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CBF Release

CBF Release Information
21 November 2011

CBF Release November 2011

Foreword

With this Release Information, Clearstream Banking[1] would like to provide you with detailed information about the planned new features, service improvements and enhancements as part of the release on

21 November 2011

This release affects the following areas:

- Domestic Market Services Germany
- Cross Border Services
- Global Securities Financing Services
- Connectivity Services
- Miscellaneous: Customer simulation

Please forward the document to all areas affected in your organisation.

Note: Please also note the release information F-CON20 8 June 2011, which provides information on the required changes of the SWIFT & Connectivity Release 2011.

Contacts

Please contact our Customer Service Domestic or Customer Service Connectivity should you require further information or have any specific questions.

Clearstream Banking

Customer Service Domestic	Tel:	+49 - (0) 69 - 211 - 1 11 77
(General queries)	Fax:	+49 - (0) 69 - 211 - 61 11 77
	Email:	csdomestic@clearstream.com
Customer Service Connectivity	Tel:	+49 - (0) 69 - 211 - 1 15 90
(Connectivity Services)	Fax:	+49 - (0) 69 - 211 - 61 15 90
	Email:	connectfrankfurt@clearstream.com

We would like to advise our customers at this point that telephone conversations with Clearstream Banking are recorded in some areas as is customary in the finance industry. This is to ensure that the interests of both Clearstream Banking and its customers are protected against misunderstandings or faulty transmissions.

The areas in which telephone calls are recorded include Customer Service, the Treasury Dealing Room and the Back Office. The telephone lines affected are subject to constant maintenance to ensure perfect operation.

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1. In this Release Information, Clearstream Banking refers to Clearstream Banking AG, Frankfurt (CBF). CBF is a company of the Deutsche Börse Group.

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1. Domestic Market Services Germany

1.1 Clearing and Settlement

1.1.1 Multiple entry of instructions (KVEE WE) and match instructions (KVEE MI)

Today multiple entry of instructions is only supported in list form (KVEE WM). However, not all instruction fields can be entered in this list display. Multiple entry of match instructions is currently not supported.

Effective November 2011, Clearstream Banking will be enhancing its service and will support multiple entry of instructions (KVEE WE) and match instructions (KVEE MI) in an individual display using a new function (PF6).

Specifically this means that the PF3 key will still result in the data entered in an instruction or a match instruction in CASCADE being processed (individual confirmation). In contrast to using the PF3 key, the PF6 key will make it possible for the data to still be displayed on the screen after processing and consequently it can also be reused. Another instruction can subsequently be generated by overwriting a field, for example, with renewed processing via PF3 (or PF6).

```
TRAN: KVEE FC: WE SB:

 AUFTRAGSABWICKLUNG        WP-UEBERTRAG / ERFASSUNG         ERFASSUNGSSTATUS

 PRIMANOTE: _____          AUFTNR: _____    VWA: GS        TR: _

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

 NOMINALE :    _____    EINHEIT:          DISPO-PRIORITAET: 4 MST
 GEGENWERT: _____    WRG    : EUR
 SET-DAY  : 20.06.2011               RTS-DVP(J/N): N     EMISS-EINF (J/N): N
 BOERSENPL: ____                     SET-SP (J/N): N     EX-TRD           : _

 SCHLUSSTAG: _____              REFERENZ-NR      : _____
 KURS / WRG: _____ ___          AUFTRAGS-REFERENZ:
                                     GEGEN-AUFTNR     : _____



 -- ID-KZ: 7999260002 -- PW:        ------ B79073A0 -- 17/06/11 -- 12:59:43 --

 PF3:Verarbeitung  PF4:Abbruch  PF6:Verarb+Neu
```

1.1.2 New DvP/FoP selection criterion for booked movements (KVDU)

The transaction booked movements display "KVDU" is enhanced with a new selection criterion. With the November release, the additional option will be created to select transactions free of payment and against payment separately from one another.

The transaction types free of payment and against payment will be differentiated by entry of an N (free of payment) or a Y (against payment) in the DvP field. The field remains blank if the transaction types are not to be differentiated.

```
TRAN: KVDU FC: ID SB:

UMSATZANZEIGE          DEPOTUMSAETZE INLAND - AUSWAHL


Buchungstag    : _____      bis: _____        Lauf: _ (S/1/2/R/C)

Auftr-/GS-Nr   : _____       Teilnehmer-Referenz: _____

WKN/ISIN       : I _____ DvP: J (J/N)      Sortierung: _ (G/N/Z)


Auftragsart    : __            KZ-AA : _

Umsatzart      : _          (L: Lastschrift / G: Gutschrift)


Bank/Konto     : ____ ___      Boersenplatz: ____

Kontrahent     : ____ ___

-- ID-KZ: 7999000000 -- PW:          ------ B79074OB -- 22/02/11 -- 10:56:47 --

PF1:Hilfe  PF3:Rücksprung  PF4:Abbruch
```

1.2 Custody

Please note that, with respect to the planned changes in the "Custody" area, there may still be changes to the release contents against the background of ongoing planning and market adjustments due to implementation of the UCITS IV Directive[1] (conversion of issuer tax to paying agent tax for dividend payments effective as of 1 January 2012). CBF will provide further information in a separate announcement, as necessary.

