIC directory
KV6190	BIC in LIEF. P3-BIC nicht im BIC-Directory vorhanden	The BIC in the field DELI P3-BIC cannot be found in the BIC directory
KV6191F	BIC in LIEF. P4-BIC nicht im BIC-Directory vorhanden	The BIC in the field DELI P4-BIC cannot be found in the BIC directory
KV6192F	BIC in LIEF. P5-BIC nicht im BIC-Directory vorhanden	The BIC in the field DELI P5-BIC cannot be found in the BIC directory
KV6193F	BIC in EMPF. P1-BIC nicht im BIC-Directory vorhanden	The BIC in the field RECE P1-BIC cannot be found in the BIC directory
KV6194F	BIC in EMPF. P2-BIC nicht im BIC-Directory vorhanden	The BIC in the field RECE P2-BIC cannot be found in the BIC directory
KV6195F	BIC in EMPF. P3-BIC nicht im BIC-Directory vorhanden	The BIC in the field RECE P3-BIC cannot be found in the BIC directory
KV6196F	BIC in EMPF. P4-BIC nicht im BIC-Directory vorhanden	The BIC in the field RECE P4-BIC cannot be found in the BIC directory
KV6197F	BIC in EMPF. P5-BIC nicht im BIC-Directory vorhanden	The BIC in the field RECE P5-BIC cannot be found in the BIC directory

In Straight-Through-Processing (STP) channels, the customer receives the rejection as MT548 Rejection with the value and an English description as shown in the table above in the :70D::REAS field, as follows for example:

Message Fields and Contents
(...)   :25D::IPRC//REJT   :16R:REAS   :24B::REJT//NARR   :70D::REAS//KV6188FThe BIC in the field DELI P1-BIC cannot be found in the BIC directory   :16S:REAS   (...)

CBF advises customers to check whether the BIC currently set up in their systems (for example standing settlement instructions) is up-to-date before implementing this Release so as to rule out the possibility of rejections due to an incorrect or out-of-date BIC11.

In addition, the T2S Party BIC information in the account master data provided by the customer is compared against the aforementioned directory on a regular basis. In the event of an error message, the CBF Relationship Manager will actively approach the customer concerned.

As of the November Release, the T2S Party BIC information must fulfil the following criteria in preparation for T2S:

- Active

- Connected

- Published

4.2.7. Adaptation of status texts

The changes to the following status texts affect all CASCADE Online transactions where the status is displayed, such as KVAI and KVAA.

Party hold status

With the November Release, CBF will bring the various hold status texts into line with the T2S descriptions. For this, the party hold status texts are being adapted as follows. The party hold status values and their meanings remain unchanged.

Status Party Hold		
Wert	Beschreibung (Deutsch)	Description (English)
0	FREIGEGEBEN	Released
1	GESPERRT AUFTRAGGEBER	Blocked deliverer
2	GESPERRT EMPFAENGER	Blocked receiver
3	GESPERRT BEIDE SEITEN	Blocked on both sides

The changes affect all instruction types with a party hold status, settlement instructions of instruction type AA01 / AA02 and LION "Lieferbestand" AA10.

CBF dispo status

In line with the changes to the party hold texts, the dispo status descriptions for all instruction types are being adapted as follows. The dispo status values and their meanings remain largely unchanged[6].

Dispo Status		
Wert	**Beschreibung (Deutsch)**	**Description (English)**
410	ABGELEHNT WEGEN SETTLEMENT-SPERRE (LIEFERER)	Pending due to blocking (deliverer)
411	OFFEN WG. STAMMDATEN, SIEHE LISTE ‚NICHT ZUR DISPO UBERN.'	Pending due to master data, s. list 'not trans to process'
412	OFFEN WEGEN VERLINKTER INSTRUKTION	Pending due to linked instruction
413	OFFEN, GEGENSEITE FEHLT	Pending, no counterpart
414	OFFEN, GEGENSEITE SETZTE MATCH-STATUS ‚FEHLERHAFT'	Pending, faulty matching stage entry by counterpart
415	OFFEN WEGEN SETTLEMENT-SPERRE (EMPFAENGER)	Pending due to blocking (receiver)
416	OFFEN, GELD NICHT AUSREICHEND	Pending, lack of cash
417	OFFEN, DA KEIN AUSREICHENDER BESTAND	Pending, lack of securities
418	OFFEN MANGELS STUECKEN UND MANGELS GELD	Pending, positions and cash not sufficient
419	TEILBESTAND OFFEN	Partially pending
430	OFFEN WEGEN SETTLEMENT-SPERRE (EINGEBER)	Pending due to blocking (instr.)
431	OFFEN WEGEN STAMMDATEN	Pending due to master data
432	OFFEN WEGEN FEIERTAG	Pending due to holiday
433	OFFEN, GEGENSEITE FEHLT	Pending, no counterpart
434	OFFEN, GEGENSEITE SETZTE MATCH-FEHLER	Pending, matching error of counterpart
435	OFFEN, KEIN SETTLEMENT MOEGLICH	Pending, no settlement possible
437	OFFEN, DA KEIN AUSREICHENDER BESTAND	Pending, positions not sufficient
440	OFFEN WEGEN SETTLEMENT-SPERRE (EINGEBER), GELD OFFEN	Pending due to blocking (instr.), cash open
441	OFFEN WEGEN STAMMDATEN, GELD OFFEN	Pending due to master data, cash open
442	OFFEN WEGEN FEIERTAG, GELD OFFEN	Pending due to holiday, cash open
443	OFFEN, GEGENSEITE FEHLT, GELD OFFEN	Pending, no counterpart, cash open
444	OFFEN, GEGENSEITE SETZTE MATCH-FEHLER, GELD OFFEN	Pending, matching error of counterpart, cash open
445	OFFEN, KEIN SETTLEMENT MOEGLICH, GELD OFFEN	Pending, no settlement possible, cash open
447	OFFEN, DA KEIN AUSREICHENDER BESTAND, GELD OFFEN	Pending, positions not sufficient, cash open
448	OFFEN, TEILDISPONIERT, GELD OFFEN	Pending, partially in process, cash open

