

## CBF Release in November 2013: Advance announcement of changes

Clearstream Banking would like to inform customers in advance about a few changes, which will take place with the following CBF Release on

**18 November 2013**

because these changes could possibly require changes to customers' systems.

We will inform you about additional changes which take effect within the context of CBF Release in November 2013 and provide details about the changes already listed below at a later time.

### 1. CASCADE LION Reporting

Due to the extension of trading hours on Börse Stuttgart (Stuttgart stock exchange), customers will be offered an additional MT537 transfer with pending SE trades with the CBF Release effective 18 November 2013.

The new transfer will be subsequent to the current transfer, which will be sent today at approx. 23:00.

Previously, all new stock exchange transactions (LION transactions) from the previous trading day (new trades) were provided in the MT537 transfer at approx. 23:00. To avoid further delays of this transfer due to the longer trading hours, the stock exchange transactions will be split among the previous and the new transfer as follows:

- **Standard procedure when the stock exchange systems deliver on time:**  
All new trades, which CBF receives from stock exchange systems by 23:00 are included in the first (today's) transfer.
- **Exceptional case, in case of a late delivery from individual stock exchange systems:**  
New trades, which are transferred from the stock exchange systems to CBF after 23:00, are included in the new transfer.

If all transactions are transferred to CBF before 23:00, there is no second transfer or an MT537 is transferred without transactions if the customer requests this option for the MT537 transfer.

In detail this will result in the following changes:

## 1.1 Changes in MT537 reporting (Pending SE Trades)

Customers who receive MT537 Pending SE Trades can basically choose between two options that differ with respect to contents.

1. "Old" pending and new trades:  
The new trades and the transactions that are not yet settled (status after STD) from the previous day are sent.
2. Only new trades:  
Only the new trades from the previous trading day are sent.

Today messages are timed as follows with different contents:

Transmission	Option 1 All Trades	Option 2 All new trades
After STD	<ul style="list-style-type: none"> <li>• All new trades from the previous trade date</li> <li>• „Old“ pending trades after STD</li> </ul>	<ul style="list-style-type: none"> <li>• All new trades from the previous trade date</li> </ul>
After SDS 1	<ul style="list-style-type: none"> <li>• „Old“ pending trades after SDS 1</li> </ul>	
After SDS 2	<ul style="list-style-type: none"> <li>• „Old“ pending trades after SDS 2</li> </ul>	

Effective 18 November 2013, the messages will be made available at the following time and with the following contents:

Transmission	Option 1 All Trades	Option 2 All new trades
Transmission 1 (app. 23:15 or earlier)	<ul style="list-style-type: none"> <li>• New trades from the previous trade date</li> <li>• „Old“ pending trades after STD</li> </ul>	<ul style="list-style-type: none"> <li>• New trades from the previous trade date</li> </ul>
Transmission 2 (app. 23:45 or later)	<ul style="list-style-type: none"> <li>• New trades from the previous trade date not included in transmission 1</li> </ul>	<ul style="list-style-type: none"> <li>• New trades from the previous trade date not included in transmission 1</li> </ul>
After SDS1	<ul style="list-style-type: none"> <li>• „Old“ pending trades after SDS1</li> </ul>	

## **1.2 Technical setup of the new transfer**

The new transfer is generated automatically for customers who already receive the MT537 messages with stock exchange transactions via MQ series or SWIFT. A separate request for the new transfer is not necessary in this case.

If the transmission is via file transfer, CBF will set up the new transfer and contact the relevant customer for coordination purposes.

The new MT537 transfer will be set up based on the option already ordered by the customer.

Customers who until now have not received any "blank files", i.e., MT537 messages without transactions, but who need them in the future, are requested to contact Customer Service Connectivity at least four weeks before the release takes effect.

## **1.3 List of pending stock exchange transaction**

The list of pending stock exchange transactions will be sent unchanged via the existing transfer and will still contain all new trades from the previous day. If transactions from stock exchange systems are transmitted late to LION, this can cause delays in the transfer as is already the case today.

## **1.4 Test files**

We will inform you at a later date about the possibility to receive test files or messages in the simulation phase (probably in November 2013).

## **2. New daily cash statement**

Effective 18 November 2013, a new daily cash statement will be transferred in addition to the existing daily cash statements for DD1, DD2 and DD3, which includes the cash movements of all three DD cash settlement cycles. The daily cash statement will be created in a new format (landscape format), and the individual cash entries will be accumulated using different criteria from those employed today. As a result, the accumulated amounts on the daily cash statement will be easier to understand with help of the CASCADE online display KNZI-ID ("detailed instructions for Direct Debit-cash clearing" display in CASCADE PC).

You can find an example of the new daily cash statement in the attachment.

Sorting criteria for accumulation of cash turnovers:

Sort Key	
No.	Field
1	Cash settlement cycle (DD1-DD3)
2	Package number
3	CASCADE account master number
4	Source (manual or automatic)
5	Booking Text Key
6	First the debit bookings, then the credit bookings

Entries made by CBF manually are not accumulated, but instead are shown individually.

The accumulation according to original value dates as in the current daily cash statements is omitted.

The new daily cash statement will be transferred together with the existing daily cash statements, unchanged in format and contents, in the current transmitter J\_200785 under programme number KN173 at approx. 15:30. The transfer is performed automatically and needs not be requested by the customers.

