

CBF Release May 2011

**Updated information for the
CBF release of 9 May 2011**

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Foreword

This updated information provides you with a comprehensive and detailed description of the improvements that will be implemented on 9 May 2011 for the following service areas:

- Domestic Market Services Germany
- Cross Border Services
- Global Securities Financing Services
- Connectivity Services

We kindly ask that you forward the document to all employees impacted in your institution.

Note: Some of the changes will already take effect on **28 March 2011**. Each of the relevant areas has been marked with a reference to this date.

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We would advise customers that telephone conversations with CBF are recorded in some areas, as is customary in the finance industry. This is to ensure that the interests of both CBF and its customers are protected against misunderstandings or faulty transmissions.

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

All times are Central European Time (CET).

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

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A Appendix

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1. Domestic Market Services Germany

1.1 Clearing and settlement

With the CBF Release in May 2011, new fields and status displays are being introduced or adjusted as follows:

1.1.1 Cash reservation service

The option "Zusätzliche Anpassung in + xx %" (Additional adjustment in + xx %) for creating/amending a standing reservation under KNEE BR or KNEA DA has been enhanced to include the possibility of specifying a negative adjustment "- xx %". With this option, the "Aktuelle Dispositionsbetrag" (Current provisioned amount) shown in the cash forecast is reduced by the corresponding percentage rate.

This option is useful where purchases are marked for the self-collateralisation service and the minimum amount required decreases to the haircut amount to be provided.

Use of this option is recommended only in association with the cash forecast functionality enhancement described below.

1.1.2 Cash forecast

The cash forecast will provide the option to carry out a calculation of the currently provisioned amount on a gross basis (taking into consideration purchases only).

Owners of a CBF Cash Settlement Account (CSA) will be able to modify the calculation of the currently provisioned amount in the cash forecast via the configuration rule under KUAA RA. Please refer to Figure 1.1 below for the configuration under KUAA transaction, RA function. The calculation on a gross basis will be available as an option.

The calculation conversion occurs in real time and becomes effective for standing reservations based on the cash forecast of the subsequent settlement cycle. As well as using this calculation conversion in association with the self-collateralisation service, customers can also ensure that sufficient liquidity is available for processing all purchases, independent of the successful processing of sales.

```

TRAN: KUA A FC: RA SB: 7703#220#

CASH FORECAST - KONFIGURATION / A E N D E R U N G

GELDKONTO: 7703 220 DEUTSCHE BANK AG

          KAUF  VERKAUF  DIE ANGEKREUZTEN GESPERRTEN AUFTRAEGE
EIGENE SPERREN:      X  _  WERDEN IN DER ZEILE "SPERREN LT.REGEL"
FREMDE SPERREN:      _  _  BERUECKSICHTIGT UND FLIESSEN IN DEN
ALLE KONTRAHENTEN    _  _  AKTUELLEN DISPOSITIONSBETRAG UND SOMIT
_____              _  _  IN DIE RESERVIERUNG EIN (NUR BEI DAUER-
_____              _  _  AUFTRAG). AUSGENOMMEN HIERVON SIND AUF-
_____              _  _  TRAEGE VON "AUSLAENDISCHEN MAERKTEN"
_____              _  _
_____              _  _  SELBSTBESICHERUNG BERUECKSICHTIGEN      :  _
_____              _  _  BRUTTO DISPOSITIONSBETRAG (NUR KÄUFE):
_____              _  _  ZULETZT BEARBEITET
_____              _  _  0000000000
_____              _  _  DATUM          ZEIT
_____              _  _  01.01.0001    00:00

-- ID-KZ: 7907260001 -- PW:          ----- B790758R -- 15/11/10 -- 15:28:57 --

PF3:Verarbeitung  PF4:Abbruch  PF6:Regel-zurück
    
```

Figure 1.1 KUA A transaction, RA function

1.1.3 Final discontinuation of the KVDI transaction

The KVDI transaction will no longer be available. All required information will be available in the KVDU transaction. The content of this transaction has been enhanced by the addition of displaying lines for totals.

```

TRAN: KVDU FC: ID SB: 12.11.2010#####I#DE000A0M2JD1####L#7001#####

UMSATZANZEIGE          DEPOTUMSAETZE INLAND          Seite      1
                               Anzahl      4

Buchtag   : 12.11.2010          Umsatzart: Last
Bank      : 7099              XY-BANK AG

WKN/ISIN : I DE000A0M2JD1 SUPERFUND ABSOL.RETURN I

Kz  Ktr AA  GS-Nr  Nominale          Gegenwert Wrg  Set-Day

SUMMEN:          1      3.890          -> FoP Aufträge ohne Gegenwert
              3      3.890          362.898,10  EUR
              27     217          20.243,93  USD
              5      3.890          362.898,10  CHF

TOTAL:          36      11.887

-- ID-KZ: 7999260001 -- PW:          ----- B79075UG -- 15/11/10 -- 10:37:10 --

PF2:Druck  PF3:Rücksprung  PF4:Abbruch
    
```


Figure 1.2 Example of the KVDU transaction, SB function

1.1.4 CASCADE-PC

In version 7.4 of CASCADE-PC, screens and functions have been aligned with the enhanced CASCADE Online screens upon which they are based. The functions for security officers (SECU) are also enhanced. These are CASCADE online functions for the administration of user rights and profiles in SECU (SECU/IF and SECU/IU).

The screenshot shows a window titled "CASCADE - PC security: member directory: display". It contains a table with the following columns: id-code, customer, root agent, status, valid until, last change, and last password change. The table lists several user records, including test users and security officers. Below the table are navigation buttons: "page back", "next page", and "cancel". At the bottom, there is a status bar with fields for "Version 7.4 Beta", "7047260003", "A SECU IU", and "13-01-11 01:10:18 pm".

id-code	customer	root agent	status	valid until	last change	last password change
7047182999	BANK---FFM		released	31-12-30	00-00-00	31-12-30
7047199999	DWZ-BI-TEST		released	31-12-30	00-00-00	31-12-30
7047260001	CASCADE TEST-BANK		released	31-12-30	00-00-00	31-12-30
7047260002	CASCADE TEST-BANK		released	31-12-30	00-00-00	31-12-30
7047260003	TEST-BANK CASCADE-PC	main user	released	31-12-50	00-00-00	31-12-50
7047260004	TEST-BANK CASCADE-PC	main user	released	31-12-50	00-00-00	31-12-50
7047260005	BANKSECU-BEAUFTRAGTER ERFAS.	instructor	released	31-12-30	00-00-00	31-12-30
7047260006	BANKSECU-BEAUFTRAGTER FREIG.	approver	released	31-12-30	00-00-00	31-12-30
7047700001	CASH LIFECYCLE TEST		released	31-12-30	00-00-00	31-12-30
7047700002	CASH LIFECYCLE TEST		released	31-12-30	00-00-00	31-12-30