1.2.1 Enhancement of Custody Services under Giovannini Barrier 3

As part of the enhancements to the Custody Services under Giovannini Barrier 3, CBF is planning improvements to custody services in two areas within the context of the November release. This concerns:

- Sending MT564 notifications for short-term changes and cancellations/new settlements as of ex date -1 or record date.

- Automation of corporate actions resulting in a credit note in Non Collective Safe Custody (NCSC) securities. This covers automatic entry based on customer positions, reverse claims and market claims on the CBL Creation platform, for which an MT566 message is also sent to customers.

Updated detailed product information has already been published at www.clearstream.com under Publications & Downloads / CASCADE Market Guide / Giovannini Barrier 3.

1.2.2 Enhanced information about instruction dates for non-income events

Effective 21 November 2011, customers will be able to obtain information about various instruction dates both via WSS online as well as SWIFT MT564 information in the standard fields. The following table provides a summary of the current handling as well as the changes from November 2011.

Information on instruction date		Early instruction date for subscription rights/exchange	CBF instruction date for subscription rights/ exchange	Trading instruction date for subscription rights	Market instruction date for subscription rights/exchange	Execution date for subscription rights
Today	Subscription rights offer		✔			
	Exchange		✔			
Effective 21 November 2011	Subscription rights offer	✔	✔	✔	✔	✔
	Exchange	✔	✔	Not available	✔	Not available

With respect to the enhancements in SWIFT MT564 (advance notifications), please note the detailed explanation in the notification "SWIFT & Connectivity Changes November 2011" and the following Chapter 1.2.3 Enhanced SWIFT MT564 (advance notifications) for non-income events and Chapter 2.6 Reporting for relief at source from withholding tax.

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1. UCITS IV = Directive for implementing the guideline 2009/65/EC for coordinating legal and administrative regulations concerning Undertakings for Collective Investment in Transferable Securities (UCITS).

1.2.3 Enhanced SWIFT MT564 (advance notifications) for non-income events

The enhanced MT564 reporting basically covers two areas:

- Reporting of the various instruction dates (instead of only one instruction date as previously);
- Additional sending times for the second MT564 reminder including outstanding transactions.

A SWIFT MT564 message currently only contains one instruction date, which is the CBF instruction date for subscription and exchange. Any further instruction dates can be found in the free-text field at the end of the MT564 message.

As of 21 November 2011, customers will be able to obtain additional information about the various instruction dates in the associated SWIFT standard field via MT564 messages.

With the inclusion of additional instruction dates, the sending time of the second MT564 reminder including outstanding transactions and the corresponding MT568 will change and further sending times will be added.

Sending time today	Sending times effective 21 November 2011
On the morning following RTS-STD processing, one bank workday before the end of the subscription deadline.	On the morning following RTS-STD processing for the CBF instruction date.
	Additionally: After RTS-STD processing on the early instruction date as well as on the market instruction date (if available), that is, a maximum of double the number today.
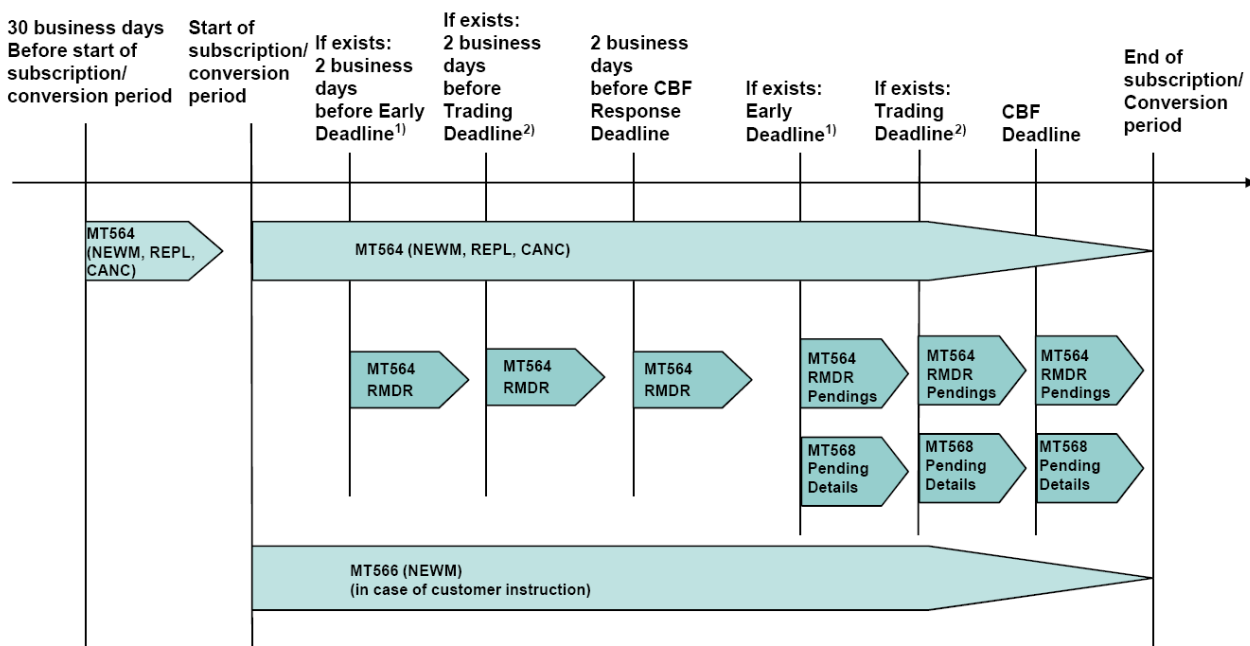
1) The Early Deadline is before the CBF Response Deadline, but can be before, after or equal to the Trading Deadline. If Early Deadline = Trading Deadline, only one MT564 is sent out.
2) The Trading Deadline can be equal to the CBF Response Deadline and before, after or equal to the Early Deadline. If Trading Deadline = CBF Response Deadline, only one MT564 is sent out.

