



Securities Services

# User Guide SIX x-clear Ltd

**Finland**

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Finland

## Table of contents

<b>1.0</b>	<b>Market overview</b>	<b>3</b>
<b>2.0</b>	<b>Settlement guide</b>	<b>3</b>
2.1	Settlement process	3
2.2	Handling of unmatched trades	4
2.3	Handling of unsettled trades	4
<b>3.0</b>	<b>Income and corporate action guide</b>	<b>4</b>
3.1	Ex date	4
3.2	Record date	5
3.3	Pay date	5
3.4	Cancel/Regeneration (transformation)	5
3.5	Compensation rules	5
3.6	Source tax	5
3.7	Currency	5
3.8	Buyer election	5
<b>4.0</b>	<b>Contact details</b>	<b>6</b>

# User Guide SIX x-clear Ltd

## Finland

### 1.0 Market overview

Description	Details
Market participation setup	Direct Participant at Euroclear Finland
Place of Settlement	Euroclear Finland APKEFIHHXXX
CLP ID / Participant BIC	XCL / CLRXCHZZXXX
Customer code	2450279 – 3
Standard settlement instruction format	REAG/DEAG: CLRXCHZZXXX SELL/BUYR: CLRXCHZZXXX The BIC11 format has to be used in the settlement instruction against SIX x-clear
Market Deadlines (CET)	HEXclear S 13:00

This guide is applicable for transactions of members of SIX x-clear Ltd (hereafter referred to as “SIX x-clear”), that means both for members on the SECOM platform and members on the CLARA platform. The trading venue is not relevant to the settlement process or the place of settlement. In general, the place of settlement is defined by the home market of the security and the trading currency.

### 2.0 Settlement guide

#### 2.1 Settlement process

SIX x-clear is a direct participant with the Finnish CSD Euroclear Finland. The clearing member who is counterparty to SIX x-clear has to mention the BIC CLRXCHZZXXX as counterparty agent and as final beneficiary in its instruction, even if the counterparty is a SIX x-clear clearing member on the CLARA platform. SIX x-clear cannot guarantee matching if the details in the counterparty instructions do not follow this guideline.

The account with Euroclear Finland is a regular participant account. SIX x-clear is not a CCP participant in the Finnish market.

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

At the settlement platform, the settlement information for the two instructions will be compared. Data must be identical in order to match. The only exception is the cash amount in against-payment instructions with a matching tolerance of EUR 2 (for transactions with values up to and including EUR 100,000 EUR) or EUR 25 (for transactions with values exceeding EUR 100,000). The tolerance is defined by the settlement platform. The amount in the seller’s instruction takes precedence. Instructions exceeding the acceptable tolerance will remain unmatched.

Settlements at the Finnish CSD against x-clear are only possible in EUR.



## User Guide SIX x-clear Ltd

### Finland

Any instruction which has been sent for matching in the local market remains pending until matching is successful, or upon cancellation either by the member or by the settlement platform.

Matching of instructions is binding, i.e. instructions can no longer be cancelled or can only be cancelled upon request by both parties.

#### 2.2 Handling of unmatched trades

Trades should be matched on T+1 to ensure timely settlement. SIX x-clear will monitor unmatched transactions and contact clearing members for missing/failing instructions if necessary. Clearing members are also requested to monitor unmatched trades and to ensure instructions are in place.

#### 2.3 Handling of unsettled trades

Trades are expected to settle on the intended settlement date (ISD). SIX x-clear will not amend instructions. Cancellations and re-instructions will only be performed by SIX x-clear for instructions that are veritably incorrect or where a manual transaction split has been agreed. SIX x-clear will monitor unsettled transactions and contact clearing members for delayed transactions if necessary.

In respect of late settlement and buy-in rules, please refer to the “Late settlement and buy-in guide” of SIX x-clear.

SIX x-clear may pass on any third-party fees, including but not limited to cancellations, manual instructions, manual repairs and late settlement penalties.

### 3.0 Income and corporate action guide

In the Finnish market, the most common events are dividend payments. Special actions take place very seldomly.

