

KADI DE Migration to OneCAS

Corporate Action Harmonisation – Phase 2

Client Migration Guide

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1 Introduction

1.1 Structure and content of this document

This document focuses on the Corporate Action Harmonisation project of Clearstream and more specifically on the KADI DE Migration to OneCAS and related activities. The main objective of the KADI DE Migration to OneCAS is to harmonise Asset Servicing processes and systems.

- This document aims to enable clients to successfully prepare for the KADI DE Migration to OneCAS on 1 July 2024.
- It provides information on the migration activities that are surrounding the deployment of the KADI DE Migration to OneCAS. It includes a summary of necessary preparations, provides an overview of the migration timeline and describes the related migration activities to be considered by clients.
- For detailed information on the functional changes related to the KADI DE Migration to OneCAS that will be introduced in July 2024, clients should refer to the Detailed Functional Specifications on the [website](#).

Following the introductory chapter on the CAH project:

- Chapter 2 summarises the key aspects of the KADI DE Migration to OneCAS to be introduced in July 2024. It also shows the scope of securities and events for the migration.
- Chapter 3 describes the pre-migration phase until 28 June 2024, allowing clients a verification of connectivity settings for the production launch.
- Chapter 4 provides an overview of the migration activities surrounding the implementation weekend of the KADI DE Migration to OneCAS from 28 June 2024 to 1 July 2024. It shows the general migration approach for corporate action events already in the systems at the time of migration.
- Chapter 5 outlines the activities in the post-migration phase.

1.2 General information

The current Clearstream Asset Services roadmap is about modernisation, harmonisation and standardisation with the aim to enhance the OneClearstream service offering. As part of this initiative, the Corporate Actions Harmonisation (CAH) project and especially the migration of the processing for CBF-issued securities from CBF Legacy system KADI to OneClearstream Asset Servicing (CAH – KADI DE migration to OneCAS) have been established focusing on the following aspects:

- Reduction of the technology debt and modernisation of the infrastructure;
- Functional simplification and harmonisation achieved through the consolidation of the processing environments;
- Reduce complexity of operating dual asset servicing processing on different technical platforms - KADI versus Custody.

The first driver of the change is the standardisation of Asset Services processing. This is an enabler for future business and regulatory developments. The current dual processing environment for corporate actions creates extra complexity in the context of implementing the new standards resulting from the adherence to the European Collateral Management System and SCoRE (ECMS/SCoRE, Q4 2024) and requirements to support the new ISO 20022 standards.

The second driver of the CAH project is linked to the setup of OneClearstream Asset Services, which started with the continuously expanding OneClearstream Service Offering applied for Investor-CSD links (that is, non CBF issued securities). Migrating the CBF-issued securities to OneCAS is therefore the next step for Clearstream in reaching the goal to fully operate OneClearstream Asset Services, providing a harmonised environment for corporate action processing, in compliance with all the new European standards (as mentioned above).

The expected benefit for clients is the harmonisation and standardisation of processing and reporting across OneClearstream asset servicing for all markets. That is, clients processes and messaging formats which are currently deviating for the German market will be aligned, if possible, with international standards such as the CASG standards, SCoRE standards or the SMPG guidelines for reporting.

2 Scope of KADI DE Migration to OneCAS

This chapter provides an overview of the scope for the KADI DE Migration to OneCAS.

In general, the KADI DE Migration to OneCAS affects corporate action events in securities as described below. For these events, processing will be done in OneCAS from 1 July 2024.

2.1 Security scope

KADI DE Migration to OneCAS phase 2 concerns securities that have been issued by CBF. These can be identified via the value "99" (Germany) in WSS/WM-field GD430.

Among those securities, the following securities are **included** in the scope of the KADI DE Migration to OneCAS phase 2:

- Securities being a fund, identified via the values "5000" (Investment Funds) or "B003" (Interim Fund) in WSS/WM-field GD198B;
- Securities being individual certificates, identified via the values "1" (Corpus and coupon sheet detached) in WSS/WM-field GD481 and "1000" (equity) in the WSS/WM-field GD198B;
- Non-DE taxable DE ISINs (events with WM field ED234 or GD234 (Zuständigkeit KEST-Abzug) = 5 in combination with WM field GD160 (Emissionsland) = Germany (04) and GD169 (Abweichendes Besteuerungsland) \neq Germany).

Note: Clients cannot identify German securities migrated to OneClearstream directly in the security static data, for example, via the field "LMP-Datum ab" (GD518E).