Figure 1.1   Changes in SWIFT MT564 (advance notifications) in their sequence.

The detailed changes in the message formats in SWIFT MT564 for non-income events were already described in the publication CBF SWIFT & Connectivity Changes November 2011.

2. Cross Border Services

Services for cross-border transactions will also be enhanced and improved with the release on 21 November 2011.

There are currently plans to provide CBF customers with the option of settling shares on the Spanish market with the release on 21 November 2011. However, CBF can only publish final confirmation of this in a separate customer announcement at a later time.

For the ESES markets of France, the Netherlands and Belgium, editing of free-text fields, depository realignments and MT578 Allegement Reporting have been enhanced; the passive matching service has also been harmonised with the other markets.

Additional enhancements concern MIS reporting as well as processing cancellations of settlement instructions and reporting within the context of tax exemption at source.

2.1 Spain

Only Spanish bonds can currently be settled via the link to the Spanish central depository Iberclear. These securities are processed in principle on the CADE[1] settlement platform at Iberclear.

It is planned to enhance this link with the option of settling shares as of 21 November 2011. Then CBF customers will have the option of settling OTC transactions in shares free of or against payment, internally or with counterparties on the Spanish market. These shares are in principle processed on the SCLV[2] platform at Iberclear.

- Customer instructions are forwarded automatically to the associated settlement platform.
- Securities are re-registered automatically at Iberclear. The entry is made in the name of the customer. No action is required from the customer.
- The depository account 4491 is kept and used for both security classes.

As already mentioned, another announcement will be published concerning this enhancement which will provide final confirmation of the specific date for settling shares.

Irrespective of the security type, the format of the settlement instructions will be adapted to market requirements in the case of depository realignments or longer delivery chains.

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1. Customer Account Data Engine
2. Servicio de Compensación y Liquidación de Valores

2.1.1 Settlement of shares

The following overview provides a summary of the settlement options for shares on the SCLV settlement platform:

Iberclear Equity Link (SCLV Platform)	Properties
Types of securities	Spanish shares
	As a first step, only a limited number of Spanish shares (for example, IBEX35 securities and Spanish securities from the STOXX Europe 600 Index) will be available. A separate announcement will provide further information.
Instruction types	Free of payment (FoP) and delivery versus payment (DvP)
	The instruction types of the SCLV settlement platform are supported in the UEB-GRUND field in CASCADE. The transfer reason for instructions formatted in SWIFT ISO 15022 is given in the 70E::DECL//SETR field.

Type of instruction	Online	ISO15022
Transactions with change of beneficial ownership	blank	:70E::DECL//SETR 601 or not used
Transactions without change of beneficial ownership	213	:70E::DECL//SETR 213
Loan openings	210	:70E::DECL//SETR 210
Loan openings	211	:70E::DECL//SETR 211

Securities Lending and Borrowing	The option exists of bilateral loans between Iberclear participants in the Spanish market; Iberclear monitors the open securities loans. This service will also be offered to CBF customers. CBF forwards corresponding loan instructions to Iberclear.
	Loan transactions can be free of or against payment. The following rules apply to these transactions:
	• Loan openings of CBF participants must be marked with UEB-GRUND 210 in CASCADE or instructed with :70E::DECL///SETR 210 in ISO 15022 messages. • The reference of the loan opening is communicated to the CBF participant in the :70E::SPRO field of the settlement confirmation (MT544-547) or online in the TEXT field. • Loan closings of CBF participants must be marked with UEB-GRUND 211 in CASCADE or instructed with :70E::DECL///SETR 211 in ISO 15022 messages. The reference of the loan opening must be instructed in CASCADE in the TEXT field or in the :70E::SPRO field in ISO 15022 messages. In addition, the loan reference is a match criterion and mandatory in instructions for a loan closing. • An instruction for loan closing can be issued for a smaller number of shares than the underlying loan opening. Iberclear only closes the instructed number in this case. The rest must be closed separately.
Depository account	The CASCADE depository account for Iberclear is 4491.
CBF settlement cycles	RTS (DvP) or standard processing for FoP transactions.
CBF deadlines fir same-day processing	Instructions[a] DvP: 3.15 p.m. (RTS) FoP: 3.15 p.m. Reservation of securities: DvP: 3.15 p.m. FoP: 3.15 p.m. Provisioning of Liquidity: before release of RTS transaction Settlement confirmations: Until approx. 5:30 p.m. (RTS)
Deadlines for internal transactions	Due to the obligatory reporting to Iberclear, the deadlines for cross-border transactions, free of payment or against payment (3.15 p.m.), also apply to internal transactions.