---

6.   The exception is status 412, hitherto "REJECTION DUE TO HOLIDAY".

Dispo Status		
Wert	**Beschreibung (Deutsch)**	**Description (English)**
449	TEILBESTAND OFFEN, GELD OFFEN	Partially pending, cash open
450	SETTLEMENTPROBLEM, CLEARSTREAM PRUEFT	Settlement problem, clearstream checks
451	OFFEN WEGEN STAMMDATEN	Pending due to static data
453	OFFEN, GELD NICHT BEREITGESTELLT	Settlement pending, cash was not provided
454	OFFEN, KEIN AUSREICHENDER BESTAND	Settlement pending, lack of securities
456	OFFEN, GELD NICHT BEREITGESTELLT	Settlement pending, cash was not provided
457	OFFEN, KEIN AUSREICHENDER BESTAND	Settlement pending, lack of securities
471	OFFEN WEGEN GELDREGULIERUNG	Pending due to cash clearing
480	OFFEN WEGEN SETTLEMENT-SPERRE (EINGEBER), DECKUNG GELD	Pending due to blocking (instr.), cash cover
481	OFFEN WEGEN STAMMDATEN, DECKUNG GELD	Pending due to master data, cash cover
482	OFFEN WEGEN FEIERTAG, DECKUNG GELD	Pending due to holiday, cash cover
483	OFFEN, GEGENSEITE FEHLT, DECKUNG GELD	Pending, no counterpart, cash cover
484	OFFEN, GEGENSEITE SETZTE MATCH-FEHLER, DECKUNG GELD	Pending, matching err. Entered by counterpart, cash cover
485	OFFEN, KEIN SETTLEMENT MOEGLICH, DECKUNG GELD	Pending, no settlement possible, cash cover
487	OFFEN, DA KEIN AUSREICHENDER BESTAND, DECKUNG GELD	Pending due to lack of securities, cash cover
488	OFFEN, TEILDISPONIERT, DECKUNG GELD	Pending, partially in process, cash cover
489	TEILBESTAND OFFEN, DECKUNG GELD	Partially pending, cash cover
490	BEI CSD GEBUCHT. OFFEN WEGEN SETTLEMENTSPERRE (EING.)	Accounting with CSD, pending due to blocking (instr.)
491	BEI CSD GEBUCHT. OFFEN WEGEN STAMMDATEN	Accounting with CSD, pending due to master data
492	BEI CSD GEBUCHT. OFFEN WEGEN FEIERTAG	Accounting with CSD, pending due to holiday
493	BEI CSD GEBUCHT. OFFEN, GEGENSEITE FEHLT	Accounting with CSD, pending, no counterpart
494	BEI CSD GEBUCHT. OFFEN, MATCH-STATUS ,FEHLERHAFT'	Accounting with CSD, pending, invalid matching stage.
495	BEI CSD GEBUCHT. OFFEN, KEIN SETTLEMENT MOEGLICH	Accounting with CSD, pending, no settlement possible.
496	BEI CSD GEBUCHT. OFFEN. GELD NICHT AUSREICHEND	Accounting with CSD, pending, lack of cash
497	BEI CSD GEBUCHT. OFFEN, DA KEIN AUSREICHENDER BESTAND	Accounting with CSD, pending due to lack of securities
498	BEI CSD GEBUCHT. OFFEN, TEILDISPONIERT	Accounting with CSD, pending, partially in process
499	BEI CSD GEBUCHT. TEILBESTAND OFFEN	Accounting with CSD, partially pending

4.2.8. Processing OTC instructions on Third Party accounts

Third Party accounts will not be migrated to T2S with the migration to T2S in Wave 3. This means that no securities instructions can be recorded to these accounts in future, as settlement will no longer be possible. In connection with this, the associated CBF sub-accounts are no longer needed and will be deleted as part of the preparation for T2S. Customers who are affected by this measure have already been informed in March 2015. This also means that positions from Third Party sub-accounts need to be transferred to other securities available for portfolio management accounts.

Customers who still hold positions in Third Party sub-accounts therefore need to move the positions to other accounts **before** the upcoming Release in November 2015.

In order to ensure that these accounts do not hold any positions at the time of migration in Wave 3, no OTC instructions from or to Third Party accounts will be possible from the coming Release in November 2015 onwards.

4.2.9. Settlement of domestic instructions from securities issued by SIX-SIS in CHF

The settlement of non-EUR transactions in the domestic market will be harmonised with the November Release. This means that cash settlement of all payment delivery instructions (Delivery versus Payment – DvP / Receive versus Payment - RvP transactions) in non-EUR will be settled exclusively through Clearstream's Creation platform. Therefore instructions in securities issued by SIX SIS in return for the Swiss francs (CHF) will in future be switched to this standard settlement for non-EUR transactions. This means that these instructions will no longer be settled as a cross-border transaction in Central Bank Money via SIX SIS / SNB, but in Commercial Bank Money (CoBM) via Creation. This change only affects domestic instructions, cross-border instructions in return for CHF are unaffected.

The settlement of the cash part of compensation payments generated by KADI will in future also be processed via Creation.

4.2.10. Supersession of CBF reporting

The following services/reports will be taken from the operating business with the Release in November 2015:

- Delivery holiday
  This service informs customers about a foreign CSD's holidays on which no settlement can take place with this CSD. With the migration to T2S, CBF and all migrated link partners are governed by the T2S holiday calendar. As a result, increasing harmonisation of European markets means this service is no longer necessary.

- Automated redenomination of equivalent value currency
  CBF had established this service with the introduction of the Euro and it can now be eliminated without replacement. The associated proprietary reports will therefore also be deactivated:

  o CASCADE list of instructions in the instruction status whose equivalent value has been redenominated

  o LION list of transactions redenominated in Euro

4.3 Adaptations in settlement reporting

In preparation for the planned migration in Wave 3, CBF is expanding settlement and Dispo Bund reporting with this Release.