2.2 Event scope

Generally, the KADI DE Migration to OneCAS concerns corporate action events in the above-specified securities. Any event for which the basis security is not in scope will not be migrated.

The following corporate action events are **excluded** from the scope of KADI DE Migration to OneCAS phase 2:

- Meeting events (BMET, CMET, OMET, XMET) – planned for Nov 2024;
- TEFRA D events (CERT); – planned for Nov 2024;
- Class action events (CLSA); – planned with US migration (phase 3).

A corporate action event with an entitlement date (ED) prior to the migration (that is, 1 July 2024 is greater than ED) will be processed by the CBF legacy functionality in KADI and clients will receive the reporting in the legacy formats, including information via the current online functionality, for example, KVGI. All further updates and tax bookings related to those events that were processed prior to the migration will also be handled by the CBF legacy systems, providing clients with the currently known reporting. For more details on the excluded events, clients should refer to Section 4.1

3 Pre-migration

This chapter describes the necessary preparations during the pre-migration phase for clients in order to ensure the readiness for the KADI DE Migration to OneCAS. In addition to the Relationship Manager and the regular Clearstream Client Service teams, the OneClearstream Client Readiness team can be contacted if there are questions.

Clients are requested to check which of the pre-migration activities outlined below are applicable to their institution. Clients have also been invited to participate in the KADI DE Simulation from 21 May 2024 to 7 June 2024.

3.1 Modification of connectivity settings/reporting subscriptions

The following interfaces are applicable for the KADI DE Migration to OneCAS. Clients are asked to verify their connectivity settings.

Interface	Connectivity requirements
CASCADE (HOST / PC)	<p>Asset servicing information for migrated securities will no longer be accessible through the current online functionality in CASCADE via Host and PC (for example, KVGI) as the events will no longer be processed in the current technical environment.</p> <p>The functionality remains available for non-migrated securities.</p> <p>Furthermore, WM information on events can still be viewed via screen WSIT.</p> <p>Settlement instructions and positions remain available through the respective functionalities (that is, KVBA or KVDU) - similar to LMP securities today.</p> <p>Clients wishing to access asset servicing related information in the migrated securities via an online functionality (GUI) must subscribe to Xact Web Portal. The subscription form must be completed and returned to Clearstream as soon as possible to allow sufficient time for the preparation and installation.</p>

Interface	Connectivity requirements
<p>Xact Web Portal (U2A)</p>	<p>The access management for Xact Web Portal is maintained by a nominated administrator for the respective CBF and CBF-i settlement account. Xact Web Portal administrators are asked to verify their current settings and user access for the management of corporate action events and for tax functionalities, if applicable. This verification will ensure that the operational units have the necessary user rights.</p> <p>Furthermore, client reporting subscriptions are administered in Xact Web Portal. Here any amendments to the scheduling can be made, either adding or removing reports and clients can also opt for communication with DAKVDEFFONE or CEDELULLXXX. Clients not subscribing to the Xact Web Portal are requested to contact Connectivity Support for the report subscription.</p>

CBF automated A2A connectivity channels (Swift, MQ, File Transfer)

The A2A connectivity will change and Swift / MQ formats for corporate action messages (MT56x) will become similar to the ones already used for CBL and CBF-i (6-series) accounts as well as for LMP markets. For detailed information, clients should refer to the [Xact via Swift User Guide](#).

This results in the availability of additional reporting, for example, the "Corporate Action Urgent Uninstructed Balances Report" and the "Corporate Action without Holding Report". A2A reporting on asset servicing in securities migrated to OneClearstream is offered from either of the following BIC / channel combinations:

- DAKVDEFFXXX (MQ)
- DAKVDEFFDOM (Swift)
- DAKVDEFFONE (MQ/Swift)
- CEDELULLXXX (Swift)

All reports can also be received via Xact File Transfer.

MT565 messages can be sent to the following BICs:

- DAKVDEFFXXX (MQ)
- DAKVDEFFDOM (Swift)
- DAKVDEFFONE (MQ/Swift)
- CEDELULLXXX (Swift)

For BICs CEDELULLXXX (Swift) and DAKVDEFFONE (MQ/Swift), the MT565 will always be routed to OneCAS, independent of the content.

It is not possible for Clearstream to replicate the CBF legacy report subscription in OneClearstream. Therefore, clients should carefully review the existing report setup in Xact Web Portal used for LMP markets, if applicable, and verify that they have the required subscription for DE securities in Xact Web Portal. That is, either a new subscription has to be created or an existing subscription can be amended – or the existing subscription is already sufficient. If changes are required, they can already be done today via Xact Web Portal directly or via the Clearstream Connectivity team.