Iberclear Equity Link (SCLV Platform)	Properties
Settlement against a foreign currency	It is possible for internal transactions to settle Spanish shares against a foreign currency. Settlement with counterparties in the Spanish market may occur in euros only.
Cash Clearing	Settlement (RTS) • EUR: TARGET2 ASI procedure 2 • Foreign currency: Creation Custody services (DD1 and DD2) • EUR: TARGET2 ASI procedure 3
Cancellation of a transaction	The possibility to cancel a transaction depends on the respective status within the systems of Iberclear. Transactions can be cancelled unilaterally if no matching has taken place or at least one of the two instructions is blocked at Iberclear. The cancellation is performed at Iberclear, and the transaction status is adjusted correspondingly in CASCADE after confirmation. If the instructions have been matched and released by both parties, then they can no longer be cancelled, even on a bilateral basis. You can also find more detailed information about cancellations in Chapter 2.5 Processing cancellations.
Matching at Iberclear	Matching is in real time. The system continually attempts to match all outstanding instructions. Participants are continually informed about the status of their instructions.
FoP match obligation	Instructions free of payment are subject to matching in principle. If a CBF customer takes part in the passive matching service, instructions are included automatically for the Spanish market.
Open transactions at end of day	In line with market practice, all open transactions on the market on settlement day are cancelled at: • 4 p.m. if no reservation has been made in RTS. • 6 p.m. if a reservation has been made in RTS. Because CBF then makes these cancellations in CASCADE, customers must resubmit instructions again on the next business day where necessary.
Reporting obligation	Transactions changing positions in shares are reported to Iberclear.

a. Instructions which are sent via file transfer, IBM Websphere MQ or SWIFT must in each case be transmitted 15 minutes earlier to CASCADE.

2.1.2 Settlement of bonds

The instruction types of the CADE settlement platform are supported in the UEB-GRUND field in CASCADE. The transfer reason for instructions formatted in SWIFT ISO 15022 is given in the :70E::DECL//SETR field.

Iberclear Equity Link (CADE Platform)	Properties		
Instruction types	Free of payment (FoP) and delivery versus payment (DvP)		
	Type of instruction	**Online**	**ISO 15022**
	Transactions with change of beneficial ownership	(blank)	`:70E::DECL//SETR 601 or not used`
	Transactions without change of beneficial ownership	213	`:70E::DECL//SETR 213`
	Collateralisation instructions	212	`:70E::DECL//SETR 212`

Note: For settlement instructions, the reference number field (ISO 15022 field :20C::COMM) may only be populated if the transaction involves a change of beneficial ownership. In this case, the contents of the field at Iberclear become a matching criterion. If this field contains data for instructions where no change of beneficial ownership is involved (UEB-GRUND 213), the instruction is rejected by Iberclear.

2.1.3 Changed format for instructions

Irrespective of the type of securities, it is possible to address, in a settlement instruction, up to three levels in CADE or SCLV on the delivery side.
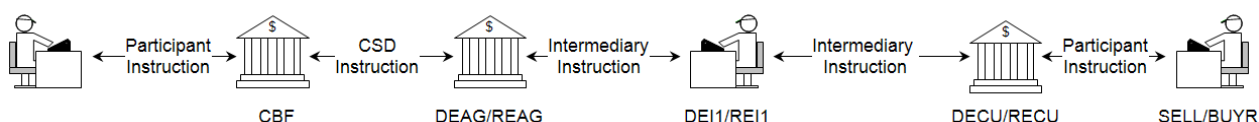
Iberclear distinguishes between depository realignments with CBL or Euroclear Bank as intermediary (Intermediary 2) and OTC transactions with other intermediaries.

2.1.3.1 Depository realignments

The DEI1/REI1 fields must be used for depository realignments with the international central securities depositaries (ICSDs) CBL or Euroclear Bank.
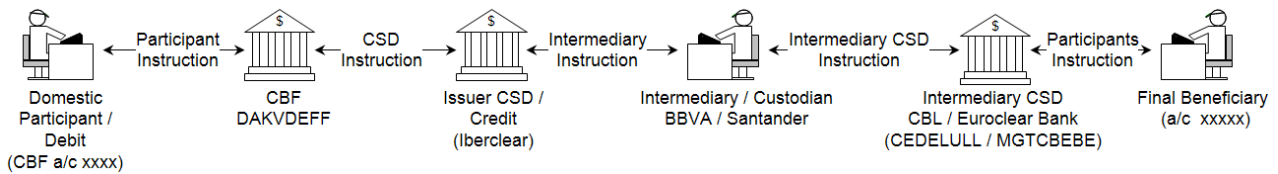
Note: From 21 November 2011, use of the DECU/RECU and DEI1/REI1 fields will be switched: The field for DECU/RECU will then no longer contain the custody bank of the concerned ICSDs (BBVA/Banco Santander), but instead the respective ICSD itself and vice versa.

```
:16R: SETPRTY
:95R: :RECU/IBRC/0182T          (BBVA)
:16S: SETPRTY
:16R: SETPRTY
:95P: :REI1//CEDELULLXXX        (CBL)
:16S: SETPRTY
```