Figure 1.3 CASCADE-PC screen for directory of users

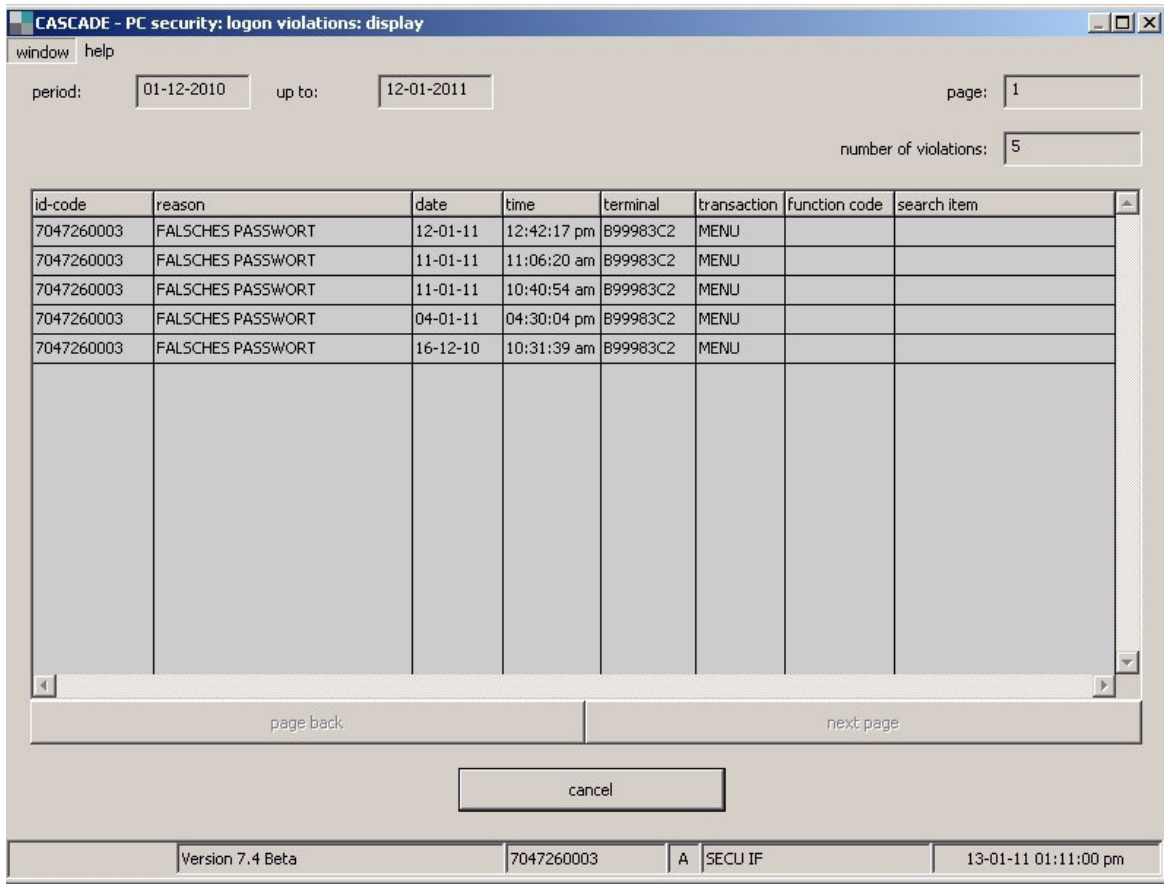


Figure 1.4 CASCADE-PC screen for logon violations

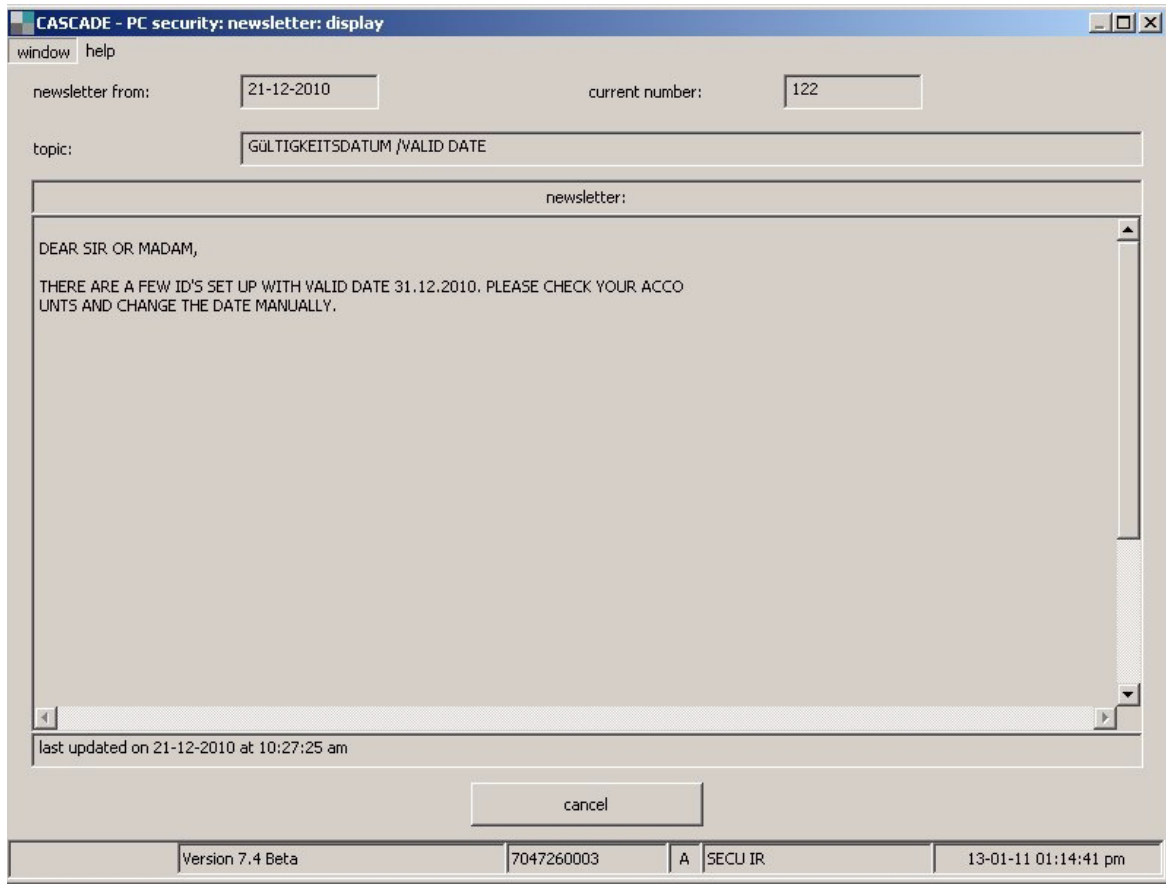


Figure 1.5 CASCADE-PC screen for newsletter authorisation

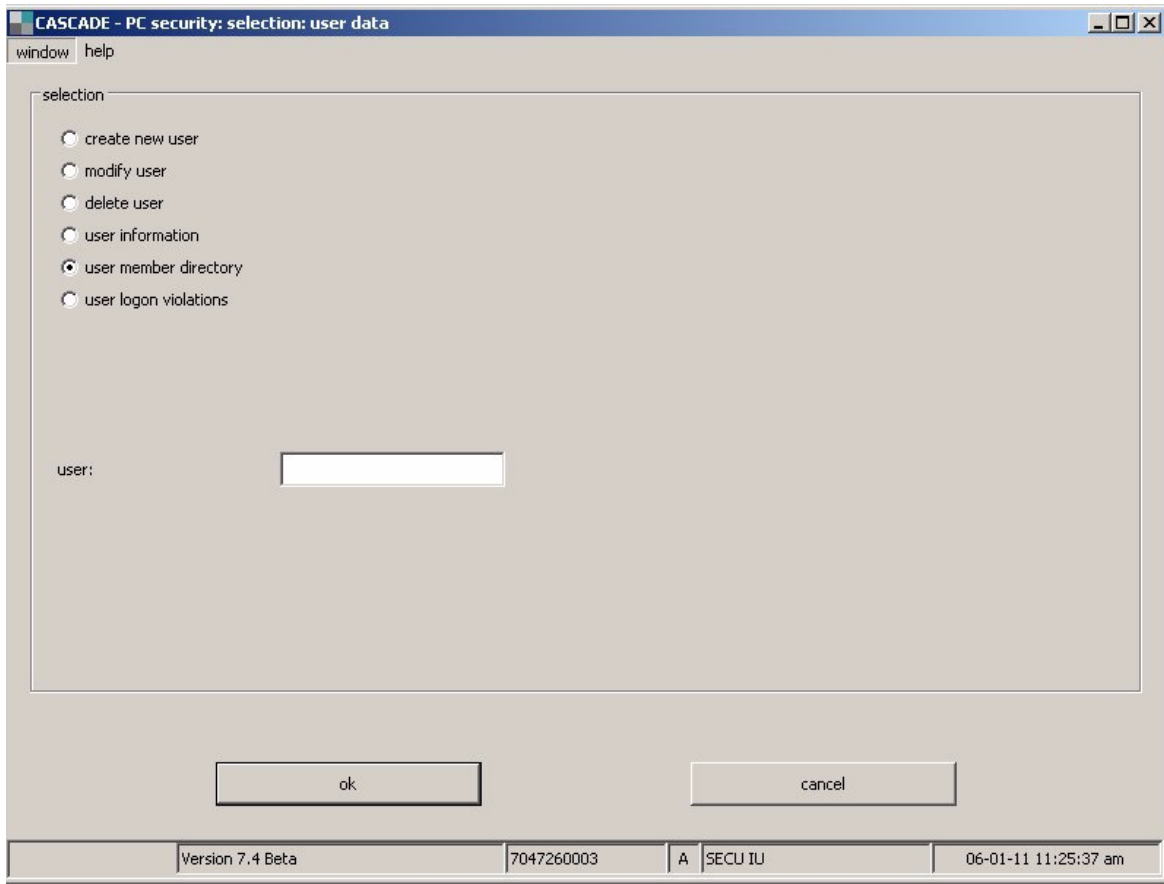


Figure 1.6 CASCADE-PC screen for user data selection

1.2 Taxbox

The field for the tax purchase value in EUR (W4) currently permits only positive values or the value 0. Payments from a capital reduction or from the tax deposit account may, however, also result in negative purchase costs.

Therefore, from 9 May 2011, CBF will also accept negative values in the field W4 and forward these to customers. Customers will be able to process negative values starting from this date.

So that Taxbox customers do not have to convert their technical infrastructure on the cut-off date, CBF will make the corresponding XML schema available as from 28 February 2011 as a feature of the Taxbox Connectivity Manual on the Clearstream web site at www.clearstream.com. Customers can implement the schema immediately, but negative values in the W4 field can only be accepted and forwarded by CBF from 9 May 2011.

CBF technically implements this schema on **28 March 2011**. A direct consequence is that rejections due to negative values in the W4 field will until 9 May 2011 no longer occur within the technical validation (TVF), but rather during the business validation (BVF).

From 9 May 2011, the negative values will be accepted and sent.

1.3 Custody services

1.3.1 Release of blocked market claim FoP instructions via MT530

Within the framework of the market claim service for corporate actions that result in securities, the customer has a blocking option at account level, meaning that CBF generates the corresponding FoP market claim as blocked for all underlying sales.

In this case, book entries can only be made when the block instructions are released. The release can currently be made via CASCADE online (KVAS/FA) or CASCADE-PC.

From **28 March 2011** customers will also have the option of releasing blocked FoP instructions - that were generated based on market claims - using a SWIFT message, MT530 (Transaction Processing Command).

The following values in sequence B will release the transaction:

- :20C: (:20C::RELA//16x) references transaction to be released.
- :22F: (:22F::SETT//YPRE) releases the transaction for settlement.

The following example of an MT530, received from LASTBANK or from an authorised institution, shows the field contents and the reference to the transaction to be released.

```
:16R: GENL
:20C: :SEME//KP9999MF11111110
:23G: NEWM
:97A: :SAFE//99990000          (Lastbank)
:16S: GENL
:16R: REQD
:20C: :RELA//KP79070112345670 (zu entsperrende Transaktion)
:22F: :SETT//YPRE             (Freigabeindikator)
:16S: REQD
```

Figure 1.7 Example of an MT530

The reference for the transaction to be released is made up as follows:

Character	Code	Example
1	K for CASCADE	K
2	P for production	P
3-6	Initiator of the FoP transaction	Always 7907
7-8	Type of instruction	01
9-15	Blocked transaction reference	1234567
16	Always "0"	0

1.3.2 Larger free-format text field for corporate action notifications

The current limit on the length of free-format text information in corporate action notifications (MT564 - Income Pre-Advice Report) is a maximum of 1,050 characters. This event-related, free-format text information is transferred in the field :70E::ADTX// of the optional sequence F (Additional Information).

From 9 May 2011, CBF is increasing the free-format text length for corporate action notifications to a maximum of 7,350 characters. The expanded free-format text allows more detailed event information to be transferred in the SWIFT field in the existing structure.

If the free-format text information contains up to 1,050 characters, then it will be transferred via MT564 as previously. If the text contains more than 1,050 characters, then the entire free-format text (up to 7,350 characters) is transferred in the :70E::ADTX// field of sequence C of an additional MT568 (Corporate Action Narrative). MT568 is tied to the MT564 that belongs to the event.

MT564 & MT568 links

Information as to whether an MT564 is linked to a subsequent MT568 is provided in the optional repeatable subsequence A1 (Linkages). If a linked MT568 follows, then the MT564 in this sequence contains the notice of the linked MT568 in field :13A: and additionally carries the corporate action reference from the message with it in field :20C:.

```
:16R:LINK
:13A::LINK//568
:20C::CORP//16x
:16S:LINK
```

The subsequent MT568 is also linked with the corresponding MT564 in the optional repeatable subsequence A1. Field :13A: contains the notice of the previous MT564 and the field :20C: contains its reference:

```
:16R:LINK
:13A::LINK//564
:20C::PREV//16x (contains SEME of linked MT564)
:16S:LINK
```

MT568 also contains the corporate action reference in field :20C: in the mandatory sequence A (General Information). The fields :23G: and :22F: contain information on the corresponding MT564:

```
...
:20C::CORP//16x (CA Referenz)
:20C::SEME//16x (eigene Referenz)
:23G:NEWM
:22F::CAEV//4a (z.B. BIDS)
...
```

Linking several MT568s to one MT564

As a rule, only one MT568 is sent per event for the expanded free-format text. More than one linked MT568 can be sent for non-income events and pending transactions in which an MT568 is also sent for these pending transactions.

In this case, an empty MT568 to cover all free-format text of the event is sent, followed by an MT568 for pending transactions. If no MT568 for the free-format text of the event is required, then the MT568 follows the MT564 for the pending transactions. All linkages occur as described above.

2. Cross Border Services

2.1 Additional fields

New fields and status displays are made available as part of the enhancements for cross-border transactions. In detail, these are:

- Insertion of the receiving intermediary or of the delivering intermediary in the settlement parties with an additional text field for AA02;
- Display of the CSD third-party status for cross-border transactions;
- Display of the cancel status for cross-border transactions.

Note: The CASCADE Online and CASCADE-PC screens were brought into line when the additional fields were added.

2.1.1 Settlement parties

The new fields that have been introduced for the intermediary are the receiving intermediary (REI1, Receiving Intermediary 1) and the delivering intermediary (DEI1, Delivering Intermediary 1) fields. These additional fields relate to the ISO15022 message types MT540-548, MT578, MT536, MT537.