Clients should note that the reporting subscriptions in Xact Web Portal cover all markets. Clients cannot have one subscription for the French market and another one for the German market, for example. Furthermore, KADI subscriptions are at main account level (4-digit account number), automatically covering all sub-accounts. Reporting subscriptions in Xact Web Portal are at sub-account level (7-digit account numbers). Clients should verify that all sub-accounts are covered in the existing or new reporting subscription in Xact Web Portal.

The subscription for KADI events remains active for non-migrated securities and events. For settlement messages (such as MT536 or MT54x), the CBF legacy connectivity will continue to apply – there is no requirement for clients to update. No subscription to settlement

Interface	Connectivity requirements
	<p>messages in Xact Web Portal is needed in the context of the KADI DE Migration.</p> <p>If clients wish to adapt their CBF connectivity settings, they are encouraged to use Xact Web Portal or contact the Connectivity Support team (connect@clearstream.com) which supports the creation and the maintenance of settings in A2A mode.</p>
<p>Transformations of settlement instructions (character set)</p>	<p>Most transformations of settlement instructions will be processed on T2S settlement instruction data basis and no longer on CASCADE instruction data basis.</p> <p>That is, the T2S character set will be used.</p> <p>Clients using Swift must continue to use character set X.</p> <p>Client may continue to send special characters according to CASCADE rules via the automated connectivity channels. However, special characters will be transformed in order to comply with the T2S special character set. Accordingly, clients will receive a transformed text, for example, for settlement party narrative fields, in any future message they receive (for example in the case of corporate actions on flow).</p> <p>For more information on character transformation, clients should refer to the table on page 3 of the Connectivity Handbook Part 1</p>

Table 1 – KADI DE Migration to OneCAS connectivity settings

4 Migration

Clearstream will begin to apply the processing changes for corporate action events with the implementation weekend on 29 June 2024. The implementation approach defines that Clearstream provides a fluid transition for clients. That is, processing is done either in KADI or in OneCAS, depending on the entitlement date.

CBF client positions and instructions will not be affected by the migration, but there could be an impact on pending corporate action events, as the processing of corporate action events will be transferred from the CBF legacy to OneClearstream functionality.

4.1 Events which are not migrated

All corporate action events with an **entitlement date before** 1 July 2024 are processed in KADI following the “as-is” process. That is, any ongoing event at the time of migration will continue to be processed via KADI.

Tax bookings related to an event that was processed prior to the migration will also be handled by the CBF legacy systems, providing clients with the currently known reporting.

Furthermore, in the case of an event reversal, this will also be processed in KADI even though the entitlement date of the reversal may be on or after 1 July 2024.

Backdated events, that is, corporate action events announced on or after 1 July 2024 with an entitlement date before 1 July 2024, will also be processed in KADI following the “as-is” process.

4.2 Events which are migrated

All corporate action events with an **entitlement date on or after** 1 July 2024 are processed in OneCAS following the “future” process.

For events already announced by KADI, OneCAS creates a new corporate action event during the migration weekend. The MT564 NEWM is distributed to clients as per the current OneCAS reporting schedule and the connectivity channel. For the new announcement, all changes between the CBF legacy format and the OneCAS format (for example, creation of CORP ID) already apply, meaning that the MT564 sent by OneCAS will differ from the initially provided MT564 by KADI. KADI starts the cancellation process on Friday, 28 June 2024 after end of business. The MT564 CANC is distributed as per the current KADI reporting schedule. Depending on their reporting subscription and the overall system availability, clients may receive Swift messages at a later point in time (that is, 1 July 2024).

Note: MT564 messages (CANC and NEWM) will not contain any special narrative to refer to the migration activities.

During the cutover activities, Clearstream also migrates the existing standing instructions regarding deductions and tax management to OneCAS. That is, clients are not required to re-submit these standing instructions.

As for single deductions, the first payment handled by OneCAS will be on Tuesday, 2 July 2024. That is, clients have to send their deduction instruction (for example, via MT565 with the specific wording) by Monday, 1 July 2024 end of day.

4.3 Implementation weekend of KADI DE Migration to OneCAS schedule

This section informs clients about the activities during the implementation weekend of the KADI DE Migration to OneCAS.

All migration steps and tasks are executed according to CBF's internal schedule which has a dependency on other Clearstream releases. The following overview illustrates the designed migration steps. The timing is indicative and might be subject to change.