Figure 2.1   Current use of the DECU/RECU or DEI1/REI1 fields for a depository realignment for the Spanish market (extract)

```
:16R: FIAC
:36B: :SETT//FAMT/5000,
:97A: :SAFE//12340000          (KUNDE IN CBF)
:97A: :CASH//123456
:16S: FIAC
:16R: SETDET
:22F: :SETR//TRAD
:16R: SETPRTY
:95R: :REAG/DAKV/4491          (IBERCLEAR)
:16S: SETPRTY
:16R: SETPRTY
:95R: :REI1/IBRC/0182T         (BBVA)
:16S: SETPRTY
:16R: SETPRTY
:95P: :RECU//CEDELULLXXX        (CBL)
:16S: SETPRTY
:16R: SETPRTY
:95Q: :BUYR//KUNDE-KÄUFER
:97A: :SAFE//12345             (KUNDE in CBL)
:16S: SETPRTY
:16R: SETPRTY
```

Figure 2.2   Use of the DECU/RECU or DEI1/REI1 fields for a depository realignment for the Spanish market starting from 21 November 2011 (extract)

2.1.3.2 Settlement instructions with two intermediaries

With settlement transactions, an Iberclear participant (Intermediary 1) can use another intermediary (Intermediary 2) between itself and the final beneficiary. The DEI1/REI1 fields are also used in this case.
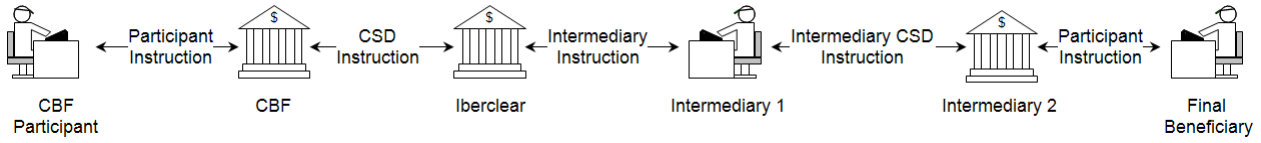


```
:16R: FIAC
:36B: :SETT//FAMT/5000,
:97A: :SAFE//2010
:97A: :CASH//123456
:16S: FIAC
:16R: SETDET
:22F: :SETR//TRAD
:16R: SETPRTY
:95P: :PSET//DAKVDEFF
:16S: SETPRTY
:16R: SETPRTY
:95P: :DEAG//IBRCESMMISS          (IBERCLEAR)
:97A: :SAFE//44910000
:16S: SETPRTY
:16R: SETPRTY
:95Q: :DEI1//Name                 (Intermediär 1)
:97A: :SAFE//####T
:16S: SETPRTY
:16R: SETPRTY
:95P: :DECU//INT2ESMMXXX          (Intermediär 2)
:16S: SETPRTY
:16R: SETPRTY
:95P: :SELL//CUSTESMMXXX          (Endkunde)
:16S: SETPRTY
```

Figure 2.3   Example of a settlement instruction with two intermediaries for the Spanish market (extract)

2.2   France, Netherlands and Belgium

There are changes for the instruction of realignments as well as in the processing of allegements for the French, Dutch and Belgian markets.

2.2.1   Forwarding of free-text information in instructions

Effective as of November for transactions with matching, it will be ensured that up to 50 characters of the free-text field of the associated instructions will be forwarded to the ESES counterparty, in line with the FoP delivery instructions without matching.

```
TRAN: KVAI FC: AA SB: 01##11234#I###10.05.2011#


 AUFTRAGSABWICKLUNG          WP-UEBERTRAG / INFORMATION-2          AUFTRAGSSTATUS


 AUFTNR:    525262          WKN: I FR0000001646


 SCHLUSSTAG : 10.05.2011              REFERENZ-NR      :
 KURS / WRG :                         AUFTRAGS-REFERENZ:
 EXT SET-DAY:                         GEGEN-AUFTNR     :


 UEB-GRUND   :


 URSPR-NOM   :                        RUECKUEBERTRAG   : N     TR:


 BELEGSCHAFTS-SP: N                   SP-DATUM:
 KUPONINFO/RECORD-DATE:




 TEXT: Der Text (bis zu 50 Zeichen werden weitergeleitet)
 -- ID-KZ: 7900000000 -- PW:          ------ B79075QJ -- 10/05/11 -- 09:05:18 --


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

Figure 2.4   Example for free-text field (KVAI)

Longer texts will be shortened at the end of the text correspondingly.

2.2.2 Enhanced information for Depository Realignments

The account of the final beneficiary is currently stated in the free-text field for depository realignments (for example, Creation to CASCADE) for cross-border transactions on the markets in France, the Netherlands and Belgium.

This information will be also provided in the field for the final beneficiary as of November.