4.3.1. New fields in the display of custody account turnover for instruction type AA10

The display for securities movements (KVDU ID) will be extended by the following fields in instruction type AA10 and the layout of the screen will thus be adjusted:

Field name	Description	Effective date/Filled from
T2S Actor BIC	T2S Party BIC of the instructing party	Migration in Wave 3
T2S Actor Ref	The reference entered by the customer, otherwise the OneClearstream ID[a]	Migration in Wave 3
PSI	Partial settlement indicator: • NPAR - no partial settlement • PART - partial settlement allowed • PARQ - partial settlement must satisfy a minimum quantity of securities (threshold) • PARC - partial settlement must satisfy a cash value minimum (threshold)	November Release 2015
Dispo Priority	Display of the values for priority • 3 – high • 4 – normal	November Release 2015
T2S Party BIC	BIC11 for the specified account master	November Release 2015
T2S MITI	The reference assigned by T2S when the instruction is accepted in T2S	Migration in Wave 3

a. Unique 16-digit reference assigned to an instruction by CBF

The new fields are marked in red:

```
                    1         2         3         4         5         6         7         8
          12345678901234567890123456789012345678901234567890123456789012345678901234567890
01   TRAN: ____ FC: __ SB: _____
02
03    UMSATZANZEIGE       DEPOTUMSAET–E - VOLLANZEIGE
04
05    Auftr-Art: &&  BOERSENGESCHAEFT - &&& & &&&       Umsatzart: &&&&
06         &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
07
08    Eingeber :   &&&&    Buchung &&&&&&&&&  am &&&&&&&&&& um &&&&&&&& Uhr
09    Gesch-Nr : &&&&&&&&&
10    T2S Actor BIC: &&&&&&&&&&       T2S Actor Ref: &&&&&&&&&&&&&&&&
11    PSI   :   &&&&    Dispo-Prioritaet:   & &&&
12
13    Konto   : &&&& &&&      &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&  / &&&&&&&&&&
14    Wg Ndl  : &&&&                    T2S MITI: &&&&&&&&&&&&&&&&
15    Kontrah : &&&& &&&      &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&  / &&&&&&&&&&
16    Wg Ndl  : &&&&                    T2S MITI: &&&&&&&&&&&&&&&&
17    WKN/ISIN : & &&&&&&&&&&&
      &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
18    Nominale :  &&&&&&&&&&&&&&&&&&&&&  Einheit : &&&&  Schlusstag: &&&&&&&&&&
19    Gegenwert: &&&&&&&&&&&&&&&&&&&&&&&   Waehrung: &&&
20    Kursdiff :      &&&&&&&&&&&&&
21
22    -- ID-KZ: _____ -- PW: _____  ------ &&&&&&& -- &&&&&&& -- &&&&&&& --
23    &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
24    &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
```

4.3.2. Settlement lists (Regulierungslisten)

The following settlement lists will be produced and delivered only once at the end of the day – probably between 18:00 and 19:00 – from this Release onwards:

- Settlement list (Regulierungsliste)
- Settlement list/statistics (Regulierungsliste / Statistik)
- Foreign currency settlement list (Regulierungsliste Fremdwährung)

The change in the delivery time also means that the settlement list contains the status before the STD.

The settlement list and in analogy to this the foreign currency settlement list are to be extended by the field MB_ÜBERG (co-ownership transition) where the booking time stamp is displayed:

```
REGULIERUNGSLISTE       PER 29.11.2015

ALLE NACHFOLGEND AUFGEFUEHRTEN POSTEN WURDEN REGULIERT                          SEITE    1

AUFTR. EING/              SET-D MB-

G-NR.    MAKL KONTR W.NDL S-TAG ÜBERG AA BS        NOMINALE          GEGENWERT BEMERKUNG
  ISIN/WKN  :  DE000DZC8UL0/DZC8UL       DZ BANK CALL13
6009743     5555          29.09 11:12 13 14        1.300,000-            0,00
  •                                                1.300,000-            0,00  SUMME


  ISIN/WKN  :  DE000DZD6DH7/DZD6DH       DZ BANK TURBOC13 MAN
6009798     6666          29.09 12:45 13 14        2.000,000-            0,00
  •                                                2.000,000-            0,00  SUMME
  »
```

This change has no effect on the content or delivery time of the MT536 Statement of Transactions message.

4.3.3. Monthly statement of Settled Instructions (Depotbuch persönlich)

In this report, the batch cycle in which an instruction has been processed is shown in the "SET-ART" field. As with migration in Wave 3 the settlement no longer follows the CBF batches but the T2S business day, this field is no longer needed. The field will therefore be removed with this Release in November 2015.

```
DEPOTBUCH PERSOENLICH VOM 01.10. BIS 31.10.2016

KONTO-NR: 1/234/000        TESTBANK AG
T2S SAC : DAKV1234000

ISIN / WKN        DE000LBB11H0 / LBB11H  LBB BAER INDEX 12T 17 DAX

BUCH- MB-    SET-DAY SCHLUSST       LASTKTO        GUTKTO       AUFTR.                              EING
         TAG      ÜBERG                    LASTKTO NIEDERL GUTKTO    NIEDERL AA BS  GES-NR EIN      NOMINALE
WRG  GEGENWERT MAKL BEMERKUNG
ALTER SALDO                                                      ST    993.113,000
05.10 19:35 05.10.16 03.10.16 1234000        5678000       10 41     94 ST        10,000-EUR    507,70 5678
07.10 19:38 07.10.16 05.10.16 1234000        5678001 5678099 10 41 9015764 ST    400,000-EUR 20.456,00 5678
06.10 20:22 06.10.16 05.10.16 5678000        1234000       10 41 9033423 ST   1.200,000 EUR 61.116,00 1234
13.10 20:22 13.10.16 11.10.16 1234000        7999000       10 41 9025768 ST   1.200,000-EUR 60.648,00 5678
14.10 19:40 14.10.16 13.10.16 1234000        3456000       10 41 9017696 ST   1.500,000-EUR 73.995,00 1234
24.10 20:13 24.10.16 21.10.16 1234000        5678000 5678099 10 41 9031307 ST    13,000-EUR    629,33 5678
26.10 20:36 26.10.16 24.10.16 5678000 5678099 1234000       10 41 1000712 ST     13,000 EUR    640,12 1234
26.10 20:36 26.10.16 24.10.16 3456000        1234000       10 41 9029507 ST   1.500,000 EUR 74.550,00 2345
28.10 19:36 28.10.16 25.10.16 1234000 1234008 5678000 5678012 10 41 1001665 ST 1.225,000-EUR 59.951,50 3456
NEUER SALDO                                                     ST    991.478,000

ISIN / WKN        AT0000A0JH15 / RCB6P6  RAIF.CENTRO. CALL12 AZ2

ALTER SALDO                                              ST       0,000

              KEINE UMSAETZE SEIT DEM 25.09.2016
NEUER SALDO
```