**Note:** Customers who receive the daily cash statement via CA spool, are expressly reminded that they must adapt the printer settings internally if necessary, so that the previous lists can be printed in portrait format and the new lists in landscape format.

### 3. CBF SWIFT Release

The SWIFT Release in November 2013 will make adjustments in Custody Reporting via MT564 and MT566 necessary. Details about this will be provided at a later time.

All other reports are not affected by the SWIFT Release.

## **4. Changes in CBF Custody Reporting**

Regardless of the changes that are necessary for the SWIFT Release, CBF will make the following changes in the area of Custody Reporting:

### **4.1 Elimination of the Custody Payments File**

The Custody Payments File will no longer be delivered to customers from 18 November 2013. Customers who still receive the Custody Payments File can convert to the reporting in SWIFT format MT564/566 at any time and are requested to contact Customer Service Connectivity to this aim as soon as possible.

### **4.2 Implementation of "Two Event Scenarios"**

CBF will report "Two Event Scenarios" in future, i.e. measures that were converted in two different phases (e.g. mandatory and voluntary phase), according to the standards elaborated by the CAJWG (Corporate Action Joint Working Group). The following events are affected by this:

- Capital increase against payment (RHDI/EXRI – KADI event type TA210):
- Mandatory events with interim ISIN (e.g., SOFF/EXOF – KADI event type TA211)
- Voluntary events with interim ISIN (e.g., TEND/EXOF – KADI event type TA280)

### **4.3 MT564 advance information for measures relevant to UCITS**

Effective 18 November, CBF will send a pre-advise MT564 on holdings for UCITS-relevant information for funds, which are announced in advance without knowing the date for implementing the corresponding corporate action (non-income).

This concerns events (non-income), which are to be published in advance in accordance with the UCITS regulation, such as:

- Announced fund mergers
- Fund closures
- Suspension or restart of repurchasing fund shares
- Changes in contract conditions
- Changes in calculating share value

The information is generated based on the WM data field UD008A (conversion reason) with event type 281, the existing KADI event type for information about measures which are not directly carried out.

### **4.4 MT566 confirmation for manual entries**

MT566 confirmations will also be sent in future for cash entries which CBF has entered manually due to a corporate action (income and non-income). The

confirmations will be sent out directly following the respective cash settlement cycle DD1, DD2 or DD3.

Details about the changes described above will be published on a later date.

## 5. Xemac

Prior to the introduction of the cross-border use of Triparty Collateral Management Services for providing collateral for monetary policy operations of the Euro system, which is planned for 2014, the processes in Xemac are being adapted correspondingly. In particular, the procedure in this context will change when there is a shortfall of collateral due to new prices and pending corporate events:

- Change of the Xemac evaluation processes and their consideration in the collateral pool of Deutsche Bundesbank
- Treatment of payment processes for affected corporate events

## 6. Securities lending

The following enhancements are planned:

- Introduction of a multi-currency capability in securities lending arrangements: as a result, customers can issue instructions in non-EUR currencies.
- Slight adaptations will be made in the pdf and csv reporting.
- Enhancement of end-of-day reporting – the existing reports will be provided via a new reporting channel.

## Further information

You can obtain additional information from your Relationship Officer or the Clearstream Banking Customer Service.

Annex 1

Example of new daily cash statement:

CLEARSTREAM BANKING AG						SEITE : 1
1234/000						
Testbank						
GELDTAGESAUZUG (EOD) NR. 027 VOM 05.02.2013 PER						
LAUF PN KTO V TXT REFERENZ						SOLL HABEN
ALTER SALDO						0,00
VALUTA: 05.02.13						
ZINSEN	DD1	1	1234	A	300	6.025.649,00
ZINSEN	DD1	1	1234	A	301	7.177.967,50
BEZ.R.AUSUEB.	DD1	1	1234	M	701 DE0001234567	210.855,95
ZINSEN	DD1	1	4321	A	300	90.500,00
BEZ.R.AUSUEB.	DD1	1	4321	M	701 AC. 7xxxx Ref: ACC-20000988,	3.010,05
ZINSEN	DD1	1	5678	A	300	4.864.376,52
AUSGLEICH PAKET 1-8	DD1	1			051	3.588.692,02
KOMP.ZINS.W/XEMAC	DD1	9	1234	A	315	1.625.000,00
GUTSCHRIFT SONST.	DD1	9	1234	M	080 Sec.Lending	115.000,00
KOMPENS.DIV.OTC	DD1	9	4321	A	412	1.785,00
AUSGLEICH PAKET 9	DD1	9			052	1.741.785,00
GESAMTRUECKZAHL.	DD2	1	1234	A	500	87.300,00
BEZ.R.HANDEL.	DD2	1	1234	M	700	10.376,52
AUSGLEICH PAKET 1-8	DD2	1			051	97.676,52
KOMP. DIV.BOE.	DD2	9	1234	A	413	9.300,00
AUSGLEICH PAKET 9	DD2	9			052	9.300,00
BEZ.R.HANDEL.	DD3	9	1234	M	700 ACC.7xxxx Ref: ABC-1234	5.340,52
BRUCHST.HANDEL.	DD3	9	1234	M	704 DE0007654321	2.860,67
AUSGLEICH PAKET 9	DD3	9			059	2.479,85
SUMME UMSAETZE						12.834.627,56 12.834.627,56
NEUER SALDO (VORBEHALTLICH MITBESITZUEBERGANG						0,00
GEMAESS ONLINE-ANZEIGE IN CASCADE)						