Use of the new fields

As a rule, the fields for the intermediaries can only be used in the settlement chain in association with the overlying level for the delivering or receiving depository (RECU/DECU).

The contents for the delivering and/or receiving intermediary are reported back to customers in all responses sent.

In the case of cross-border transactions, the field contents are only forwarded to Iberclear, the central securities depository for the Spanish market.

Enhanced CASCADE Online displays

The following example shows the modified screens for a full instruction display of a securities transfer, in the same manner as it can be accessed from the KVDU transaction.

```

TRAN: KVDU FC: ID SB: 01.02.2011#06.02.2011####I#####L#1234#####
UMSATZANZEIGE          WP-UEBERTRAG          AUFTRAGSVOLLANZEIGE

Auftnr   :   8062942

Last-Kto : 1234 000          CBF KUNDE 1
Gut-Kto  : 5678 000          CBF KUNDE 2
WKN/ISIN : I DE000A1EZNP6 EUREX REPO EO GC EQU BAS

Nominale :          500.000.000      Einheit: EO          Dispo-Prioritaet: 1 SHO
Gegenwert:          500.000.000,00   WRG          : EUR          VWA          : GS GS
Set-Day   : 08.02.2011              RTS-DVP   : N          EX-TRD       :
Boersenpl:                                Emiss-Einf: N

-- ID-KZ: 7907260001 -- PW:          ----- B99983Y0 -- 10/02/11 -- 11:12:18 --

PF3:Rücksprung PF4:Abbruch PF8:Vor PF9:Umsatz
    
```

Figure 2.1 KVDU full instruction display, page 1

```

TRAN: KVDU FC: ID SB: 01.02.2011#06.02.2011####I#####L#1234#####
UMSATZANZEIGE          WP-UEBERTRAG          FOLGEINFORMATION

Auftnr:   8062942          WKN: I DE000A1EZNP6

Schlusstag : 07.02.2011          Referenz-Nr          :
Kurs / Wrg :          Auftrags-Referenz: CAS001TESTRUN03A
Ext Set-Day:

Ueb-Gund   : 901 ANDERE

Urspr-Nom  :          Rueckuebertrag: N          Tr:

Belegschafts-Sp:          Sp-Datum:

Kuponinfo/Record-Date:

TEXT   : Freier Text
-- ID-KZ: 7907260001 -- PW:          ----- B99983Y0 -- 10/02/11 -- 11:12:18 --
PF3:Rücksprung PF4:Abbruch PF8:Vor PF9:Umsatz
    
```

Figure 2.2 KVDU full instruction display, page 2


```

TRAN: KVDU FC: ID SB: 01.02.2011#06.02.2011####I#####L#1234#####

UMSATZANZEIGE                WP-UEBERTRAG                SETTLEMENT PARTY

Auftrnr:   8062942           WKN: I DE000A1EZNP6

Begünstigter
Depotbank : BLZ 12345678
Intermed. :
Endbeg.   : 12345
Name / Adresse: Kunde Mustermann

Auftraggeber
Depotbank :
Intermed. :
Orig-Auftr:
Name / Adresse:

-- ID-KZ: 7907260001 -- PW:          ----- B99983Y1 -- 10/02/11 -- 10:39:13 --

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

Figure 2.3 KVDU full instruction display, page 3

The screens for producing match instructions with the KVEE transaction are also adjusted:

```

TRAN: KVEE FC: MI SB:

AUFTRAGSABWICKLUNG          MATCH-INSTRUKTION / ERFASSUNG          ERFASSUNGSSTATUS

PRIMANOTE: 2                AUFTNR: 88888                VWA: GS

LAST-KTO : 1234 ____
GUT-KTO  : 5678 ____
WKN      : I DE1234567890

NOMINALE :   100000 _____          EINHEIT:                SELBSTBES (J/N/ ): _
GEGENWERT: 12354,345 _____          WRG      : EUR
SET-DAY   : 11.02.2011 _____          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: 7907260001 -- PW:          ----- B99983Y1 -- 10/02/11 -- 10:20:28 --

PF3:Verarbeitung  PF4:Abbruch
    
```

Figure 2.4 Match instruction page 1

```

TRAN: KVEE FC: MI SB:
AUFTRAGSABWICKLUNG      MATCH-INSTRUKTION / ERFASSUNG      ERFASSUNGSSTATUS
PRIMANOTE:      2          AUFTNR:      88888      WKN: I DE1234567890

TEXT : _____

-- ID-KZ: 7907260001 -- PW:      ----- B99983Y1 -- 10/02/11 -- 10:20:28 --
PF3:Verarbeitung  PF4:Abbruch
    
```

Figure 2.5 Match instruction page 2

```

TRAN: KVEE FC: WE SB: _____
AUFTRAGSABWICKLUNG      MATCH-INSTRUKTION / ERFASSUNG      ERFASSUNGSSTATUS
PRIMANOTE:      2          AUFTNR:      88888      WKN: I DE1234567890
BEGUENSTIGTER
DEPOTBANK : _____
INTERMED. : _____
ENDBEG.   : _____
NAME / ADRESSE: _____

AUFTRAGGEBER
DEPOTBANK : _____
INTERMED. : _____
ORIG-AUFTR: _____
NAME / ADRESSE: _____

-- ID-KZ: 7907260001 -- PW:      ----- B99983Y1 -- 10/02/11 -- 09:39:41 --
KV0029F Bitte hell angezeigtes, leeres Feld ergänzen
PF3:Verarbeitung  PF4:Abbruch  PF7:Zurück
    
```

Figure 2.6 Match instruction page 3

Note: With the exception of cross-border transactions via the link to Iberclear, the new fields for intermediaries should only be used in agreement with the corresponding counterparty.

OTC transactions in the German domestic market

The contents of the field for the delivering or receiving intermediary field are also transferred to the counterparty in MT578 allegements.

Cross-border transactions with counterparties in Iberclear

For cross-border transactions with counterparties in the Spanish market, the field contents for the delivering or receiving intermediary are forwarded to Iberclear in the case of depository realignments. In all other cases, there is no forwarding of this information to Iberclear.

From 9 May 2011, the formatting of the depository realignments is expected to be as follows:

```

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

```

Figure 2.7 Example of a depository realignment for the Spanish market

Detailed information on realignments for Spanish securities can be found in the updated Realignment Guide on the Clearstream web site www.clearstream.com.

2.1.2 CSD third-party status

Currently, for pending cross-border transactions that are in status DISPO STATUS 6 "(techn.) reserviert auf Unterkonto" ((technically) reserved on sub-account) and for which CBF has not yet received any settlement confirmation from the central depository, no information is displayed as to why a transaction was not yet settled.

From 9 May 2011, the CSD third-party status, that is the status of the issuer CSD, will be introduced for pending cross-border transactions. This status corresponds to the "Reason Code" transmitted from the issuer CSD.

The CSD third-party status is displayed in the KVA* screens in CASCADE Online.

In the event of a rejection by the depository, the CSD third-party status providing the reason for rejection is included in the MT548 and MT537 for CBF customers, instead of the reason code PEND//NCON.

2.1.3 Cancel status

The new "Löschstatus" (Cancel status) field is incorporated in the corresponding CASCADE Online display, for example KVAI Information Auftragsabwicklung (Instruction processing information) for information about the relevant cancel status for a transaction.

The possible cancel status can be seen in the following table:

Code	Meaning
1	CANCELLATION IS REQUESTED FROM THE DEBIT SIDE
2	CANCELLATION IS REQUESTED FROM THE CREDIT SIDE
3	CANCELLATION IS REQUESTED FROM BOTH SIDES
4	CANCELLATION IS CONFIRMED FROM THE ISSUER CSD
5	CANCELLATION OF THE REALIGNMENT (RLI)

2.1.4 CASCADE screens for CSD third-party status and cancel status

The expanded screens for the new fields for CSD-FREMDSTATUS (CSD third-party status) and LOESCH-STATUS (Cancel status) can be seen in the following example:

```

TRAN: KVAI FC: AA SB: 01##1234#I####
AUFTRAGSABWICKLUNG      WP-UEBERTRAG / INFORMATION      AUFTRAGSSTATUS
AUFTRNR      :      12345
LAST-KTO     : 1234 000      CBF Kunde 1
GUT-KTO      : 7220 000      CBF W/OEKB
WKN          : I AT000KAPSCH9 KAPSCH TRAFFICOM AG
NOMINALE     :      2.000      EINHEIT   : ST      DISPO-PRIORITAET: 4 MST
GEGENWERT    :      WRG       :      VWA       : GS GIR
SET-DAY      : 11.02.2011      RTS-DVP   : J      EX-TRD       :
BOERSENPL    :      EMISS-EINF: N
MATCH-STATUS : 02 AUFTRAG BESTAETIGT MIT GEGENAUFTRAG NUMMER 0083972
SET-STATUS   : 0 AUFTRAG ZUR DISPOSITION FREIGEgeben
DISPO-STATUS : 6 (TECHN.) RESERVIERT AUF UNTERKONTO
CSD-FREMDSTATUS: PRCY COUNTERPARTY INSTRUCTED PREADVICE
LOESCH-STATUS : 1 LOESCHUNG IST VON DER LAST-SEITE ANGEFORDERT
-- ID-KZ: 7907260001 -- PW:      ----- B99983Y1 -- 10/02/11 -- 10:30:30 --
PF2:Druck  PF3:Rücksprung  PF4:Abbruch  PF8:Vor
    