4.3.4. Daily Security Movements (Depottagesauszug)

In this report, the batch cycle in which an instruction has been processed is shown in the "SET-ART" field. Since the settlement with the migration in Wave 3 no longer follows the CBF batches but the T2S business day, with the Release in November 2015 this field will be replaced by the new field MB_ÜBERG (co-ownership transition) that shows the booking time stamp (time).

```
DEPOTBUCH PERSOENLICH VOM 01.10. BIS 31.10.2016

KONTO-NR: 1/234/000        TESTBANK AG
T2S SAC : DAKV1234000

ISIN / WKN        DE000LBB11H0 / LBB11H  LBB BAER INDEX 12T 17 DAX

BUCH- MB-   SET-DAY SCHLUSST        LASTKTO       GUTKTO       AUFTR.                                EING
            TAG     ÜBERG                   LASTKTO NIEDERL GUTKTO  NIEDERL AA BS  GES-NR EIN      NOMINALE
WRG   GEGENWERT MAKL BEMERKUNG
ALTER SALDO                                                ST       993.113,000
05.10 19:35 05.10.16 03.10.16 1234000        5678000        10 41     94 ST       10,000-EUR      507,70 5678
07.10 19:38 07.10.16 05.10.16 1234000        5678001 5678099 10 41 9015764 ST      400,000-EUR  20.456,00 5678
06.10 20:22 06.10.16 05.10.16 5678000        1234000        10 41 9033423 ST     1.200,000 EUR  61.116,00 1234
13.10 20:22 13.10.16 11.10.16 1234000        7999000        10 41 9025768 ST     1.200,000 EUR  60.648,00 5678
14.10 19:40 14.10.16 13.10.16 1234000        3456000        10 41 9017696 ST     1.500,000 EUR  73.995,00 1234
24.10 20:13 24.10.16 21.10.16 1234000        5678000 5678099 10 41 9031307 ST       13,000 EUR      629,33 5678
26.10 20:36 26.10.16 24.10.16 5678000 5678099 1234000        10 41 1000712 ST       13,000 EUR      640,12 1234
26.10 20:36 26.10.16 24.10.16 3456000        1234000        10 41 9029507 ST     1.500,000 EUR  74.550,00 2345
28.10 19:36 28.10.16 25.10.16 1234000 1234008 5678000 5678012 10 41 1001665 ST  1.225,000-EUR  59.951,50 3456
NEUER SALDO                                                ST       991.478,000

ISIN / WKN        AT0000A0JH15 / RCB6P6  RAIF.CENTRO. CALL12 AZ2

ALTER SALDO                                                ST            0,000

                 KEINE UMSAETZE SEIT DEM 25.09.2016
NEUER SALDO
```

4.3.5 Further identifying flags in the settlement reporting

With this Release, further identifying flags will be supplemented in Dispo Bund reports. Both the T2S Party BIC as well as the T2S SAC will be added, as marked in red in the following example:

```
         1         2         3         4         5         6         7         8
123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890123456789012345

CLEARSTREAM BANKING AG                          ESCHBORN, DEN 27.11.2015
MERGENTHALERALLEE 61                            TELEFON     +49-69-211-11177
                                                TELEFAX     +49-69-211-13701

TESTBANK AG

POSTFACH 1234
D 60000 FRANKFURT

BANK-NR.  :5555              BIC:&&&&&&&&&&

KONTO-NR. :5555/000    TESTBANK AG
T2S SAC: &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
```

The "BIC" field is only filled when a T2S Party BIC is recorded for the account, further information on this can be found in section 4.1. The "T2S SAC" field will continue to be empty until the migration in Wave 3.

The following reports are affected by this change:

- Extension to include the "BIC" and "T2S SAC" fields
  - Settlement list (Regulierungsliste)
  - Daily deposit statement (Depottagesauszug)
  - Portfolio maintenance commission (Bestandspflegeprovision)
- Extension to include the "T2S SAC" field
  - Personal securities ledger (Depotbuch persönlich)
  - Annual custody account statement (Jahresdepotauszug)

4.3.5. Change to LION reporting

The following extensions will be implemented in the settlement reports with this Release.

- General change:
  If a BIC is available the BIC will be displayed in the report header.

- List of valid provided releases (Liste der gueltig erteilten Freigaben):
  These three reports will continue to be generated per day (after STD, SDS1, SDS2). The respective batch will no longer be specified in the name of the report, meaning that all three reports have the same name: "Liste der gueltig erteilten Freigaben die zur Verarbeitung herangezogen wurden".

- List of valid changes / reversals, cancellations (Liste der gueltigen Aenderungen / Ruecknahmen, Loeschungen):
  These three reports will continue to be generated per day (after STD, SDS1, SDS2). The respective batch will no longer be specified in the name of the report, meaning that all three reports have the same name: "List of valid changes / reversals deletions that were used for processing".

These changes should now be regarded as preparation for Wave 3 where the two above mentioned reports are each created one time only at end of day.

