



Securities Services

User Guide SIX x-clear Ltd

Denmark

xcl-704

February 2012





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1.0 Market overview

Description	Details
Local custodian	Direct participant at VP
Place of settlement	VP securities VPDKDKKKXXX
Participant ID	VP no. 17600 (to be mentioned in the REAG/DEAG block)
Beneficiary BIC	CLRXCHZZXXX
Market deadline (CET)	Free and versus payment S 10:15 (badge 40)

2.0 Settlement guide

2.1 Settlement process

Transactions free of payment and versus payment both have to match before settlement.

2.2 Handling of unmatched trades

Trades should be matched on T+1 at 14:00 (CET) to ensure timely settlement. SIX x-clear will contact missing/failing counterparties after 14:00 (CET) and ask for instructions. SIX x-clear will contact missing counterparties twice at the most.

2.3 Handling of unsettled trades

Trades are expected to settle on the intended settlement date (ISD). SIX x-clear will not cancel or amend instructions. SIX x-clear will contact delayed counterparties on the settlement date twice at the most. In respect of late settlement, please refer to the "Late settlement and buy-in guide" of SIX x-clear.

2.4 Specialties

Trades that are eligible for a specific entitlement, e.g. dividends/rights for trades settled over the ex date, need to be reported to and claimed at SIX x-clear.

3.0 Income and corporate action guide

The most common events in the Danish market are dividend payments, bonus issues, rights issues and tender offers.

Danish companies pay dividends on an annual basis. However, upon approval by the annual general meeting (AGM), special dividends may be paid. Some unit trust sub-funds pay interim dividends.



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3.1 **Ex date**

The first date on which shares are traded without entitlement. The ex date is the business day following the AGM.

3.2 **Record date**

The date when close of business positions are captured for entitlement to the proceeds of the corporate event. The record date is two business days after the ex date.

3.3 **Pay date**

The corporate event proceeds are credited to the participant's account on the pay/available date based on the holdings registered as at the record date (EOD). The pay date is one business day after the record date.

3.4 **Cancellation/Regeneration (transformation)**

In case of a mandatory exchange (i.e. split, reverse split, conversion, etc.), both SIX x-clear and the clearing member have to cancel the pending settlement instructions and reinstruct the new trades (at EOD on the record date) according to the terms of the corporate action.

3.5 **Compensation rules**

Denmark is a record date market. Distributions are credited on the basis of the settled stock position as at the record date. SIX x-clear will claim the distribution upon settlement of the underlying transaction from the counterparty (if a trade with a trade date before the ex date is pending at the end of the record date).

3.6 **Source tax**

As a general rule, non-residents are subject to a statutory withholding tax rate of 28% on dividends. Non-residents may reclaim tax in accordance with an existing double taxation treaty between Denmark and the beneficial owner's tax residency.

3.7 **Currency**

The currency most commonly distributed in the Danish market is the Danish krone (DKK). It is possible that the CSD will not distribute the original announced currency. In this case SIX x-clear will credit the currency received from the custodian.

3.8 **Mandatory corporate actions**

3.9 **Buyer election**

There is no buyer protection facility in the Danish market.



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The buyer has to send his choice by fax (a template can be downloaded from the website (www.six-securities-services.com > Clearing > Forms & documents > Forms) to SIX x-clear Settlement by no later than 10:00 (CET) one business day after the market deadline (election) date. SIX x-clear will forward the buyer's choice to the failing seller until 18:00 (CET) one business day after the market deadline. The seller is obliged to execute the instruction and deliver the outcome according to the buyer's choice. The cancellation of the original trade and the new instruction(s), according to the relevant corporate action terms, need to be agreed bilaterally by SIX x-clear and the counterparty. The settlement dates of the new outcome will generally be the payment date of the corporate action transaction.

A seller shall deliver the rights/shares no later than 5 business hours before the market deadline. A buyer/SIX x-clear is not obliged to accept delivery of rights/shares after such time. Therefore the rights/shares could be returned to the seller. The seller still has the obligation to fulfill the executable buyer's choice.

4.0 Contact details

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