```
TRAN: KVEE FC: WE SB:


AUFTRAGSABWICKLUNG        WP-UEBERTRAG / FOLGEERFASSUNG      ERFASSUNGSSTATUS


                PRIMANOTE:          AUFTNR:    365432    WKN: I FR0000120271
BEGUENSTIGTER
DEPOTBANK : ___ _____


INTERMED. : ___ _____
ENDBEG.   : KTO 67171
NAME / ADRESSE: _____

_____


AUFTRAGGEBER
DEPOTBANK : KTO 000000000641                CLEARSTREAM BANKING LUXEMBO


INTERMED. : ___ _____
ORIG-AUFTR: ___ _____
NAME / ADRESSE: _____

_____


-- ID-KZ: 7900000000 -- PW:        ------ B79075QJ -- 08/06/11 -- 15:12:17 --


PF3:Verarbeitung  PF4:Abbruch  PF7:Zurück
```

Figure 2.5   Example for entry of the final beneficiary (KVEE)

The entry in the text field should continue to be made with the prefix "CLEARSTREAM-A/C".

```
TRAN: KVEE FC: WE SB:
AUFTRAGSABWICKLUNG        WP-UEBERTRAG / ERFASSUNG-2           ERFASSUNGSSTATUS


                   PRIMANOTE:          AUFTNR:   365432    WKN: I FR0000120271


 UEB-GRUND  : ___


 EXT SET-DAY: _____          RUECKUEBERTRAG (J/N): N


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






 TEXT: _CLEARSTREAM-A/C 67171                                 _____




 -- ID-KZ: 7900000000 -- PW:        ------ B79075QJ -- 08/06/11 -- 15:13:38 --


 PF3:Verarbeitung  PF4:Abbruch   PF7:Zurück   PF8:Vor
```

Figure 2.6   Example for the final beneficiary in the free-text field (KVEE)

2.2.3 Enhancement of MT578 Allegement Reporting

CBF transmits the counterparty reference in the :20C::COMM field in allegements. If this reference differs from the eight-digit CBF account number, in order to match the allegement, CBF customers must provide this reference also in the :20C::COMM field.

With securities deliveries to ESES customers, the account field for the final beneficiary can still be used instead.

2.2.4 Harmonisation of the Passive Matching Service

A restriction currently applies to accounts that participate in the passive matching service whereby it is not possible to place receipt instructions free of payment. The system rejects these instructions. As of November 2011, these instructions will be permitted - as is the case for other markets today - and forwarded to the market concerned.

2.3   MIS Reporting

MIS Reporting will be enhanced with specific overviews for the markets.

- Switzerland (SIX SIS)
- Italy (Monte Titoli)
- Spain (Iberclear)
- Finland (Euroclear Finland)
- USA (DTCC)
- Denmark (VP)

2.4 Enhancement of the ICP participant no. field in the transaction KVAV IA

The ICP[1] participant no. field will be expanded from the current 15 digits to 35 for future requirements.

The CSD (ICP) partners do not currently plan to use this enhancement.

Due to the field enhancement, the screen layout for the Alpha search for participants of other CSDs in KVAV IA will change.

On the mask shown below, up to 35 characters can be displayed in the ICP participant no. field in the new release.

```
TRAN: KVAV FC: IA SB: 02#AAA#ZZZ#

 AUFTRAGSABWICKLUNG              BANK-INFORMATION          VEROEFFENTLICHUNGEN
                                 ALPHA-SUCHE
   ICP:  02    SUCHBEGRIFF VON :  AAA                 BIS :  ZZZ      SEITE:   1

KZ BANKNAME /                                ORT /
   ICP TEILNEHMER-NR                         INTERNATIONALER CLEARINGPARTNER
 _ ABAP BETEILIGUNGS HOLDING GMBH            WIEN
   02  219200                                CP OESTERR. OEKB
 _ ABID BIOTREIBSTOFFE AG                    WIEN
   02  219900                                CP OESTERR. OEKB
 _ ABN AMRO GL.CUST.SERV.NV RE/AACB 1        AMSTERDAM
   02  211600                                CP OESTERR. OEKB
 _ ABN AMRO GL.CUST.SERV.NV RE/AACB 2        AMSTERDAM
   02  214600                                CP OESTERR. OEKB
 _ ABN AMRO GLOBAL CUSTODY SVCS N.V.         AMSTERDAM
   02  211500                                CP OESTERR. OEKB
 _ ACTIV SOLAR GMBH                          WIEN
   02  213400                                CP OESTERR. OEKB

 -- ID-KZ: 7907260001 -- PW:          ------ B79075J8 -- 29/03/11 -- 12:46:59 --

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

Figure 2.7   Example for the new layout of KVAV IA

1. International Clearing Partner

2.5   Processing cancellations

Cross-border transactions are always cancelled in the system of the central depository of the market concerned; this is dealt with differently in the different markets. The central depositories (Issuer CSDs) decide depending on the transaction status whether they can be cancelled bilaterally, unilaterally or only via a system cancellation in the system concerned.