In principle, the migration steps are reliant on the progress of the overall Release Weekend schedule. That is, if tasks are completed earlier or later than expected, the precedent or the following activity might be performed earlier or later, respectively.

Date	Indicative time ¹	Detailed migration activity
Friday, 28 June 2024	Around 18:00	Operational News #1 (Migration start)
	After end of business day	KADI starts cancellation process.
	After end of business day	Operational News #2 ² (KADI starts cancellation process)
Saturday, 29 June 2024	Around 18:00	Custody starts generating new event notifications.
	Around 18:00	Operational News #3 ² (OneCAS new event)
Sunday, 30 June 2024		No action
Monday, 1 July 2024	TBD	Operational News #4 (Migration end)
Tuesday, 2 July 2024		First possible payment date for migrated events

Table 2 – KADI DE Migration to OneCAS implementation weekend schedule

Before and during the implementation weekend of the KADI DE Migration to OneCAS, Operational News will be published on the Clearstream website to which CBF clients can subscribe to be informed about the progress of the migration. Clients can set up the subscription of "Alerts" for Operational News in the [My Clearstream](#) section under Subscriptions / Real-time alerts.

¹ The indicative time reflects an approximate time when clients can expect to receive the CBF Operational News and does not aim to reflect a start or end time of an activity.

² Operational News #2 and #3 do not indicate that the reporting has been released to the client but relate to the internal implementation progress. Depending on their reporting subscription and the overall system availability, clients may receive the reporting at a later point in time.

The client communication follows a common approach as previous LMP migrations. Clients who have subscribed to Operational News alerts in the past do not need to select a new subscription.

5 Post-migration

After the implementation weekend of the KADI DE Migration to OneCAS, clients can contact OneClearstream@clearstream.com for inquiries and migration-related production issues.

Glossary

Acronym or abbreviation	Description
BIC	Bank Identifier Code
CA	Corporate actions
CBF	Clearstream Banking AG, Frankfurt (CSD)
CBF-i	CBF international 6-series account
CBL	Clearstream Banking S.A., Luxembourg (ICSD)
COAF	Corporate Action Event Reference
CORP ID	Corporate Action Reference
CSD	Central Securities Depository
CSDR	CSD-Regulation
DCA	Dedicated Cash Account
DCP	Direct Connected Participant
ECMS	European Collateral Management System
EoD	End of Day
GC	General Collateral
GUI	Graphical User Interface
ICP	Indirect Connected Participant
ICSD	International Central Securities Depository
ISIN	International Securities Identification Number
KADI	Kapitaldienste
KUSTA	Client Reference Data (Kundenstammdatensystem)
LMP	Local Market Partnership Model (CBF Investor CSD in a foreign CSD)
MPA	Main Paying Agent
MT	Message Type
OneCAS	OneClearstream Asset Services
OTC	Over the counter
PFOD	Payment Free of Delivery instruction
RMA	Relationship Management Application (Swift)
SMPG	Securities Market Practice Group

SRD II	Shareholder's Rights Directive 2
Swift	Society for Worldwide Interbank Financial Telecommunication
T2	TARGET2
T2S	TARGET2-Securities
WKN	Wertpapierkennnummer
WM	Wertpapier-Mitteilungen

Appendix 1 – Migration reports examples

KADI event types (Terminart)

Event	Description English	Description German	Swift (MT564, MT566 und MT 536)	Kap.-Erh./Umt.-Gr
Income events				
110	Interest	Zinsen	Interest Payment (INTR)	
111	Accumulated Interest	Aufgelaufene Zinsen	Interest Payment (INTR)	
112	Annuities	Annuitäten	Interest Payment (INTR)	
120	Dividends	Dividenden	Cash Dividend (DVCA)	
121	Funds Income	Ausschüttung Fonds	Cash Dividend (DVCA)	
121	Funds Accumulation	Thesaurierung Fonds	-	
122	Warrant Exercise	Automatische Ausübung Optionsscheine	Warrant Exercise (EXWA)	
123	Squeeze Out	Squeeze Out	Tender (TEND)	
124	Pay-Off/Buyback of Shares	Abfindung/Rückkauf von Aktien	Tender (TEND)	
125	Other Income	Sonstige Ausschüttung	Other Event (OTHR, DECR, CAPD)	
126	Participation Rights Income	Ausschüttung Genussrechte	Cash Dividend (DVCA)	
127	Tax Liquidity for Growth Funds	Steuerliquidität bei thes. Fonds		
130	Redemption	Gesamtrückzahlung	Final Maturity (REDM)	
131	Redemption of Participation Rights	Rückzahlung von Genussrechten	Final Maturity (REDM)	