4.3.6. Changed times for distributing the MT564

At 16:15, after the end of DvP settlement, an additional MT564 Corporate Action Notification will be created daily and sent to the customer. The MT564 message, which is currently sent at 06:00, will be sent at 05:00 with this Release, in order to match the T2S business day (the T2S maintenance window ends at 05:00).

Customers who currently receive message MT564 at 06:00 will automatically receive the message at 05:00 and at 16:15 in future.

4.4 Adaptations in LION

4.4.1. Deactivation of the LION "Total provision"

This Release disables the LION processes "Gesamt-Rückstellung" (General Hold instruction (trade)) and "Rücknahme Gesamt-Rückstellung" (General Release of hold instructions (trade)).

If there are pending instructions set "on hold" on the weekend of this new Release, this instruction hold will remain active. However, the hold cannot be removed on the Monday after the launch of the Release, since "Rücknahme Gesamt-Rückstellung" will no longer be available. The instruction hold will be removed automatically on the Tuesday after the Release, as the block applies for a maximum of one business day.

4.4.2. Layout change to the status screen

The information and status screens will be adapted to the T2S layout with this Release based on the changes in CASCADE. The online screens KVLI, KVLA and KVLS will also be extended to include the T2S-specific information.

The new or changed fields are marked in red:

```
TRAN: ____  FC: __  SB: _____

BOERSENGESCHAEFTE        &&&&&&&&&&&&&&&&&&&

&&&&&&   &&& &&&&&& EINGEBER/GESNR: &&&& &&&&&& SLTAG: &&&&&&&&& KONTO: &&&&

WKN: &&&&&&&&&&&   &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
                  &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&

NOMINALE     : &&&& &&&&&&&&&&&&&&&&&   AUSM-BETRAG: &&&   &&&&&&&&&&&&&&
TEILNOMINALE : &&&&                    KURS      :        &&&&&&&&&&&&&
URSPR-NOMINALE: &&&& &&&&&&&&&&&&&&&&&  KURSDIFF  : &&&     &&&&&&&&&&&&&
                                       PART SETTL INDICATOR: &&&&
GEGEN-KONTO  : &&&& &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&  EING-TAG: &&&&&&&&&
GEGENWERT-KZ : & &&&&&&&&&&&&&&&&&&&                VAL-TAG : &&&&&&&&&
REASON CODE  : &&&& &&&& &&&& &&&& &&&&            SET-DAY : &&&&&&&&&
DISPO-PRIO   : _ &&&       SET-ART: & &&&&&
PRTYHLD-STATUS: & &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
DISPO-STATUS : & &&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
ORIG.-HANDELS-TLN.: &&&& EIGENG.: && TEXT: &&&&&&&&&&&&&&&&&&&&&&&&&&&

-- ID-KZ: _____ -- PW: _____ ------ &&&&&&& -- &&&&&&& -- &&&&&&& --
&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&&
```

A new status screen can be opened from the KVLI, KVLA and KVLS transactions via the PF8 functionality:

```
                    1         2         3         4         5         6         7         8
           12345678901234567890123456789012345678901234567890123456789012345678901234567890
01  TRAN:      FC:     SB:
02
03  BOERSENGESCHAEFTE         INFORMATION
04
05  &&&&&&   &&            EINGEBER/GESNR: &&&& &&&&&& SLTAG: &&.&&.&&&& KONTO: &&&&
06
07  STATUSART            AKT.     BESCHREIBUNG         LION    BEANTR   BEARBEITUNGS
08                       STATUS                        VALUE   STATUS   STATUS
09  T2S CANCEL STATUS : &      &&&&&&&&&&&&&&&&&&               &&&&     &&&&&&&&&&&&&
10  DISPO-PRIORITAET   : &      &&&&&&&&&&&&&&&&&&       &       &        &&&&&&&&&&&&&
11  PARTIAL SETTL IND : &&&&   &&&&&&&&&&&&&&&&&&       &&&&    &&&&     &&&&&&&&&&&&&
12  CSD HOLD STATUS    : &      &&&&&&&&&&&&&&&&&&               &&&&     &&&&&&&&&&&&&
13  CSD VALHOLD STATUS: &      &&&&&&&&&&&&&&&&&&               &&&&     &&&&&&&&&&&&&
14  CoSD HOLD STATUS   : &      &&&&&&&&&&&&&&&&&&               &&&&     &&&&&&&&&&&&&
15     CVAL RULE ID    : &&&&&&&&              CoSD RULE ID  : &&&&&&&&
16
17  TEILBELIEFERUNG      :                    &&&& &&&&&&&&&&&&&&&&&    &&&&&&&&&&&&&
18  T2S ACTOR REF       : &&&&&&&&&&&&&&    T2S MITI REF     : &&&&&&&&&&&&&&
19  T2S ACTOR REF URSPR: &&&&&&&&&&&&&&    T2S MITI REF URSPR: &&&&&&&&&&&&&&
20
21
22  -- ID-KZ: _____ -- PW: _____ ------ B789123OU - 19/05/13 - 09:56:43 --
23
24  PF2:Druck  PF3:Rücksprung  PF4:Abbruch  PF7:Zurück
```

4.4.3. Changes to LION remarks in the help screen

The help screen is being extended to include the following new LION remarks. Most of the new remarks are directly connected with T2S and are only actually used with Wave 3.

Remarks	Description	Used from
LC	CANCELLATION BY CBF	November Release 2015
LG	CANCELLATION BY CBF FROM PREVIOUS DAY	November Release 2015
LI	LINKED	Migration in Wave 3
LS	CANCELLATION BY T2S	Migration in Wave 3
PI	PART.SETTL.INDICATOR CHANGED	Migration in Wave 3
PP	PARTIALLY PENDING	Migration in Wave 3
RJ	REJECTED	Migration in Wave 3
RQ	REQUESTED	Migration in Wave 3

The remarks "LC" and "LG" may appear from this Release onwards, as they are also used in cancellations from KADI.