The following table shows the markets for which CBF already supports the market practice for cancellations of matched instructions:

Transaction status	Market		
	ESES (France, Netherlands & Belgium)	Iberclear (Spain)	OeKB (Austria)
No matching	Unilateral	Unilateral	Unilateral
Matched but blocked by foreign counterparty	Unilateral (See Case 1)s	Unilateral (See Case 1)	Bilateral (See Case 2)
Matched and released	Bilateral (See Case 2)	Cancellation only possible by system	Bilateral (See Case 2)

Table 2.1 Cancellation mode dependent on transaction status in the system of the individual CSDs

Case 1

After receipt of a cancellation message from the market, the instruction of the counterparty is cancelled and the reservation of the money/shares is kept.

The instruction of the CBF participant in CASCADE then has the cancellation status 0 and match status 7 (withdrawal of matching by beneficiary) or 8 (withdrawal of matching by buyer).

CBF participants are informed via the NMAT//CPCA status about the cancellation of the counterparty.

Upon receipt of the NMAT//CPCA status, the custody status shows whether or not this transaction is reserved.

Case 2

CBF participants are informed via the IPRC//CPRC status about the cancellation request of the counterparty.

The instruction is only cancelled in CASCADE if both sides have given approval and the cancellation confirmation of the depository is on hand.

2.6   Reporting for relief at source from withholding tax

Within the context of the CBF November 2011 release, reporting for relief at source requests is enhanced.

The KD179 "List Reporting" for events, for which relief at source is offered, currently mostly only contains basic information with the reference to the associated detailed information in the Clearstream Banking announcements. In addition, the contents of KD179 List Reporting and the ISO 15022 message types are not harmonised.

As of November 2011, both the basic and the detailed information can be retrieved respectively from one of the two sources. The contents of KD179 List Reporting and the ISO 15022 message types are thereby identical.

The following changes result from harmonising reporting:

KD179 Lists Reporting

- The field size in the Pre-Notification & Reminder Reports is enhanced to provide more information.

- Introduction of a KD179 "Replacement" report to inform about changes of event data that concern relief at source, once pre-notifications have been sent.

- Introduction of a KD179 "Cancellation" report in cases where the possibility of relief at source has been cancelled after the pre-notifications were sent.

- Elimination of the "Second Deadline" for the markets concerned. This deadline will be aligned with the respective processing date (for example, 20 business days after record date, payment date etc.) in the future.

SWIFT reporting

- The reports based on MT564 for the events for which relief at source is offered are enhanced, and messages with code words NEWM, REPL or REPE in the :23G: field contain the relevant details for the relief at source:

Field	Qualifier	Sequence
98C	TAXB	Optional sequence D: Corporate Action Details
17B	CERT	Optional sequence D: Corporate Action Details

- Additional tax-related text (identical to the text from KD179 Lists Reporting) is provided in an MT568 in the :70E: field, Qualifier TAXE. This MT568 message is linked with the associated MT564.

- Introduction of an MT564 RMDR message. The message function corresponds to that of the already existing Reminder Reporting Lists.

- The SWIFT Reporting with information about relief at source starts with the first day of the SWIFT life cycle (30 days before the CBF entitlement day).

Additional tax-related enhancements of SWIFT Reporting

- In addition to the tax amount in field :19B:, the tax rate is provided in MT564 and MT566 as follows:

MT	Field	Qualifier	Sequence
564	92A	WITF	Repetitive Optional Sequence E2 Corporate Action Options
566	92A	WITF	Mandatory Sequence D2 Corporate Action Confirmation

Customers who already receive SWIFT MT564 messages for the relevant event types automatically receive the enhanced data for relief at source.

In addition, a new "Tax" option will exist in the request for reporting, independent of other options, that makes it possible to receive SWIFT MT564 for all events for which relief at source is offered.

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3. Global Securities Financing Service

3.1 Xemac

3.1.1 Launch of the new Xemac® version 5.3

A new Xemac version 5.3 will be implemented with the release on 21 November 2011. The participating banks need to install the Xemac version 5.3 by this date. Thereafter, it will no longer be possible to access Xemac version 5.2 and earlier versions.

The software for the Xemac version 5.3 is scheduled to be available for download on the Clearstream web site from 31 October 2011. The version can be downloaded from www.clearstream.com under:

Publications & Downloads / Global Securities Financing / Collateral Management / Xemac / Technical Specifications

The "Installation Manual" will also be available online on the web site.

The key changes in the Xemac version 5.3 are explained below.

3.1.2 Enhancement of client usability: views and reporting

Clearstream Banking introduces additional features in views and reporting in the Xemac application. The important changes are described below.

3.1.2.1 New "Issuer Link" tabular view

According to the Eurex Clearing circular 046/11, own issues will, as of 30 November 2011, no longer be recognised as collateral to cover GC Pooling® transactions.

In this context, a new tabular view will be introduced under the menu item "Client References" to display the Issuer Number(s) that will no longer be taken into account by Eurex Clearing AG for the respective Client References.