132	Redemption of Certificates	Rückzahlung von Zertifikaten	Final Maturity (REDM)	
133	Liquidation	Liquidation	Liquidation (LIQU)	
134	Cash Compensation for Redemption in Securities	Barausgleich bei Tilgung in Wertpapieren	Final Maturity (REDM)	
140	Partial Call	Teilrückzahlung	Partial Call (PCAL)	
141	Partial Call up to Pool-Factor	Teilrückzahlung zum Poolfaktor	Partial Call (PCAL)	
Non-income events				
210	Issue of Subscription-Rights	Einrichten Bezugsrechte	Rights Issue (RHTS)	8,10-20, 26, 31, 81-83, 85
211	Stock Split	Aktien-Split	Stock Split (SPLF)	28
211	Spin Off	Spin-Off	Spin Off (SOFF)	84
211	Issue of Partial Rights	Einrichten Teilrechte	Bonus Issue (BONU)	1, 2
211	Issue of Bonus Shares	Einrichten Gratisaktien	Bonus Issue (BONU)	3, 6, 7
211	Stock Dividend	Stock-Dividende	Stock Dividend (DVSE)	4
211	Dividend Option	Wahl-Dividende	Dividend Option (DVOP)	5, 32
213	Detachment of Warrants	Trennung von Optionsscheinen	Detachment (DETI)	AX
220	Write-Off (Final Maturity)	Ausbuchen w/ Gesamtrückzahlung	-	
221	Write-Off (Partial Call)	Ausbuchen w/(Teilrückzahlung	-	
222	Write-Off (Worthless Securities)	Ausbuchen wertloser Stücke	Other Event (OTHE)	
223	Write-Off (Partial Call) from blocked account	Ausbuchen w/(Teilrückzahlung		
230	Transfer to Blocked Subaccount	Umbuchen auf gesperrtes Unterkonto	-	
231	Redemption in Securities	Tilgung in Wertpapieren	Final Maturity (REDM)	Tilgungsseg.

232	Conversion of Shares	Aktienumtausch	Conversion (CONV)	03, AM, CF, CG, CH, CI, CJ, CK, CL, CM, CO, CP, CQ, CR, CS, CT, CU, CV, CX
232	Merger	Fusion	Merger (MRGR)	AF
232	Reverse Stock Split	Reverser Aktien-Split	Reverse Stock Split (SPLR)	AA, AZ
232	Capital Decrease	Kapitalherabsetzung	Decrease in Value (DECR)	04
232	Reclassification	Reklassifizierung	Change (CHAN)	AR, AS
232	Pari-Passu	Gleichstellung	Pari-Passu (PARI)	AG
232	Change of Denomination/Amount of Shares	Änderung Nennwert/Anzahl der Stücke	Stock Split (SPLF)	AH, AY, BI, BK, BF, BJ, BH, BM
235	Redenomination	Redenomination	Redenomination (REDO)	
260	Consolidation of securities by the lead manager due to TA210		RHDI	
260	Consolidation of securities by the lead manager due to TA123		TEND	
280	Buyback offer		BIDS	
280	Creditor put option/issuer call option		BPUT	
280	Consent offer		CONS	
280	Expiry of exchange (conversion) period, calling in of units		CONV	
280	Dividend option - following RHDI Bonus shares with cash option – following RHDI		DVOP	
280	Repurchase offer Dutch Auction		DTCH	
280	Exchange – Following BONU, SPLF, SOFF, DVSE, PINK or DECR		EXOF	

280	Call on intermediate securities – following RHDl	EXRI
280	Option of returning units or shares, exchange (conversion) offer after exercising put/call option, exchange (conversion) offer after final maturity	EXOF
280	Expiry of option period with voluntary or voluntary automatic exchange (conversion)	EXWA
280	Information	INFO
280	Repurchase offer (Odd lot Offer)	ODLT
280	Priority offer	PRIO
280	Takeover bid/offer of compensation	TEND
281	Notice of name change	CHAN
281	Expiry of option period with mandatory/automatic exchange (conversion)	CONV
281	Information	INFO
281	Rights to tender shares or bonds	REDM
281	Information about a funds merger	MRGR

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[Clearstream Banking entity](#)
www.clearstream.com

Registered addresses
Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg

Clearstream Banking AG
Deutsche Börse AG
Mergenthalerallee 61
65760 Eschborn
Germany

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