```

Figure 2.8 Screen KVAI instruction processing information

2.2 Reporting

In addition to the existing cash reporting, a new report "Offene cross-border OTC Kauftransaktionen" (Pending cross-border OTC purchase transactions) is available from 9 May 2011. This report provides information on an hourly basis about all purchases for which cash was already collected from the purchaser and forwarded to the relevant cross-border market.

Markets

This report is available for the following cross-border markets with DvP link in Euro:

- Austria (account 7220)
- Belgium (account 7223)
- France (account 7205)
- Netherlands (account 7214)

Times

This report is available at the following times:

07:55	08:55	09:55	10:55	11:55	12:55	13:55	14:55	15:55	17:15
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Subscription

The corresponding subscription form related to this report will be made available shortly.

Example report

The following extract shows an example of this new report.

							KVxxxxxx
CLEARSTREAM BANKING AG				FRANKFURT, DEN DD.MM.YYYY			
MERGENTHALERALLEE 61				TELEFON		+49-69-211-0	
				TELEFAX		+49-69-211-13701	
TESTBANK B							
POSTFACH 222222							
D 60498 FRANKFURT							
BANK-NUMMER 1234							
							SEITE : 1
OFFENE X-BORDER OTC KAUF-TRANSAKTIONEN							
ERSTELLUNGSZEITPUNKT: DD.MM.YYYY / HH:MM							
AUFTRAGSART 02 MATCH-INSTRUKTION							
AUFT-NR	LAST-KTO	GUT-KTO	WKN	EINH	NOMINALE	GEGENWERT	WRG
1558567	7205/000	1234/000	FR0000120271	ST	100	1.000,00	EUR
150019	7205/000	1234/120	FR0000339760	ST	200	2.000,00	EUR
TOTAL:						3.000,00	EUR
AUFT-NR	LAST-KTO	GUT-KTO	WKN	EINH	NOMINALE	GEGENWERT	WRG
1558567	7220/000	1234/000	AT0000120271	ST	100	1.500,00	EUR
150019	7220/000	1234/120	AT0000339760	ST	200	5.000,00	EUR
TOTAL:						5.500,00	EUR
AUFT-NR	LAST-KTO	GUT-KTO	WKN	EINH	NOMINALE	GEGENWERT	WRG
1558567	7223/000	1234/000	BE0003755692	ST	500	3.000,00	EUR
150019	7223/000	1234/120	BE0003796134	ST	220	6.000,00	EUR
TOTAL:						9.000,00	EUR
SUMME ALLER AUFTRAEGE							
			ANZAHL	NOMINALE		GEGENWERT	
			6	1320		17.500,00	

Figure 2.9 Example of the cross-border OTC purchase transactions report

2.3 Belgium, France and The Netherlands

2.3.1 Securities settlement against payment in Euro (DvP in Euro)

From 9 May 2011, customers will have the option of settling OTC transactions against payment in Euro via CBF (DvP in Euro) with counterparties in Belgium, France and The Netherlands, for securities where the domestic market is in these countries.

Our new service is being integrated into the existing CASCADE environment. In this way, any required change efforts will be minimised for CBF customers who will want to use this service. There are no conversion efforts for CBF customers who do not want to use this service for the time being.

The opening of two new CBF sub-accounts per market for efficient liquidity management through a new market rule, which provides the option of distributing liquidity over the markets, is the only prerequisite for participating in this service. The two new sub-accounts are the Market Allocation Account (MAA) and the Cash Market Account (CMA).

The following points characterise our DvP in Euro service package:

CASCADE instruction

- OTC transactions can be instructed via the existing CASCADE instruction and SWIFT message types.
- Cross-border OTC transactions are flagged with Real-Time Settlement - RTS DvP Euro once instructed.
- The match criteria for DvP are the same as those for FoP transactions with counterparties in the three markets (see F-CON28 - CBF Release November 2010 - Upgrade Information from 1 October 2010 and announcement D10044 from 26 November 2010 at www.clearstream.com).

Cash settlement in Euro in night-time and daytime processing

- Night-time processing:
 - Expansion of the existing cash forecast online, for the display of the liquidity requirement for OTC cross-border purchases on a gross basis, and taking into account the currently provisioned amount;
 - Introduction of a market rule for liquidity management per market, in the event of a liquidity shortfall;
 - Cash supplied for OTC cross-border purchases with countervalue in Euro in the night-time, via the TARGET2-ASI procedure 6 and the new TARGET2-Cross-DvP-Service (reservation on RTGS sub-account with subsequent transfer to Euroclear ESES).
- Daytime processing:
 - Settlement of OTC transactions with countervalue in Euro during the day in real-time settlement (RTS) on an individual transaction basis, via the TARGET2 procedure 2 (clearing against an RTGS main account).
- Cash settlement during transition from daytime to night-time processing:
 - Selection of pending OTC cross-border purchases at the end of the value date;
 - Liquidity already made available from pending purchases remaining with CBF;
 - Liquidity for pending OTC cross-border purchases transferred automatically by CBF to Euroclear ESES at the start of the night-time processing.

Reporting

- Security instructions, turnover and holdings:
The documentation for the different phases, as well as the securities settlement and holdings of cross-border transactions with countervalue in Euro, is integrated into existing reporting.
- Cash instructions and cash bookings:
In addition to integrating the cash instructions and sales into the existing cash reporting, a new report is being introduced to show pending cross-border OTC purchase transactions for all existing cross-border DvP links in Euro.

Unchanged processing of custody events

- Handling and processing of custody events for securities with domestic Belgian, French and Dutch markets remain unchanged. For example, interest and dividend payments will continue to be processed in DD2 at approx. 13:45 as before, and they will be documented in the existing media (for example, KVGI online display).

New tax agent service from 1 April 2011 for the French market

- The adoption of the tax agent status by CBF is an important prerequisite for the introduction of DvP in Euro with counterparties in the French market. Further important information on this topic can be found in Announcement D11010 dated 9 February 2011 on www.clearstream.com. If you have not already done so, then please also check whether you need to submit the “One-time Certificate of Authorisation for the Simplified Procedure (Cash Dividends)” form. You will find this form both in this CBF document as well as in Announcement D11010 as attachment 1.

The following chapters describe in detail the securities settlement process with cash clearing in Euro for the markets in Belgium, France and The Netherlands.

2.3.2 Prerequisites for participation in DvP in Euro

Opening of new CASCADE sub-accounts

The opening of two new CASCADE sub-accounts per designated market with the new account opening form is a prerequisite for participating in CBF cash clearing via TARGET2 with counterparties in Euroclear ESES Belgium, France or The Netherlands. These are:

- Market Allocation Account (MAA)
- Cash Market Account (CMA)

This allows flexible participation in cash clearing. Customers can decide on an individual basis in which of the three markets they want to participate for the cash clearing. For technical reasons, MAA sub-accounts must be opened for all three markets.

	Belgium (Account 7223)	France (Account 7205)	Netherlands (Account 7214)
For CSA owners ONLY: Market Allocation Account (MAA)	xxxx 264	xxxx 260	xxxx 262
For all participants: Cash Market Account (CMA)	xxxx 265	xxxx 261	xxxx 263

Market Allocation Account (MAA)

The necessary MAA sub-accounts 264 (Belgium), 260 (France) and 262 (The Netherlands) are used to transfer reserved liquidity to the relevant market:

- Liquidity for each market is separately provided.
- A new market rule, which manages liquidity available for the three markets as well for the German domestic market in the case of a liquidity shortfall, thereby ensuring flexible and efficient cash management per market.
- This new market rule is automatically processed by CBF on a pro-rata basis, or it can be entered manually by the customer.
- The pro-rata option allocates liquidity for the individual markets at the same ratio as the liquidity required that was calculated in the cash forecast.

Note: MAA sub-accounts are exclusively opened by the cash settlement account owner (CSA owner of the CBF account xxxx 22x). CSA owners who are acting as cash correspondents for other customers are required to open their MAA sub-accounts as soon as one of these customers wants to participate in DvP in Euro.

Cash market account (CMA)

The liquidity remaining from OTC cross-border purchases that are still pending at the end of the daytime processing are entered into the CMA (sub-) accounts 265 (Belgium), 261 (France) and 263 (The Netherlands) per market. Pending OTC cross-border purchases can be carried forward up to a maximum of 10 business days. The liquidity resulting from these purchases is managed on the relevant CMA accounts for the corresponding length of time.

The following chart provides an overview of the expanded account structure described.

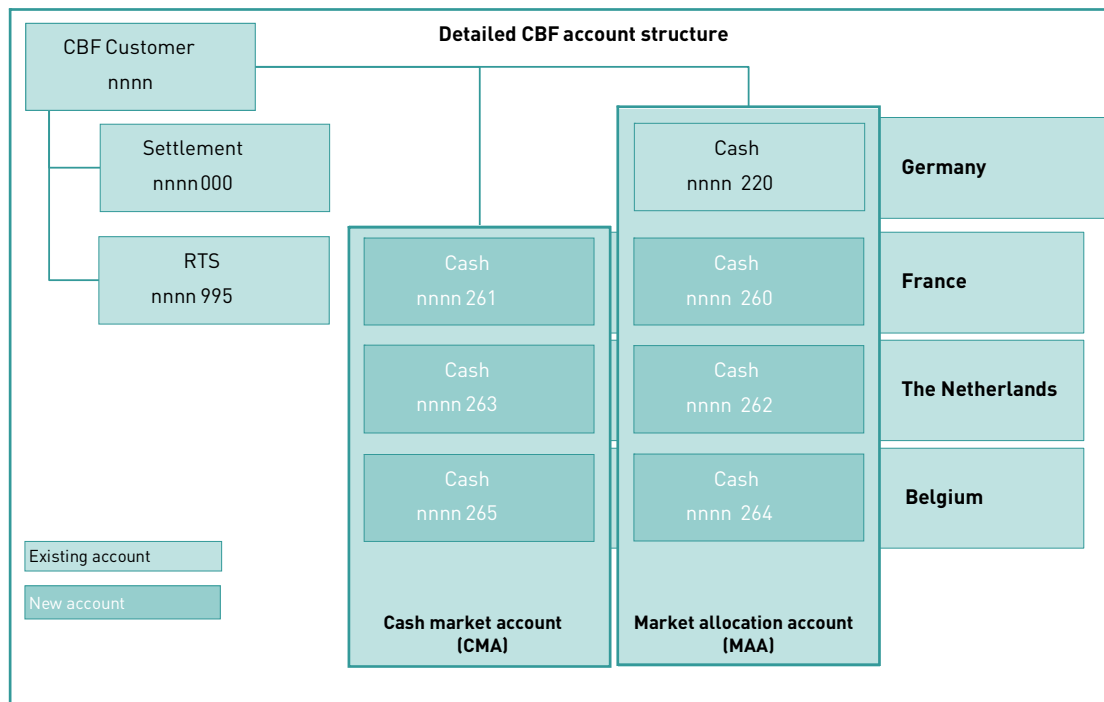


Figure 2.10 Account structure for settlement with counterparties in the Belgian, French and Dutch markets

The corresponding form for opening an account to participate in the securities settlement against payment in Euro (DvP in Euro) in the Euroclear ESES markets will soon be available.

2.3.3 CASCADE instruction

Existing CASCADE instruction types can also be used for OTC instructions with a countervalue in Euro and counterparties in Belgium, France and The Netherlands.

- Online via a securities transfer with countervalue (DvP), instructions type (AA) 01 or by MT543 (Deliver against payment) via file transfer, IBM Websphere MQ or SWIFT.
- Online via a match instruction (RvP), AA 02 or by MT541 (Receive against payment) via file transfer, IBM Websphere MQ or SWIFT.

All other CASCADE instruction types remain unaffected.

The relevant counterparty accounts for these cross-border transactions also remain unchanged:

- 7223 - Euroclear Belgium.
- 7205 - Euroclear France;
- 7214 - Euroclear Netherlands;

Note: Not all counterparties in the three markets named above automatically participate in cash clearing with countervalue in Euro. CBF recommends that this be clarified with the relevant counterparty beforehand.

Matching criteria

The matching criteria for DvP in Euro correspond to those for FoP transactions. Detailed information can be found in the customer publications F-CON28 - CBF Release November 2010 - Upgrade Information from 1 October 2010 and D10044 from 26 November 2010 on www.clearstream.com. The following additional three criteria are relevant, due to the securities settlement with countervalue in Euro.

Matching criteria valid for instructions for CBF night-time and daytime processing	
Securities transfer with countervalue (DvP)	Matching instruction (RvP)
Countervalue	Countervalue
Currency = EUR	Currency = EUR
In CASCADE Online: RTS DvP (J/N) = Ja (Yes) for RTS settlement	In CASCADE Online: RTS DvP (J/N) = Ja (Yes) for RTS settlement
Via file transfer, IBM Websphere MQ or SWIFT in MT543: :22F::RTGS//YRTG	Via file transfer, IBM Websphere MQ or SWIFT in MT541: :22F::RTGS//YRTG

Processing of matched OTC transactions: Bilateral cancellation principle

In order to delete pending matched FoP transactions, customers currently have to instruct CBF manually to complete this cancellation via SWIFT MT599, after it has been confirmed by the relevant market.

With the introduction of DvP in Euro, customers can effect these bilateral cancellations themselves in CASCADE, for FoP transactions as well as for matched DvP and RvP instructions. This is done either online, via file transfer, IBM Websphere MQ or SWIFT. The cancellation is completed once the cancellation confirmation is received from the relevant market. If cancellations for OTC transactions are confirmed and completed, for which securities or cash have already been reserved, then these reservations will also be cancelled.

The following overview summarises the practical application of the automated bilateral cancellation principle:

CBF customer wants to cancel a matched OTC transaction	Counterparty in the Euroclear ESES markets wants to cancel a matched OTC transaction
<p>CBF customer > CBF</p> <p>Instructs cancellation request online with CASCADE KVAM/RM transaction/function</p> <ul style="list-style-type: none"> - in the securities transfer with or without countervalue (AA01) - in the matching instruction with or without countervalue (AA02) <p>via file transfer, IBM Websphere MQ or SWIFT with</p> <ul style="list-style-type: none"> - MT540/CANC (R-FoP) - only for active matchers - MT541/CANC (RvP) - MT542/CANC (D-FoP) - MT543/CANC (DvP) 	<p>CBF > CBF customer</p> <p>Sends MT548 NMAT//CPCA</p>
<p>CBF > CBF customer</p> <p>Immediately sends a MT548 IPRC//CANP CANP//CONF</p> <p>Sets "Löschstatus 1 - Löschung ist von der Last-Seite angefordert" (cancellation is requested from the debit side) or "2 - Löschung ist von der Gut-Seite angefordert" (cancellation is requested from the credit side) in CASCADE Online, depending on whether the cancellation was requested for AA01/MT542/MT543 or for AA02/MT540/MT541</p> <p>Sends an MT548 IPRC//CAND CAND//CANI following receipt of the cancellation confirmation of the corresponding market</p> <p>In CASCADE Online (for example KVAI/HA - History), it sets the cancellation status to "4 - Löschung" (Cancellation) is confirmed by the Issuer CSD</p> <p>Cancels the OTC transaction from CASCADE</p>	<p>CBF customer > CBF/CBF > CBF customer</p> <p>The subsequent process stages correspond to the process described in the column "CBF customer wants to cancel matched OTC transactions".</p> <p>Exception:</p> <p>If both counterparties have requested a cancellation, then CASCADE Online sets the cancellation "Cancellation has been requested by both sides".</p>

The information on the relevant cancellation status is contained in the corresponding CASCADE Online display, such as "KVAI - Information Auftragsabwicklung" (KVAI information instruction settlement), in a new field "Löschstatus" (Cancellation status).

An example of the display, along with further information on the cancellation status, can be found in [2.1 Additional fields](#) on page 2-1.

Processing of unmatched OTC transactions: Unilateral cancellation

Cancellation instructions for unmatched transactions from CBF customers are forwarded to the relevant market by CBF. The market cancels the CBF customer's instruction in the market and informs CBF accordingly. It is only after this that CBF cancels the CBF customer's unmatched OTC instruction in CASCADE.

CBF customers receive an MT578 CANC, if their Euroclear ESES counterparties have initiated a cancellation for unmatched OTC transactions.

The cancelled OTC transactions are shown in the CASCADE daily listing.

Securities settlement in night-time processing

The settlement of securities for cross-border transactions with countervalue in Euro occurs in the same manner as the processing of the OTC transactions with countervalue in the German domestic market. However, the OTC cross-border transactions must be marked with the RTS DvP identifier "Y" for "Yes" when inserting the instruction.

Reservation of securities and settlement in daytime processing

OTC transactions against payment in Euro are settled in real-time settlement (RTS) and must therefore also be marked with the RTS DvP identifier "Y" for "Yes" when inserting the instruction.

If a CBF customer delivers securities to a counterparty in the three markets against payment in Euro, then these shares are initially reserved to their reservation account XXXX 995. Once the relevant Euroclear ESES market has confirmed settlement, the securities will be transferred from the reservation account XXXX 995 to the relevant seven-digit CBF account YYYY 000 of the Euroclear ESES market (7223 for Euroclear Belgium, 7205 for Euroclear France and 7214 for Euroclear Netherlands).

In the case of DvP in Euro for securities deliveries from the Euroclear ESES markets, there is no reservation to the reservation account YYYY 995 of the EOC ESES markets, in line with the processing of OTC FoP transactions. If the Euroclear ESES market concerned confirms the settlement of the securities, then the securities from the relevant account of the Euroclear ESES market YYYY 000 are credited to the seven-digit account XXXX ### of the CBF customer.

Securities settlement on transition from daytime to night-time processing

Pending OTC transactions from daytime processing that were not settled and where the life cycle has not yet expired (up to 10 business working days) are transferred to night-time processing. Pending OTC transactions, for which the life cycles expired, are cancelled in RT STD processing following confirmation by the relevant market.

The life cycle of unmatched and matched OTC transactions with countervalue in Euro

Matched and unmatched OTC transactions with countervalue in Euro are in each case cancelled by Euroclear ESES after 10 business days, if they were not settled by that time.

2.3.4 CASCADE cash settlement in Euro in night-time and daytime processing

Overview

The cash settlement of OTC transactions with countervalue in Euro is also integrated into the existing CASCADE cash settlement process. Thereby, any required change efforts will be minimised for CBF customers who will want to use this service. There are no change efforts for CBF customers who do not want to use this service for the time being.

The following chart provides an overview of the time flow, which will be explained in more detail in the following sections, beginning with night-time processing.

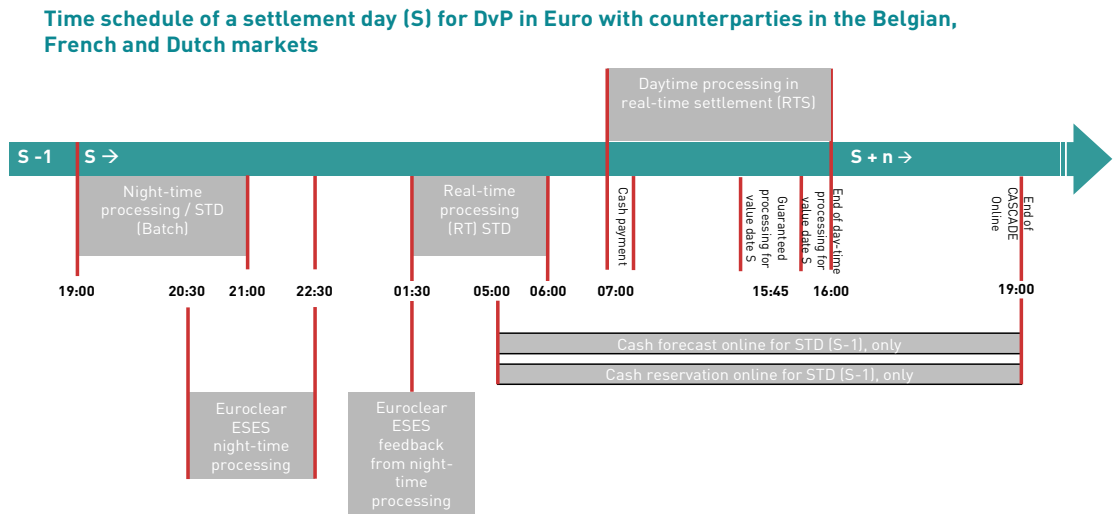


Figure 2.11 Settlement date for a cross-border link to the Belgian, French and Dutch markets

Cash clearing in night-time processing

Cash clearing in night-time processing occurs via the TARGET2 ASI procedure 6 and is therefore supported by the new TARGET2 cross DvP service. This service allows CBF to transfer customer's liquidity from the RTGS sub-account to the relevant (mirror) accounts of the three markets during night-time processing.

At the end of night-time processing, there is a payment of settled sales to the customers' RTGS main accounts from 07:00 as follows:

- The booking of cash from settled sales is processed in ASI procedure 2.
- The cash from the pending purchases is kept by CBF and transferred back to the relevant market, so that it is available for the forthcoming processing cycle.

The existing CBF services for this cash settlement in the night-time processing of:

- Cash Forecast; and
- Cash Reservation service

are available for purchases on the prior evening. The following sections explain these services and their application.

Information in the cash forecast for cash management

The online display of the existing cash forecast is enhanced to enable efficient cash management of cross-border transactions. The overall amount for purchases from transactions with counterparties in the Euroclear ESES markets is stated on a gross basis in the new "Ausländische Märkte" (Foreign Markets) line.

The cash from sales is shown for information purposes only. This also means that purchases and sales from the cross-border settlement are not cleared against each other. In addition, balances that result from cross-border settlement are not netted with balances from transactions in the German domestic market. The cash forecast is only relevant for night-time processing in terms of the cash settlement of cross-border transactions with counterparties in the Belgian, French and Dutch markets. The information is displayed at CSA account level (xxxx 22x).

The following online display shows an example of the expanded cash forecast (KUCF/CF) with the "Foreign Markets" selection for cash management for the Belgian, French and Dutch cross-border markets.