As of 1 December 2011, Xemac will not consider respective assets linked to those Issuer Numbers for the respective Client Reference(s) in securing GC Pooling transactions and other Eurex Clearing claims. Customers are kindly requested to ensure that enough eligible and free securities are available in the Xemac Pool for the affected Client Reference(s) as of end of day on 30 November 2011.

The tabular view will be named "Issuer Link" and will contain the following columns:

- Issuer No.
- Issuer Name
- Clearer ID
- Member ID
- Participant No.
- Participant Name
- Client Reference
- Client

The view will look as follows:

Figure 3.1   New "Issuer Link" tabular view

3.1.2.2 Additional reporting information

The "Allocations", "Collateral Pool" and "Collateral Pool per CRef" reports will be enhanced with five additional columns:

- Last Redemption Date
- Issuer Name
- Issuer Group
- Issuer Country
- Denomination Currency

An Issuer Group will be displayed for all securities that are currently included in the Eligible Asset Database (EADB) of the European Central Bank (ECB) namely:

- Central Bank
- Central Government
- Corporate And Other Issuers
- Credit Institution (Excluding Agencies)
- Regional/Local Government
- Supranational Issuer
- Agency - Non Credit Institution
- Agency - Credit Institution
- Financial Corporations Other Than Credit Institutions

The tabular views will remain unaffected by this change.

3.1.2.3 Automatic generation of reports

Customers can request Clearstream Banking to activate the automatic generation of specific reports in the "Report Definitions" view. The selected reports will then be generated after the morning revaluation or at the end of day.

3.1.3 Adjustment for Eurex Clearing collateral

In Clearstream Banking's continued commitment to the GSF Liquidity Hub as well as the Eurex Collateral Management Services, the November 2011 release will foresee an enhancement of the interface between Xemac and Eurex Clearing.

3.1.3.1 Eurex Clearing exposures

It is possible to provide collateral to Eurex Clearing via Xemac to cover different margin requirements. The collateralisation of Eurex Clearing claims, which cover the Xemac-Eurex Clearing Margining, Clearing Fund and Company Capital contracts, will be based on claim amounts instead of the current manual allocation of specific securities. As currently, only own securities ("E" securities) can be provided as collateral.

The adjustment of the respective Claim Amounts to the amount of the allocated collateral will be performed by Clearstream Banking within the scope of the migration.

Concentration limits of Eurex Clearing will automatically be considered in Xemac.

3.1.3.2 Reuse of GC Pooling collateral ("Eurex Clearing Re-Use")

Currently, securities eligible for Eurex Clearing margining (re-use contracts) are the GC Pooling securities received out of GC Pooling transactions ("T"securities), as well as own securities ("E" securities).

In order to reduce the counterparty risk, only "T" securities will be accepted to cover Eurex Clearing reuse exposures in the future. As a consequence, collateral takers in GC Pooling transactions who re-use collateral towards Eurex Clearing are kindly requested to ensure that sufficient "T" securities are available from 18 November 2011 onwards to cover the full Eurex reuse exposure. Alternatively, it will be possible to allocate securities manually via the Eurex Clearing Margining contract on 18 November 2011.

Within the scope of the migration, Clearstream Banking will delete the present contracts and claims and set up new ones in collaboration with Eurex Clearing.

In order to support Xemac participants within GC Pooling disposition, the "Collateral Pool Value" view will be enhanced with the sum values of free "T" and free "E" securities.

Moreover, Xemac will offer the possibility to generate automatic Claim Decrease Requests for Eurex Clearing reuse claims to free up "T" securities in order to settle GC Pooling transactions. The authorisation of Claim Decrease Requests will only be accepted when other collaterals are covering the overall margin requirement of Eurex Clearing.

3.1.3.3 New deadline for Claim Decrease Requests

In order to ensure smoothly processing, for "Claim Decrease Requests" entered by customers in the application, a new deadline will be introduced.

Until 5.15 p.m. (CET), all entries/checks of "Claim Decrease Requests" for the Contract Definition Type "Eurex" must be entered in Xemac.

3.2   LMS

Reporting

The "Positions" report is being enhanced in the area of corporate actions as follows:

- Upcoming corporate actions are also reported in CSV format (only as a PDF report today).
- If several events are upcoming on one day, they will all be displayed and separated by commas in the report (PDF and CSV format).

4. Connectivity

The changes for the Connectivity area for the November 2011 release can already be found in the separate announcement **SWIFT & Connectivity Changes November 2011** of 8 June 2011 on the Clearstream web site www.clearstream.com under Publications & Downloads / Connectivity / CASCADE / SWIFT.

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5. Customer simulation for the November 2011 release

Between 24 October 2011 and 18 November 2011, CBF will be offering a simulation to its customers as preparation for the release in November 2011. This simulation will take place in the IMS23 environment of CBF. Organisational and detailed information about participating in the simulation have already been published in the CASCADE Testing and Simulation Guide on the Clearstream web site under Publications & Downloads / Connectivity / CASCADE. The simulation will be performed in consultation with CBF Customer Service Connectivity.

During the time period stated above, CBF will also conduct internal tests in parallel to the November release and, consequently, slight changes of contents might be made during the simulation period.

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