The following two remarks will no longer be used and will be deleted from the overview with this Release:

- SM – BOND STRIPPING
- XS - XETRA STARS TRADE

The modified help screen shows the following remarks, the new entries are marked in red:

```
------------ ANZEIGE DER BEMERKUNGEN UND IHRE ERLAEUTERUNGEN ----------------

AS - AUFGABENSCHLIESSUNG               AU - AUFGABE
AW - AUFGABENWEITERGABE                DP - DISPOSITIONS-PRIORITAET GEAENDERT
FW - FREMDWAEHRUNG                     KO - KOMPENSATION
LB - LOESCHUNG DURCH BEIDE KONTRAHENT. LC - LOESCHUNG DURCH CBF
LG - LOESCHUNG DURCH CBF VOM VORTAG    LI - LINKED
LK - LOESCHUNG DURCH KAEUFER           LS - LOESCHUNG DURCH T2S
LT - LOESCHUNG DURCH BEIDE VOM VORTAG  LV - LOESCHUNG DURCH VERKAEUFER
ME - MAKLER ERHEBT                     MU - MAKLER UEBERWEIST
OD - OHNE DECKUNG STUECKE              OG - GELD NICHT BEREITGESTELLT
PI - PART.SETTL.INDICATOR GEAENDERT    PP - TEILWEISE OFFEN
RJ - ABGELEHNT                         RQ - BEANTRAGT
R3 - REG S, KATEGORIE 3                SA - SONDPRO-AENDERUNG (CORP. ACTIONS)
SP - GATTUNGSSPERRE                    ST - LIEFERPOSITION STORNIERT
SZ - ZUSATZRECHT EINGERICHTET          TB - TEILBELIEFERUNG
VE - EMISSIONS-VALUTA                  VZ - VALUTA ZUG-UM-ZUG
XE - XETRA-GESCHAEFT                   ZR - GESCHAEFT ALS ZUSATZRECHT EINGER.
   -                                      -
-- ID-KZ: 7999690042 - PW:        ------ B79075MO - 30/03/15 - 14:41:35 -


PF3:Rücksprung  PF4:Abbruch
```

If the cancellation of a LION transaction from KADI is initiated in the course of a transformation process, the remark LC "Cancellation by CBF" is added, instead of the previous LB "Cancellation by both the counterparties". The remark LC will be changed to LG "Cancellation by CBF on the previous day" on the following business day.

4.5 Connectivity

4.5.1. Additional fields in client connectivity

The following fields in outbound and inbound messages towards and from the customer for the settlement instructions in instruction type AA01/AA02 W will be supported in straight-through processing (STP) channels (SWIFT, MQ Series and File Transfer) with this Release:

- OPT-OUT indicator in field: 22F::STCO//NOMC
- CCPN / XCPN indicator in field :22F::TTCO
  The SPEX indicator will only be used until migration in Wave 3 and will then no longer be supported. The SPEX indicator will no longer be supported by markets already migrated to T2S. As a result, the entry of SPEX in these markets prevents matching, see also section 4.2.3.
- Partial settlement indicator in one of the following fields:

Qualifier:	Description
:22F::STCO//NPAR	No partial settlement
:22F::STCO//PART	Partial settlement
:22F::STCO/COEX/PARQ	Partial settlement quantity threshold allowed
:22F::STCO/COEX/PARC	Partial settlement cash threshold allowed

- ISO transaction code in field :22F::SETR

This enables that, for cross-border instructions, fields that are matching criteria in T2S can be filled inas well.

4.5.2. Extended status information in MT548 and MT537

With the November Release, CBF will extend the current status reporting in the "Repetitive Subsequence A2 Status" sequence in the message type MT548 ("Business Validation Feedback and Lifecycle Information") and in the "Repetitive Subsequence C3 Status" in the message type M537 ("Statement of Pending Transactions"). The change applies to the match-relevant instruction types AA01 / AA02 and is used in the CASCADE Matching and Processing Information status messages. The use of the further sequence by our customers is optional if the status information is currently only processed from sequence 1 by the customer. As a result of the implementation of the further sequence, information that is currently displayed in sequence 2, is moved to sequence 3.

In the future, the instruction status will continue to be displayed in sequence 1. As in the past, information on the CASCADE instruction status is available in field :70D::REAS (for example with "MATS", "SETS" or "PROS"). Similarly, the current reporting on the cancellation of instructions ("cancellation reporting") is not affected by this change. Furthermore, it is guaranteed that the previous message flow and the configuration of messages set by the customer will remain unaffected. In detail, this means that no additional messages will be delivered and none left out compared to today as a result of the change of format with the introduction of a further sequence.

With the extension of the status sequence, CBF instead offers customers the opportunity to obtain the status of the instruction currently identified by CBF as the instruction status in the standard ISO 15022 format. The implementation approach chosen by CBF will remain across the migration of T2S Waves 3 and 4. Only with the publication of a further CBF Release after T2S Wave 4 will the implementation of status sequences for the message types MT548 and MT537 become mandatory for all our customers.

	Instruction status			
Relevant for MT	**548 and 537**	**548 only**	**548 and 537**	
Sequence	**Unmatched**	**Newly matched**	**Matched and pending**[a]	**Customer impact**
1[b]	MTCH//NMAT	MTCH//MACH	Party hold or settlement failure status	No change to the current processing
2	Party hold status	Party hold or settlement failure status	Cancellation request exists (cancellation pending status)	Introduction of sequence 2; optional use
3	Optional, only if cancellation request exists (cancellation pending status)	Optional, only if cancellation request exists (cancellation pending status)	Not applicable	As a result of the introduction of sequence 2, a requirement for adjustment may be possible with the current use of this sequence

a. Also used in no-match relevant instruction types AA03 and AA16 / AA18.

b. Only sequence 1 is issued in our "Business Validation Feedback (BVF)" and in the cancellation (status) information.