```

TRAN: KUCF FC: CF SB: 1234#220#EUR#20.01.2011#STD

CASH FORECAST UEBERSICHT FUER GELDKONTO
GELDKONTO: 1234 220 TEST BANK AG
TAG DER GELDVERRECHNUNG: 20.01.2011 VERARBEITUNGSLAUF: STD
RESERVIERUNGSFRIST:      19.01.2011 19:00 UHR

                                SOLL IN EUR          HABEN IN EUR
ABWICKLUNG                                161.969.680,02
SPERREN LT. REGEL                                0,00
KAPITALDIENSTZAHLUNGEN                        0,00

-----
CASH FORECAST                                161.969.680,02
INKASSOPFLICHT (ZAHLSTELLE)                    0,00
x AUSLAENDISCHE MAERKTE                        15.000.000,00
-----
_ AKT. DISPOSITIONSBETRAG                      15.000.000,00
===== ZUR INFORMATION =====
AKTUELLER GELDSALDO 7703 220                    0,00
SONSTIGE SPERREN                                150.418.458,25
SELBSTBESICHERUNG                                132.407.618,24
-- ID-KZ: 7000000000 -- PW:      ----- B990998R -- 19/01/11 -- 08:14:01 --
PF2:Druck  PF3:Ruecksprung  PF4:Abbruch
    
```

Figure 2.12 Online display for the KUCF transaction

At CSA account level, it is possible to expand the display with the individual balances per market from the "Foreign Markets" selection. The detailed display per market can also be expanded here.

