

User Guide SIX x-clear Ltd

Hungary

June 2011



A small icon showing a portion of a computer keyboard with keys for question mark, numbers 5 and 8, and a cursor arrow.

User Guide SIX x-clear Ltd Hungary

Table of contents

1.0	Market overview	3
2.0	Settlement guide	3
2.1	Settlement process	3
2.2	Handling of unmatched trades	3
2.3	Handling of unsettled trades	3
2.4	Specialities	3
3.0	Income and corporate action guide	4
3.1	Ex date	4
3.2	Record date	4
3.3	Pay date	4
3.4	Cancel/Regeneration (transformation)	4
3.5	Compensation rules	4
3.6	Source tax	5
3.7	Currency	5
3.8	Mandatory corporate actions	5
3.9	Buyer election	5
4.0	Contact details	5

User Guide SIX x-clear Ltd

Hungary

1.0 Market overview

Description	Details
Settlement Institution of SIX x-clear	SIX SIS Ltd (INSECHZZXX)
Local Custodian	CITIHUXXXXX Citibank Europe plc Hungarian Branch
Place of Settlement	Kozponti Elszámolóház és Ertektár KELRHUHBXXX
Participant ID	0410
Custody account	7202395001
Cash Accounts	Operated by Citibank Europe plc Hungarian Branch HUF-cash account: 202395007
Beneficiary ID	CH112114 This BP ID of SIX x-clear is not applicable in the Hungarian Market.
Market Deadlines (CET)	Bonds and shares versus payment Settlement date 04:30 p.m. CET Bonds and shares free of payment Settlement date 06:00 p.m. CET

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 02:00 p.m. (CET) to ensure timely settlement. SIX x-clear will contact missing / failing counterparties after 02:00 p.m. (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 settlement date twice at the most. In respect of late settlement, please refer to "late settlement and buy-in guide" of SIX x-clear.

2.4 Specialities

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



User Guide SIX x-clear Ltd

Hungary

No decimals are used in KELER settlement. 1 HUF is the smallest amount accepted for settlement.

3.0 Income and corporate action guide

The most common events in the Hungarian market include tender offers, conversions of stock (dematerialization), delisting and squeeze outs.

Hungarian companies generally pay dividends on an annual basis; payment is executed usually one month after the general meeting.

3.1 Ex date

The first date on which shares are traded without entitlement.

For equities: 7 business days prior to event date.

For fixed income: 3 business days prior to event date.

3.2 Record date

The date when close of business positions are captured for entitlement to the proceeds of the corporate event.

For equities: 5 business days prior to event date.

For fixed income: 2 business days prior to event date.

3.3 Pay date

The corporate event proceeds are credited into participants' accounts on the pay/available date based on the holdings registered as of record date (EOD processing).

3.4 Cancel/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 to reinstruct the new trades (at EOD of the record date) according to the terms of the corporate action.

3.5 Compensation rules

The Hungarian market does not have specific compensation rules. Compensation is effected automatically (credit for purchases and debit for sales before ex date) three business days after the record date by SIX x-clear's custodian.

Claims are very rare on the Hungarian market. There is no automatic compensation on the market. SIX x-clear processes dividend claims on a reasonable-effort basis upon receipt inquiry from its participants.



User Guide SIX x-clear Ltd

Hungary

The Hungarian market is an actual market. Therefore the payment date indicates the expected distribution date. Payment is made provided such funds have been received by SIX x-clears custodian.

3.6 **Source tax**

A flat tax rate of 16% is implemented for private individuals (resident and no-resident) on dividend payments as well as on capital gains. Legal entities (resident and non-resident) will remain fully tax exempt from taxes on gains and dividends.

3.7 **Currency**

The currency most commonly distributed in the Hungarian market is Hungarian Forint (HUF). It is possible that the CSD might 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 Hungarian market.

The buyer has to send his choice by fax (a template can be downloaded on the website under www.six-x-clear.com > Forms to SIX x-clear Settlement no later than 10:00 am (CET) one business day after the market deadline (election) date.

SIX x-clear will forward the buyer's choice to the failing seller until 06:00 pm (CET) one business day after the market deadline.

The seller is obliged to execute the instruction and to 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 outturn will generally be the payment date of the corporate action transaction.

A seller shall deliver the rights/shares on the deposit date at the latest. A buyer / SIX x-clear is not obliged to accept delivery of rights/shares after such date. Therefore the rights/shares could be returned to the seller. The seller still has the obligation to fulfil the executable buyer's choice.

4.0 **Contact details**

SIX x-clear Settlement
c/o SIX SIS Ltd
Settlement Client Desk x-clear / SECX
Baslerstrasse 100
CH-4600 Olten
Phone +41-58-399-6555



User Guide SIX x-clear Ltd Hungary

Fax +41-58-499-1316
Email sett.xclear@sisclear.com resp.
Ticket automation sett.xclear@isis.sisclear.com
www.six-x-clear.com
www.six-sis.com

SIX x-clear Ltd
Brandschenkestrasse 47
CH-8002 Zurich

Mailing address:
P.O. Box 1758
CH-8021 Zurich

T +41 58 399 4311
F +41 58 499 4311
www.six-x-clear.com