The tables below show a comparison of the current and future formats of message types of the instruction types described above:

a) The instruction is not matched and the party hold status is displayed:
    Example of: first status message, change in the hold status or match errors

Current situation: MT548		
Sequence 1:		
25D:	MTCH//NMAT	
24B:	NMAT//XXXX	XXXX=CMIS, match errors
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Current situation: MT537		
Sequence 1:		
25D:	MTCH//NMAT	
24B:	NMAT//XXXX	XXXX = CMIS, match errors
Sequence 2 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Update with the November Release 2015: MT548		
Sequence 1:		
25D:	MTCH//NMAT	
24B:	NMAT//XXXX	XXXX=CMIS, match errors
Sequence 2:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PREA, FUTU
Sequence 3 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

Update with the November Release 2015: MT537		
Sequence 1:		
25D:	MTCH//NMAT	
24B:	NMAT//XXXX	XXXX = CMIS, match errors
Sequence 2:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PREA, FUTU
Sequence 3 (if applicable):		
25D:	IPRC//CANP	
24B:	CANP//CONF	

b) The instruction is matched and pending:

Current situation: MT548		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU
Sequence 2 (if applicable): [1]		

Current situation: MT537		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU, LACK, MONY
Sequence 2 (if applicable): [1]		

Update with the November Release 2015: MT548		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU
Sequence 2 (if applicable): [1]		

Update with the November Release 2015: MT537		
Sequence 1:		
25D:	SETT//PEND	
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU, LACK, MONY
Sequence 2 (if applicable): [1]		

(1)   Possible qualifiers:

:25D:	IPRC//CPRC
:25D: and :24B:	IPRC//CANP and CANP//CONF
:25D:	IPRC//CANP

c) Instruction was newly matched and information on the party hold:

Current situation: MT548			
Sequence 1:			
25D:	MTCH//MACH		
24B:	-		
Sequence 2 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

Update with the November Release 2015: MT548			
Sequence 1:			
25D:	MTCH//MACH		
24B:	-		
Sequence 2:			
25D:	SETT//PEND		
24B:	PEND//XXXX	XXXX = PRCY, PREA, BOTH, FUTU	
Sequence 3 (if applicable):			
25D:	IPRC//CANP		
24B:	CANP//CONF		

The following example shows an MT548 for the aforementioned scenario c)

The status sequences are highlighted in blue:

Message Fields and Contents
{1:   F01XXXXDEFFBXXX0000001046}
{2:   I548DAKVDEFFADOMN}
{4:
:16R: GENL
:20C: :SEME//C54M0934174233410
:23G: INST
:98C: :PREP//20150422093417
:16R: LINK
:20C: :RELA//NONREF
:16S: LINK
:16R: LINK
:20C: :TRRF//KT79070200106100
:16S: LINK
:16R: STAT
:25D: :MTCH//MACH
:16S: STAT
:16R: STAT
:25D: :SETT//PEND
:16R: REAS
:24B: :PEND//FUTU
:70D: :REAS///SETS 000/MATS 002/PROS 100
:16S: REAS
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE000GSW1111

Message Fields and Contents
GSW IMMOBILIEN AG
:36B: :SETT//UNIT/463,
:97A: :SAFE//98760000
:22F: :SETR//TRAD
:22H: :REDE//RECE
:22H: :PAYM//FREE
:22F: :RTGS//NRTG
:98A: :SETT//20150422
:98A: :TRAD//20150422
:16R: SETPRTY
:95P: :DEAG//TESTBICFXXX
:97A: :SAFE//44440000
:20C: :PROC//KT44440185285910
:16S: SETPRTY
:16R: SETPRTY
:95P: :PSET//DAKVDEFFXXX
:16S: SETPRTY
:16R: SETPRTY
:95P: :REAG//TESTDEFFXXX
:97A: :SAFE//99990000
:16S: SETPRTY
:16S: SETTRAN
-}

In addition to the aforementioned changes, CBF will adjust the reporting for matched instructions, if settlement could not be carried out on the intended settlement date (ISD). Currently our customers receive the information by means of the indicator "PENF" (Pending/Failing Reason) in the "Optional Repetitive Subsequence A2a Reason" sequence. In future, a "PEND" (Pending Reason) will be sent instead of a "PENF" in all cases.

4.6 Changes in the maturities of Danish bonds

In preparation for T2S, VP Securities is adjusting the current model for maturities/partial redemptions in order to achieve harmonisation with the overall European market. The record date, which according to the current model is at the beginning of the draw period, in the period from 4 ½ to 1 ½ months before maturity, is moved to the end of the draw period for this purpose.

The announcement of the final draw rate is made during the record day. These changes will be made for all bonds with due dates after 21 September 2015. The first publication date for the affected bonds was 22 May 2015.

5. Appendix

5.1 KUSTA data carrier – format

5.1.1. KUSTA data carrier – CBF customers

Field no.	Field name	Beschreibung	Description	Format
1	Satztyp	Kennzeichen, ob es sich um den Datensatz für „CBF Inland" – Kontoinhaber handelt	Indicator, whether this data set contains information about a „CBF Inland" (domestic) account owner	N(3)
2	Status	Kennzeichen, ob es sich bei dem gesendeten Satz um eine Änderung, einen Zugang oder eine Löschung handelt / Übertragung des vollständigen Bestandes erfolgt immer als Zugang	Indicator, whether this data set provides information on a modification, deletion or new account / if a full file is provided the indicator refers always to a new account	A(1)
3	CBF-ID	CBF-Nummer/Banknummer Ortskennzeichen N(3) Hauptkonto-Nr. N(5) Bsp. CBF-ID: 7002 → 00700002	CBF number / bank number Location N(3) Main account number N(5) For example CBF-ID: 7002 → 00700002	N(8)
4	Veröffentlichung	Kennzeichen, welche Daten enthalten sind Grunddaten (Name, Ort und Börsenplatz) Gesamtdaten (Alle Felder, soweit vorhanden, werden gefüllt)	Indicator, which data is provided Basic information (name, city, place of stock exchange) Entire information (all fields will be provided, if available)	N(1)
5	Name		Name	A(35)
6	Name Fortsetzung	Ggf. Fortsetzung des Namens	Name - continuation if necessary	A(35)
7	Ort		City	A(30)
8	Börsenplatz	Börsenplatz der CBF-ID	Place of Stock Exchange indicated by CBF-ID	N(3)
9	AWV-Gebiet		German foreign trade regulations – Area	N(3)
10	AWV-Land		German foreign trade regulations – Country	N(5)
11	Kontengruppe		Account group	N(3)
12	Strasse		Street	A(30)
13	Postfach		P.O. Box	A(10)
14	Postleitzahl Strasse		Postal Code Street	A(5)
15	Postleitzahl Postfach		Postal Code P.O. Box	A(5)
16	Postleitzahl		Postal Code Key Account	A(5)