```

TRAN: KUCF FC: CF SB: 1234#220#EUR#20.01.2011#STD

CASH FORECAST - ANTEIL AUSLAENDISCHE MAERKTE PER GELDKONTO          SEITE 1

GELDKONTO: 1234 220 TEST BANK AG

MARKT          SOLL IN EUR          HABEN IN EUR          SALDO IN EUR
7214           2.000.000,00
7205           7.000.000,00
7223           6.000.000,00

-----
CASH FORECAST AUSLAENDISCHE MAERKTE                                15.000.000,00-
=====
-- ID-KZ: 7900000000 -- PW:      ----- B990998R -- 19/01/11 -- 08:19:40 --
AE0100I Keine weiteren Daten vorhanden
PF2:Druck  PF3:Ruecksprung  PF4:Abbruch
    
```

Figure 2.13 Online display for the KUCF transaction (detailed display)

Cash reservation service monitors liquidity management

In the event that the liquidity available for the Belgian, French and Dutch cross-border markets is insufficient (liquidity shortfall), a new market rule is introduced for liquidity management. It is managed with the new standing instruction "Market rule for liquidity shortfall" per market online via the new MAA accounts. Please refer to [Opening of new CASCADE sub-accounts](#) on page 2-10.

There are two options, as follows:

1. CBF processes this new market rule automatically and per the criteria of the "pro-rata option".
2. Customers have the option of issuing a standing instruction (with KNEE/DM). A selection can be made between the pro-rata option (standard setup) and a "ranking option". With the ranking option, the markets are ranked in the order in which the liquidity should be allocated.

The logging of the new standing instruction is integrated into the CASCADE Online service "Cash instructions" within the framework of liquidity management. The following CASCADE display shows an example of this enhancement.

```

TRAN: KNEE FC:      SB:

GELDAUFTRÄGE      E R F A S S U N G

      EINZELAUFRÄGE
      RA  RESERVIERUNG

      DAUERAUFTRÄGE
      DR  RESERVIERUNG

      DW  GELDKONTENVERKNÜPFUNG ZUR WEITERLEITUNG DER RESERVIERUNG
      DP  PRIORISIERUNG DER GELDQUELLENVERWENDUNG
      DM  DAUERAUFTRAG FUER MARKTREGEL BEI LIQUIDITÄTSUNTERDECKUNG

-- ID-KZ: 700000000000-- PW:          ----- B700008R -- 20/01/11 -- 13:32:31 --
SY0043A BITTE DATEN EINGEBEN

```

Figure 2.14 Screen for the KNEE transaction

The logging of the new standing instruction enables the choice of the following options, on a market-by-market basis:

- Option 1 "Pro-rata for shortfalls" corresponds to the Pro-rata option (standard setup).
- Option 2 "Ranking" corresponds to the Ranking option alternative.

In the example shown below, option 2 is selected and the individual markets (including the German domestic market) are prioritised from 1 to 4.

```

TRAN: KNEE FC: DM SB: 1234#220#21.01.2011#

DAUERAUFTRAG FUER MARKTREGEL BEI LIQUIDITÄTSUNTERDECKUNG
GELDKONTO: 1234 220 TEST BANK E R F A S S U N G
NÄCHSTE GENERIERUNG FÜR: 20.01.2011 VERARBEITUNGSLAUF: STD
ÄNDERUNG MÖGLICH BIS : 20.01.2011 19:00 UHR

OPTIONS-AUSWAHL: 2 (1 - ANTEILIG BEI UNTERDECKUNG, 2 - NACH PRIORITÄT)_
PRIO A GELDKONTO NAME
01 J 1234 220 TEST BANK
02 J 1234 264 TEST BANK / ESES BE
03 J 1234 260 TEST BANK / ESES FR
04 J 1234 262 TEST BANK / ESES NL

-- ID-KZ: 7000000000 - PW: ----- B790000R - 20/01/11 - 14:05:21 --
PF3:Verarbeitung PF4:Abbruch
    
```

Figure 2.15 Screen for the KNEE transaction, DM function

Information on a validly issued “Standing instruction for market rule in case of liquidity shortfalls” can be found in the existing online information displays for cash settlement (KNGI/ID). This market rule can only be applied to night-time processing and not to daytime processing.

```

TRAN: KNGI FC: ID SB: 1234##20.01.2011#

DAUERAUFTRÄGE      I N F O R M A T I O N

                                                    SEITE 1

K LAUF FRIST TYP          KTO-SOLL  KTO-HABEN          BETRAG IN EUR  VS
-----
_ STD 19:00 RESERVIERUNG          1234 220          150
i STD 19:00 MARKTREGEL  1234 220          150
  C1F3 09:00 RESERVIERUNG          1234 220          100.000.000,00 150
_ SDS2 13:15 RESERVIERUNG          1234 220          150
                PRIORISIERUNG 1234 220          150

-- ID-KZ: 7000000000 -- PW: ----- B700000S -- 20/01/11 - 14:35:54 --
PF3:Rücksprung PF4:Abbruch
    
```

Figure 2.16 Screen for the KNEE transaction, ID function


```

TRAN: KNGI FC: ID SB: 1234#220#21.01.2011#

DAUERAUFTRAG FUER MARKTREGEL BEI LIQUIDITÄTSUNTERDECKUNG
GELDKONTO: 1234 220 TEST BANK I N F O R M A T I O N
NÄCHSTE GENERIERUNG FÜR: 20.01.2009 VERARBEITUNGSLAUF: STD
ÄNDERUNG MÖGLICH BIS : 20.01.2009 19.00 UHR

OPTIONSAUSWAHL: 2 (1 - ANTEILIG BEI UNTERDECKUNG, 2 - NACH PRIORITÄT)_
PRIO A GELDKONTO NAME
01 J 1234 220 TEST BANK
02 J 1234 264 TEST BANK / ESES BE
03 J 1234 260 TEST BANK / ESES FR
04 J 1234 262 TEST BANK / ESES NL