Finnish companies usually pay dividends on an annual basis. Spring is the peak season for dividend payments, as the fiscal year for most companies usually coincides with the calendar year. The amount of the dividend and the payment details are proposed by the Board of Directors of the company, but the final decisions are taken at the Annual General Meeting (AGM). Most AGMs are held in spring, i.e. March till May.

Dividend which apply on pending transactions (claims) are corrected at the CSD, which means that the dividend is credited or debited to the pending transactions so that the remaining balance always equals zero. Dividend payment is always on a net basis.

#### 3.1 Ex date

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

## User Guide SIX x-clear Ltd

### Finland

#### 3.2 **Record date**

The date when close of business positions are captured for entitlement to the proceeds of the corporate event. Record date is 1 business days after the ex-date.

#### 3.3 **Pay date**

The proceeds of the corporate event are credited to the participant's account on pay/available date based on the holding registered as of record date (EOD). The standard dividend pay date in the Finnish market is 5 business days after the record date. However companies may apply for a longer period between the record date and the pay date at the Finnish Central Securities Depository (Euroclear Finland).

#### 3.4 **Cancel/Regeneration (transformation)**

In case of mandatory corporate actions such as splits, reverse splits, conversions, etc., both SIX x-clear and the clearing member have to cancel the pending settlement instructions and reinstruct the new trades (EOD on record date) according to the terms and conditions of the corporate action. Euroclear Finland does not provide support with any activities in such an event.

#### 3.5 **Compensation rules**

Compensation is generally handled directly between two or more participants on a case-by-case basis. Investors' distributions are usually credited on the basis of the settled position in the securities account of the account holder at the CSD on the record date.

SIX x-clear will claim the dividend upon settlement of the underlying transaction from the counterparty. Claims are usually made by means of a participant query.

#### 3.6 **Source tax**

The withholding tax rate on dividends is currently 30%. Application for reduced withholding tax rates is possible for countries that have signed double taxation treaties with Finland.

#### 3.7 **Currency**

The currency most commonly distributed in the Finnish market is euro (EUR). There is a possibility that the CSD will not distribute the announced original currency. In this case SIX x-clear will credit the currency received from the custodian.

#### 3.8 **Buyer election**

A buyer election facility is not available at the Finnish CSD.

SIX x-clear never takes any action on corporate actions with a choice of options. In case the buyer does not submit any preference, the default option applies. If an option other than the default option is desired, the buyer has to send its preference with a Liability Request Notice

## User Guide SIX x-clear Ltd

### Finland

by fax to SIX x-clear's Settlement Desk by no later than 10:00 CET on the delivery date (deposit date) +1.

SIX x-clear will forward the buyer's choice with a Liability Allocation Notice to the failing seller by no later than 12:00 CET on the delivery date (deposit date) +1.

The Liability Request Notice and the Liability Allocation Notice can be downloaded from the website at [www.six-securities-services.com](http://www.six-securities-services.com) > Clearing > Forms & Guides > Forms > Form 005 and Form 006.

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 outcome 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 or SIX x-clear is not obliged to accept a delivery of rights/shares after such a date. Therefore the rights/shares can be returned to the seller. The seller still has an obligation to fulfill the executable buyer's choice.

If a seller fails to deliver the rights/shares by the relevant deadlines, the seller is held liable for any charges and penalties received in connection with the failing delivery. This liability may be in the form of:

- Elections to tender
- Missed economic benefits on the onward sale of the underlying shares
- Buy-in fees imposed on our counterparty by other counterparties
- Market penalties from SIX x-clear's onward deliveries failing

A full description of the process is available in the Service Description for Clearing Services at [www.six-securities-services.com](http://www.six-securities-services.com) > Clearing > Download Center > Service Description.

#### 4.0 Contact details

SIX x-clear Settlement  
 c/o SIX SIS Ltd  
 Settlement Client Desk x-clear / SSRS  
 Baslerstrasse 100  
 CH-4600 Olten

Phone +41 58 399 6555  
 Fax +41 58 499 1316  
 Email [sett.xclear@sisclear.com](mailto:sett.xclear@sisclear.com)  
[www.six-securities-services.com](http://www.six-securities-services.com)

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f. and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and



## User Guide SIX x-clear Ltd

### Finland

consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Laws.

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