Field no.	Field name	Beschreibung	Description	Format
	Großkunde			
17	Telefon		Telephone	A(20)
18	Telefax-Nummer		Fax	A(20)
19	SWIFT-Adresse		SWIFT Address	A(12)
20	Börsen-Teilnehmer		Stock Exchange Participant	N(3)
21	Auslandsteilnehmer		Foreign Participant	N(3)
22	EUREX-Teilnehmer		EUREX Participants	N(3)
23	Buchungsart		Posting Type	N(3)
24	CBF-Verrechnung	11-stelliger BIC	BIC11 for CBF Clearing	A(11)
25	Bankleitzahl		Bank Code Number	N(8)
26	BIC-RTS	11-stelliger BIC	BIC11 for RTS	A(11)
27	Reg-Ueber	CBF-ID der Clearing Zentrale Ortskennzeichen N(3) Hauptkonto-Nr. N(5) Bsp. CBF-ID: 7002 → 00700002	Third Party Head Office Location N(3) Main account number N(5) For example CBF-ID: 7002 → 00700002	N(8)
28	T2S Relevant	Kennzeichen, ob es sich um einen Kontostamm handelt, der in T2S abgebildet wird. Ausprägungen J (ja) N (nein) NK (nur Konto, nur Securities Account (SAC))	Indicator, whether the account master will be mapped to T2S J (yes) N (no) NK (account only; only Securities Account (SAC))	A(2)
29	T2S Party BIC	11-stelliger BIC	BIC 11 provided for processing at T2S	A(11)
30	Filler			A(26)

5.1.2. KUSTA data carrier – market

Field no.	Field name	Beschreibung	Description	Format
1	Satztyp	Kennzeichen, ob es sich um den Datensatz der Teilnehmerkonten des ausländischen Markts handelt	Indicator, whether this data set contains information about a participant of a foreign market	N(3)
2	Status	Kennzeichen, ob es sich bei dem gesendeten Satz um eine Änderung, einen Zugang oder eine Löschung handelt / Übertragung des vollständigen Bestandes erfolgt immer als Zugang.	Indicator, whether this data set provides information on a modification, deletion or new account / if a full file is provided the indicator refers always to a new account.	A(1)
3	Markt	Markt-Code des Clearing Partners bei CBF	Market code of clearing partner at CBF	N(3)
4	Ausländische Kontonr.	Ausländische Kontonr.	Foreign account number	A(35)
5	Name Kurzform	Kurzform des Namens	Name – short name	A(35)
6	Name aktuell	Vollständiger Name	Name – long name	A(35)
7	Name Fortsetzung	Ggf. Fortsetzung des Namens	Name – continuation if necessary	A(35)
8	Name Zusatz	Ggf. Namenszusatz	Name – add on	A(35)
9	Strasse		Street	A(30)
10	Länderkennzeichen		Country Code	A(3)
11	Postleitzahl		Postal Code	A(5)
12	Ort		City	A(30)
13	Kontotyp		Account type	N(3)
14	CBF-ID		CBF-ID	A(8)
15	SWIFT-Adresse	CBF-Nummer/Banknummer Ortskennzeichen N(3) Hauptkonto-Nr. N(5) Bsp. CBF-ID: 7002 → 00700002	SWIFT Address / CBF-Number Location N(3) Main account number N(5) For example CBF-ID: 7002 → 00700002	A(12)
16	Filler			A(62)

5.2 ISO transaction codes

The ISO transaction codes used by T2S and supported by CBF are attached.

ISO transaction codes	Beschreibung
BSBK	Buy sell back transaction
CNCB[a]	Collateral delivery/receipt to a national central bank for central bank credit operations
COLI	Collateral transaction, from the point of view of the collateral taker or its agent
COLO	Collateral transaction, from the point of view of the collateral giver or its agent
ETFT	ETF creation or redemption
FCTA	Factor update
INSP	Movement of shares into or out of a pooled account
MKDW	Decrease of positions held by an International Central Securities Depository (ICSD) at the common depository due to custody operations (repurchase, pre-release, proceed of corp. event realigned)
MKUP	Increase of positions held by an International Central Securities Depository (ICSD) at the common depository due to custody operations (repurchase, pre-release, proceed of corporate event realigned)
NETT	Netting of settlement instructions
NSYN	Relates to the issue of medium and short term paper (CP, CD, MTN, notes etc.) under a program and without syndication arrangement.
OWNE	Account transfer involving more than one instructing party (messages sender) and/or account servicer (messages receiver)
OWNI	Account transfer involving one instructing party (messages sender) at one account servicer (messages receiver)
PAIR	Pair-off: The transaction is paired off and netted against one or more previous transactions.
PLAC	Placement/new issue of a financial instrument
REDM	Redemption of funds (funds industry only)
RELE	Release (into/from local) of depository receipt operation
REPU	Repurchase agreement transaction
RODE	Return of financial instruments resulting from a rejected delivery without matching operation
RVPO	Reverse repurchase agreement transaction
SBBK	Sell buy back transaction
SECB	Securities borrowing operation
SECL	Securities lending operation
SUBS	Subscription to funds (funds industry only)
SYND	Issue of financial instruments through a syndicate of underwriters and a lead manager
TBAC	To Be Announced (TBA) closing trade
TRAD	Settlement of a trade
TRPO	Tri-party repurchase agreement
TRVO	Tri-party reverse repurchase agreement
TURN	Turnaround: The same security is bought and sold to settle the same day, to or from different brokers.

a.   This code is dedicated to the use by central banks.