STATUS : 150 GÜLTIG ERTEILT ZULETZT BEARBEITET
1234000097
DATUM ZEIT
20.01.2011 14:05

-- ID-KZ: 7000000000 -- PW: ----- B700000R -- 21/01/11 -- 14:35:21 --

PF3:Rücksprung PF4:Abbruch PF9:Hist-Zurück PF10:Hist-vor

```

Figure 2.17 Screen for the KNEE transaction, ID function (detailed view)

Cash clearing in daytime processing

Purchases and sales with a countervalue in Euro are settled during the day in real-time settlement (RTS) - both on an individual transaction basis and on a gross basis via the TARGET2 ASI procedure 2. Clearing occurs against the RTGS main account. For the daytime processing, the corresponding OTC transactions must therefore be flagged with RTS DvP Euro "Y" (match criterion). In the case of purchases, the countervalues from these cross-border transactions are debited from the customer's RTGS account. For sales, the customer's RTGS account is credited accordingly.

OTC transactions can be processed during daytime processing between 07:00 and 16:00.

Cash settlement during the transition from daytime to night-time processing

At around 17:00, the liquidity from pending OTC cross-border purchases is entered into the CMA accounts of the relevant market. Cash from pending purchases that have reached the end of the life cycle of 10 business days remains with CBF and is paid out the next morning at around 07:00, via the TARGET2 ASI procedure 2. Clearing occurs against the RTGS main account.

The same applies to pending purchases for which the end of the life cycle has not yet been reached. However, these pending purchases are not cancelled, but the liquidity remains with CBF overnight, so that it can be used for the forthcoming processing cycle.

2.3.5 Times

The following table provides an overview of the time flow for securities settlement of cross-border transactions with counterparties in the Belgian, French and Dutch markets and with countervalues in Euro.

Time frame	Settlement of OTC transactions with countervalue in Euro
from 01:30	Instruction of DvP transactions in Euro with same-day value (S) or later value (S+n)
from 05:00	Start of CASCADE Online
05:00 – 19:00	Cash Forecast online for “Foreign markets” available for cash management in the subsequent night-time processing (S+1)
05:00 – 19:00	Cash reservation service online with “Market rule for liquidity shortfall” for subsequent night-time processing available (S+1)
from 07:00	Payment of the liquidity from settled sales from night-time processing (S) to the customers’ RTGS accounts
until 15:45	Guaranteed settlement of DvP transactions in Euro with same-day value (S)
16:00	End of day-time processing for same-day value (S)
until 19:00 ^a	Instruction of DvP transactions with later value possible (S+n)
19:00	End CASCADE Online Start STD/night-time processing of CBF
20:30 - 22:30	Night-time processing on the Euroclear ESES platform for the Belgian, French and Dutch markets
from 01:30	Feedback from the Euroclear ESES platform to CBF and settlement in CASCADE: <ul style="list-style-type: none"> - Settlement results, - Cancellation of pending instructions, where life cycle has expired.

a. Settling of instructions is guaranteed until 18:45 for instructions that were sent to CASCADE per file transfer, MQ series or SWIFT.

2.3.6 Reporting

Securities settlement

The OTC transactions with cash clearing in Euro are integrated into the existing reports as regards securities and are documented there:

- The Clearing & Settlement (C&S) Statement (MT536) contains the securities turnover.
- The Statement of Holdings (MT535) contains the securities holdings.
- The Settlement Confirmation (MT545/MT547) contains the settlement confirmations.
- The regulation list (for example, per CA pool) contains the securities turnover.
- CASCADE Online: KVDU and KVBA displays contain the securities turnover and holdings.
- The CASCADE daily list contains the pending securities transactions.

Cash settlement

With regards to the cash, the OTC transactions with cash clearing in Euro are also integrated in the existing reports and are documented there:

- The daily cash statement contains the cash transactions for pending OTC cross-border purchases that are available on the next business day. Two new booking text codes are introduced in this regard:
 - 70 - Einbuchung Kunden-Guthaben (Customer credit entry)
 - 71 - Ausbuchung Kunden-Guthaben (Customer credit write-off)
- The Euro Cash Clearing Report (MT942) contains the cash transactions available at the end of the value date.
- The CASCADE Online KNIG and KUCI displays contain information on cash instructions and cash account information.
- The CASCADE Online KVBA/BB display is available, in addition to the daily cash statement mentioned above, for customers who have their cash clearing carried out via a correspondent bank.

In addition to the existing cash reporting, there is a new report "Pending cross-border OTC purchase transactions" available from 9 May 2011 for all cross-border markets with DvP link. This report provides information on an hourly basis on purchases for which cash was already collected from the purchaser and forwarded to the relevant cross-border market. Detailed information, along with an example of this new report, can be found in [2.2 Reporting](#) on page 2-7.

The following reports are enhanced, due to the introduction of DvP in Euro for the Belgian, French and Dutch markets.

The "Validly issued/generated cash instruction" report also is enhanced, due to the new standing instructions with "Market rule for liquidity shortfalls":

CLEARSTREAM BANKING AG		GUELTIG ERTEILTE/GENERIERTE GELDAUFTRAEGE						
VERARB.DAT: 201/01/20		Mergenthalerallee 61						
DATUM: 2011/01/20		TESTBANK AG						
ZEIT: 21:50		- PRINCIPAL -						
REPORT-ID: 7CL00000001 D 60555		FRANKFURT SEITE: 1						
GELDKONTO: 1234 220 TESTBANK AG								
TYP	VALUTA	LAUF	USER ID	DATUM	ZEIT	BETRAG	ZA	MPA
STATUS								
RESERVIERUNG	20.01.11	STD	CASCADE	20.01.11	17:40	999.999.999.999,99	H	350
MARKT-TRANSF	20.01.11	STD	CASCADE	23.01.11	19:40	11.000.000,99	S	350
X-CSD TRANSF	20.01.11	STD	CASCADE	23.01.11	20:02	10.000.000,00	S	350
MARKT-TRANSF	20.01.11	STD	CASCADE	23.01.11	19:50	1.000.000,99	H	350
KADIZAHLUNG	20.01.11	STD	CASCADE	23.01.11	19:00	10.000.000,00	H	5555
350								
AUSZAHLUNG	20.01.11	STD	CASCADE	24.01.11	06:15	800.000.000,00	S	350

Figure 2.18 "Validly issued/generated cash instructions" report

The report "Change history of standing orders issued" is also enhanced by the new standing instruction "Market rule for liquidity shortfalls":

1CLEARSTREAM BANKING AG AENDERUNGSHISTORIE ERTEILTER DAUERAUFTRAEGE					
VERARB.DAT: 2011/01/20 7CL00000000001737200000001					
MERGENTHALERALLEE 61					DATUM:
2011/01/20 TESTBANK AG					ZEIT:
21:50 DEUTSCHLAND AG + CO. KGAA, GSS					
REPORT-ID: 7CL0000001 D 60555 FRANKFURT AM MAIN					
SEITE: 1					
CBF-KONTO: 1234 TESTBANK AG					
RESERVIERUNG	1923000002	CF	+999.999.999.999,99	1923220 H	GUELTIG
ERTEILT					
20.01.11 STD	20.01.11 17:40		+100%		
			999.999.999.999,99		
MARKTREGEL	1923000002			01 J 1923220	GUELTIG
ERTEILT					
20.01.11 STD	20.01.11 17:41			02 J 1923225	
				03 J 1923226	
				04 N 1923227	
PRIORISIERUNG	1923000002			01 J 7930223 S	GUELTIG
ERTEILT					
20.01.11 STD	20.01.11 17:41			02 N 7930221 S	
				03 J 1923220 S	
				04 J 1923221 S	
				05 N 7930224 S	

Figure 2.19 "Change history of standing orders issued" report

MT900/910 (from TARGET2)

As part of the DvP in Euro cash clearing process with the Euroclear ESES markets, the MT900/910 messages that are forwarded from TARGET2 to customers (where they were drawn by the customer) will have new characteristics. The following table provides an overview of this:

Field	STD night-time processing (ASI procedure 6)	RTS daytime processing (ASI procedure 2)
21	<p>CBF cash clearing account (220)</p> <p>Format: dddd0220</p>	<p>Purchaser's CBF account or seller's CBF account:</p> <p>Format: dddd cccc</p> <p>Explanation: dddd = Debit master account cccc = Credit master account</p>
72	<p>New characteristics:</p> <p>For purchases:</p> <p>Code: /ASINF</p> <p>Ordinary</p> <p>Explanation: Request from Euroclear ESES</p>	<p>New characteristics:</p> <p>For sales (settlement during night-time processing):</p> <p>NTP C ESES nnnnnnn</p> <p>Explanation: nnnnnnn = CASCADE instruction number (1-7-characters numerical)</p> <hr/> <p>For purchases (settlement during day-time processing):</p> <p>RTS XBS dddd DAKVDEFFFR1 RTS XBS dddd DAKVDEFFNL1 RTS XBS dddd DAKVDEFFBE1</p> <p>Explanation: DAKVDEFFBE1 = BIC Code for Belgium DAKVDEFFFR1 = BIC Code for France DAKVDEFFNL1 = BIC Code for Netherlands</p> <hr/> <p>For sales (settlement during day-time processing):</p> <p>DTP C ESES xxxxxxxxxxxxxxxx</p> <p>Explanation: xxxxxxxxxxxxxxx = transaction reference (TECNO) from Euroclear ESES to CBF (16-character alphanumeric)</p> <hr/> <p>For purchases with expired life cycles of 10 business days:</p> <p>DTP C ESES nnnnnnn EXPIRED</p> <p>Explanation: nnnnnnn = CASCADE instruction number (1-7-characters numerical)</p>

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3. Global Securities Financing Services

3.1 Xemac

3.1.1 Launch of Xemac version 5.2

Xemac version 5.2 will be implemented with the release on 9 May 2011. The participating banks must install the Xemac version 5.2 by this date. Thereafter, it will no longer be possible to access Xemac version 5.1 and previous versions.

The software for the new Xemac version 5.2 is scheduled to be available for download on the Clearstream web site from 18 April 2011. The version can be downloaded using the following path within www.clearstream.com:

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 new Xemac version 5.2 are explained below.

3.1.2 Enhanced online queries

Clearstream Banking Frankfurt introduces additional features for views and reports in the Xemac application. The important changes are described below:

3.1.2.1 Display of concentration limits in the "Collateral Pool Value" screen

Concentration limits restrict the allowed volume per ISIN that can be allocated for a single clearer ID.

The tabular view in the "Collateral Pool Value" screen will be extended to improve the monitoring of concentration limits. The screen will contain two new columns: "Limit" and "Unused Limit".

English	German
Limit	Limit
Unused Limit	Nicht genutztes Limit

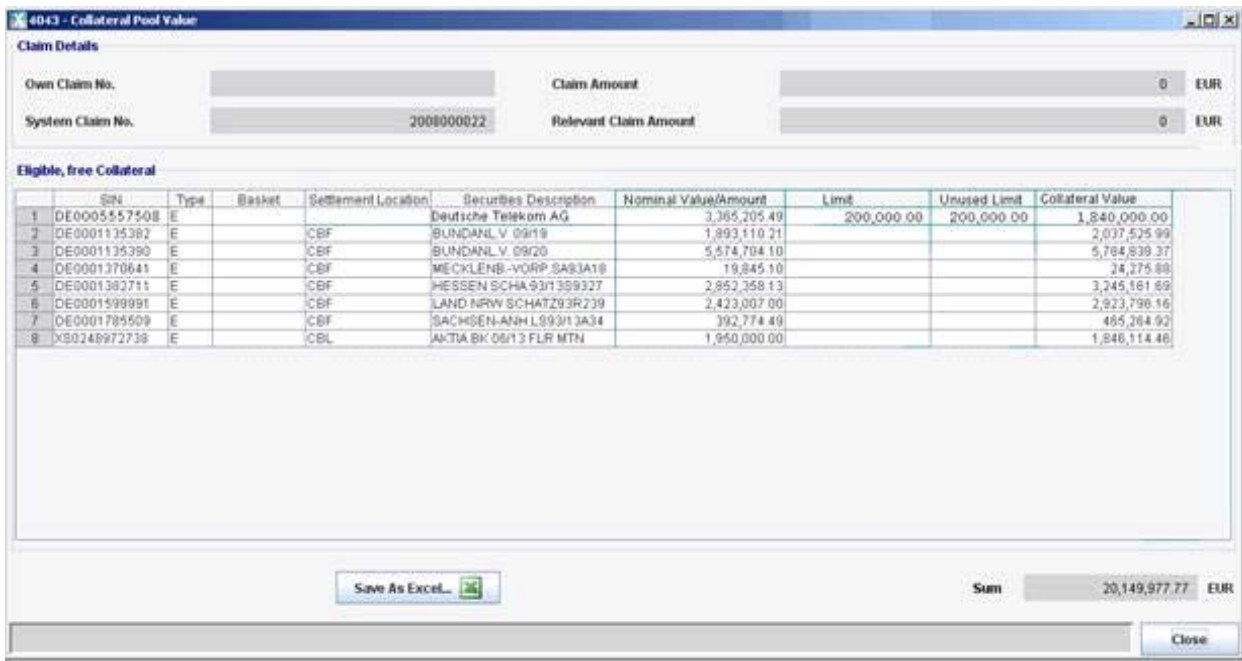


Figure 3.1 XEMAC screen "Collateral Pool Value"

- Concentration limits are based only on own collateral, type "E". "T" collateral is not affected by the restrictions. For "T" collateral, the two new fields "Limit" and "Unused Limit" remain blank. The columns "Settlement Location" and "Collateral Value" will remain unchanged.
- For securities where no limit is available (for example, for Bonds), the fields "Limit" and "Unused Limit" will remain blank.
- Positions in unblocked own securities held across the different settlement locations CBF and CBL and where a limit is applicable will be displayed in one line. For these securities, the field "Settlement Location" will also be blank.
- The "Unused Limit" is a dynamic value resulting from the difference between the limit set for this ISIN and the already allocated quantity of this ISIN to a clearer ID at this point in time.

3.1.2.2 Display of concentration limits in the "Eligibility Check" screen

The "Eligibility Check" screen will also be enhanced to display the concentration limits, with three additional columns, as below:

- "Settlement Location CBF";
- "Settlement Location CBL";
- "Limit".

The release, the "Eligibility Check" screen will display the following information in the new XEMAC version:

English	German
Responsible Institute	Zuständiges Institut
Contract Definition No.	Vertragsdefinition Nr
Version of Contract Definition	Version Vertragsdefinition
Name of Contract Definition	Bezeichnung Vertragsdefinition
ISIN	WKN

English	German
Securities Description	WKN-Kurzbezeichnung
Haircut (%)	Haircut (%)
Settlement Location CBF	Abwicklungsort CBF
Settlement Location CBL	Abwicklungsort CBL
Limit	Limit

The corresponding values for "Settlement Location CBF" and "Settlement Location CBL" will have the values "Yes/No".

3.2 Automated compensations for coupons

As of **28 March 2011**, the following compensations in currencies (except Euro) can be processed:

- TA110 Interest;
- TA120 Dividends;
- TA125 Other distribution;
- TA141 Partial Call up.

3.3 Changes to report KD144

KD144 "Event Information for Xemac collateral" reporting is extended, as of **28 March 2011** for early display of information about upcoming corporate actions in relation to equities.

3.4 LMS

The securities lending service KAGplus will enable customers to perform securities lending transactions on Creation accounts that are administered according to German law (6-series accounts).

Customers can therefore borrow or lend securities, held not in CASCADE, but in Clearstream's settlement platform Creation. Securities that are not eligible for Collective Safe Custody (CSC) can also be processed in this service.

As a result, customers can expand their lending activities via CBF and act closer to their depositories, if the securities were originally not held in Creation. Even if securities are CSC-eligible, expensive realignments are no longer necessary.

The main benefit is that all KAGplus-eligible securities listed in EUR can be included in this service.

The instruction of loan openings and closures via SWIFT messages MT540/MT542 is required.

Settlement in CASCADE or Creation is - for the time being - done only via SWIFT messages in the place of settlement field:

:95P:PSET//DAKVDEFF (CASCADE)
 :95P:PSET//CEDELULL (no settlement)

This sequence is valid for openings and closures of loans.

As of 9 May 2011, settlement can be processed via the following qualifier in the fields :23G: und :95P:, as displayed in the table below:

Settlement	:23G:	:95P::PSET
CASCADE	NEWM	DAKVDEFF
Creation	NEWM	CEDELULL
No settlement	PREA	CEDELULL

4. Connectivity

The following changes are planned for the CBF release on 9 May 2011:

4.1 Standardised counterparty reference reporting

At present, the customer's own CASCADE or LION reference is reported in field :20C::TRRF and the counterparty's reference in field :20C::POOL, or in a free-format text field depending on the message type. In future, the counterparty's reference will be supplied for all message types in field :20C::PROC in the Settlement Party Sequence (SETPRTY) of the counterparty. With this change, Clearstream is responding to customer requests and is further adjusting to the SWIFT standard.

The following message types are affected by this:

- MT536 (Statement of Transactions);
- MT544-547 (Settlement Confirmations);
- MT537 (Statement of Pending Transactions);
- MT548 (Settlement Status and Processing Advice);

The field :20C::PROC is introduced as a first step, and parallel the existing fields continue to be filled in. This parallel entry is planned to be discontinued in November 2011.

Below is an example of an MT548 for customer 7777 with references highlighted:

```
:16R: GENL
:20C: :SEME//C12F1010467A894M
:23G: INST
:98C: :PREP//20110215101046
:16R: LINK
:20C: :RELA//UNKNOWN
:16S: LINK
:16R: LINK
::20C: :TRRF//KT77770200002070
:16S: LINK
:16R: STAT
:25D: :SETT//PENF
:16R: REAS
:24B: :PENF//PRCY
:70D: :REAS//SETS 001/MATS 002/PROS 410
:16S: REAS
:16S: STAT
:16S: GENL
:16R: SETTRAN
:35B: ISIN DE0005151005
      BASF SE O.N.
:36B: :SETT//UNIT/2,
:19A: :SETT//EUR1,
:97A: :SAFE//77770000
:22F: :SETR//TRAD
:22H: :REDE//RECE
:22H: :PAYM//APMT
:22F: :RTGS//NRTG
:98A: :SETT//20110128
:98A: :TRAD//20110128
::70E: :SPRO//CPRE KT22220100004070
:16R: SETPRTY
:95P: :DEAG//TESTDEF2XXX
:97A: :SAFE//22220000
::20C: :PROC//KT22220100004070
:16S: SETPRTY
:16R: SETPRTY
:95P: :PSET//DAKVDEFFXXX
:16S: SETPRTY
```

```

:16R: SETPRTY
:95P: :REAG//TESTDEF1XXX
:97A: :SAFE//77770000
:16S: SETPRTY
:16R: SETPRTY
:95Q: :RECU//UNKNOWN
:97A: :SAFE//MSC-NONREF
:16S: SETPRTY
:16R: SETPRTY
:95Q: :BUYR//UNKNOWN
:97A: :SAFE//MSC-NONREF
:16S: SETPRTY
:16S: SETTRAN
    
```

Figure 4.1 Example of an MT548

Exception:

For Equity CCP instructions (counterparty 8501), the CCP reference will still be displayed in the field :20C::COMM for MT544-547. In future, this reference will be displayed for MT536 in the field :20C::COMM - Common Reference.

4.2 Real-time reporting of instruction status in MT548 (Settlement Status and Processing Advice)

Status changes for CASCADE instructions have previously been determined from the settlement date in the settlement cycles (STD, SDS1, SDS2, RT-STD) and the associated status messages sent via MT548. The last known status is thereby sent again, and again, after each cycle when all status messages have been subscribed to.

In future, the status change in CASCADE will be determined in realtime and the corresponding status message sent immediately. Status messages are sent based exclusively on a status change (Delta reporting), and therefore repeated sending of the last status at the end of a settlement cycle is omitted.

For instructions that have reached their settlement date, a status message is produced if an instruction cannot be settled.

The status that an instruction is awaiting settlement in a corresponding settlement cycle on settlement date (that is, PEND//CYCL, PEND//FUTU, PENF//CYCL or PENF//FUTU), will only be sent for those instructions that can be settled in realtime.

Example:

Reporting of instructions as from the intended settlement date (ISD)

Instruction from customer A is released, instruction from customer B is blocked

→ MT548 SETT//PEND PEND//PRCY to customer A

Customer B releases instruction

Case 1) Instruction is settled

→ MT544-MT547 Settlement Confirmation to customer A and customer B

Case 2) Instruction cannot be settled, for example, due to lack of the counterparty's securities

→ MT548 SETT//PEND PEND//CLAC to customer A

→ MT548 SETT//PEND PEND//LACK to customer B

4.3 Larger free-format text for corporate action notifications

The option to transmit for MT564 extended free-format text information via MT568 is described in detail in 1.3.2 [Larger free-format text field for corporate action notifications](#) on page 1.-8.

4.4 Settlement parties

New fields are made available as part of the enhancements for cross-border transactions. These relate to the receiving intermediary or the delivering intermediary in the settlement parties. These fields and their usage are described in detail in 2.1.1 [Settlement parties](#) on page 2.-1.

4.5 Introduction of the additional identification of the securities owner in MT500/MT519

CBF enables customers to provide an additional attribute to identify securities for registered shares via the message types MT500 and MT519 (registration, re-registration and change).

CBF will assess accordingly the text field :70C::REGI (REGI - Registration Details) of the "Registration Details" sequence (sequence B of the designated message types) for this. The customer can supply the additional identification in the 22x format/SOID.

Note: The existing option of entering the additional information in MT519 in the field :95U::BIRT will cease to apply.

Example based on the MT500 (registration instruction):

```
:16R:GENL
:20C::SEME//471569
:23G:NEWM
:22F::INST//RERE
:16S:GENL
:16R:REGDET
:20D::BREF//KTO-8123456701
:22F::OWNT//OWNE
:22F::BENT//INDV
:22F::RREA//POSS
:35B:ISIN DE0008430026
:70C::REGI//SOID Zusatzidentifikation
:16R:FIAC
:36B::QREG//UNIT/40,
:97A::SAFE//33330000
:16S:FIAC
:16S:REGDET
:16R:CLTDET
:16R:ADDRESS
:17B::PERM//Y
:22F::TITL//FRAU
:95U::OWND//NAME
:94G::ADDR//BOERSENSTR. 7
:94D::CITY//FRANKFURT
:94C::DOMI//DE
:13B::POST//66666
:16S:ADDRESS
:16R:PERSEDET
:98A::DBIR//12340330
:94C::NATO//DE
:16S:PERSEDET
:16S:CLTDET
```

Figure 4.2 Example of an MT500

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A Appendix

Appendix 1: 'One-Time Certificate of Authorisation for the Simplified Procedure (Cash Dividends)'

Clearstream Banking AG
Attn: OTL - Tax Services
42, avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

Clearstream Banking account(s): _____ (the "Account")

Dear Sirs,

As a customer of Clearstream Banking AG ("CBF"), we may from time to time hold French equities in the Account.

For the purpose of French tax matters in relation to relief at source of withholding tax on income payments ("dividends") from these equities, we hereby warrant and represent that these securities are held on behalf of beneficial owners that are entitled to a reduced rate of withholding tax pursuant to the Double Taxation Treaty (DTT) between their country of tax residence and France or according to French domestic legislation.

We will ensure that such relevant holdings will be separated into their respective subaccounts on record date in accordance with their specific tax requirements. We are aware that any holding at our main account will be considered as not being eligible for tax relief and the maximum tax rate will be applied by CBF at source on such holdings.

We hereby acknowledge that, pursuant to the DTT of the country of tax residence and France and under the Administrative Instruction (Bulletins Officiels des Impôts 4 J-1-05 N° 38, published on 25 February 2005, and 4 J-1-08 N° 14 published on 8 February 2008), CBF will need to provide the French Tax Authorities with certain beneficial owner information, including but not limited to its tax residence, name and holdings.

We accept to provide CBF, within the prescribed deadlines, with an annual certification of residence, a list of beneficial owners for each record date and any other documentation required by CBF for applying reduced tax rates. Furthermore, we will provide CBF upon request with all necessary information required from time to time by the French Tax Authorities.

We authorise CBF to open, by default, all the subaccounts indicated below¹ to enable the separation of holdings according to the tax relief status of beneficial owners, as follows:

Subaccount number	Tax relief status	Deduction	Subaccount number	Tax relief status	Deduction
-828	French residents	0%	-822	DTT rate	10%
-829	DTT rate	0%	-832	DTT rate	12%
-831	First tax-exempt entity	0%	-830	DTT rate	15%
-833	Second tax-exempt entity	0%	-824	DTT rate	20%
-834	Third tax-exempt entity	0%			
-835	Fourth tax-exempt entity	0%	All other subaccounts and main account		25%

We acknowledge and agree that CBF will transfer back, exclusively to our main account, all holdings from the above-mentioned subaccounts after payment date.

We commit ourselves:

- to submit to CBF, via SWIFT or other agreed authenticated means of communication, in addition to this One-Time Certificate and no later than the deadlines prescribed by CBF, the name of each tax-exempt entity for which a subaccount -831, -833, -834 or -835 is opened under our main Account; and

1. The indicated subaccounts and respective tax deduction rates currently apply but may change from time to time in accordance with the applicable tax provisions. Additional subaccounts may be opened, at the discretion of CBF, to enable separation according to additional tax relief matters.

One-Time Certificate of Authorisation for the Simplified Procedure (Cash Dividends)

- to notify CBF immediately, but in any case before the applicable payment date, if there is a change in the eligibility of the holdings in French equities in our Account with regard to ownership of such equities or to our settled position of those securities that are eligible for relief at source according to the DTT between the beneficial owner's country of residence and France or according to French domestic legislation; and
- to notify CBF promptly should any certificate, form or information referred to herein and delivered to CBF become invalid due to incorrect, outdated or incomplete information.

We acknowledge that CBF will report all undisclosed holdings of French equities in the Account as being proprietary holdings of our company and will therefore disclose to the French Tax Authorities the required information regarding our company as the beneficial owner. The same provisions will apply accordingly as set out for disclosed customer holdings in this certificate.

We will not hold CBF liable for any claims of additional taxes, interest or penalties assessed by the French Tax Authorities with respect to any certification that is incomplete, inaccurate or invalid.

We hereby appoint CBF to collect this certificate for the balance of French equities on record in our Account, the annual certification of residence, the additional documentation provided, if applicable, as well as the list of beneficial owners, including but not limited to the names and tax residences of third-party beneficial owners (the "Information"), and then to forward the Information to the appropriate French authorities in connection with any tax, judicial or administrative proceeding related to the simplified procedure.

We irrevocably authorise CBF to debit the Account with any amount (including but not limited to, if applicable, any additional taxes, interest or penalties imposed) that the French Tax Authorities request to be repaid as long as CBF can be held liable for such payments by the French Tax Authorities.

We accept full liability in the event of any claim of unwarranted benefit, including but not limited to claims for additional taxes, interest thereof or penalties imposed by tax authorities, subsequent to or resulting from the present certification and agree to undertake to pay the French Tax Authorities any monies that are deemed to be unwarranted benefit.

This liability will remain with us irrespective whether we are further a customer of CBF. The General Terms and Conditions of CBF will apply to this tax service as far as the specific terms which govern this service and, as well this application, do not state deviating provisions.

For and on behalf of:

Name of Clearstream Banking AG customer: _____

Address: _____

Signed by (authorised signature/s):

Authorised Signature

Authorised Signature

Name

Name

Title

Title

Place

Date

Contact

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