



Securities Services

# User Guide SIX x-clear Ltd

**Portugal**

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## Portugal

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### 1.0 Market overview

Description	Details
Local Custodian	Millennium bcp, Lisbon BCOMPTPLXXX
Place of Settlement	Interbolsa, Porto IBLSPTPPXXX
Standard Settlement Instructions	REAG/DEAG: BCOMPTPLXXX SELL/BUYR: INSECHZZXXX The BIC11 format has to be used in the settlement instruction against SIX x-clear Ltd
Market deadline (CET) T2S NTS (night-time settlement ) cycle	S-1 19.30 transactions versus and free of payment
Market deadline (CET) T2S DTS (day-time settlement ) cycle including RTS (real-time settlement)	S 16:00 transactions versus payment S 18:00 transactions free of payment

### 2.0 Settlement guide

#### 2.1 Settlement process

Transactions free of payment and versus payment both have to match before settlement. At the settlement platform, the settlement information for the two instructions is compared. Data must be identical in order to match, except for the cash amount, for which in against payment instructions, a matching tolerance applies, which is defined by the settlement platform. The amount in the seller's instruction takes precedence. Instructions remain unmatched if there is a difference greater than the acceptable tolerance.

An instruction sent for matching in the local market remains pending until matching is successful, or until cancelled either by the member or by the settlement platform.

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

All SIX x-clear Ltd transactions for Portuguese securities will be marked as "partial eligible" with T2S.

#### 2.2 Handling of unmatched trades

Trades should be matched on S-1 prior to the T2S NTS market deadline to ensure timely settlement. SIX x-clear Ltd will monitor unmatched transactions and contact counterparties for missing/failing instructions if necessary. Clearing members are also requested to monitor unmatched trades and to ensure instructions are in place.



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#### 2.3 Handling of unsettled trades

Trades are expected to settle on the intended settlement date (ISD). SIX x-clear Ltd will not cancel or amend instructions. Cancellations and reinstructions will only be performed by SIX x-clear Ltd for instructions that are veritably incorrect or where a manual transaction split has been agreed. SIX x-clear Ltd will monitor unsettled transactions and contact counterparties for delayed transactions if necessary. In respect of late settlement, please refer to the “late settlement and buy-in guide” of SIX x-clear Ltd. SIX x-clear Ltd may pass on any third-party fees, including but not limited to cancellations, manual instructions, manual repairs and late settlement penalties.

#### 2.4 T2S

Interbolsa as the Portuguese CSD will participate in T2S with its full ISIN universe. SIX x-clear Ltd uses the custodial services of SIX SIS Ltd with Millenium BCP to support T2S settlement in the Portuguese market. All settlement transactions in EUR will be settled in T2S and will follow the specific rules and procedures of T2S. The standard settlement cycle at T2S is T+2. In T2S, matched instructions can be cancelled on a bilateral basis only. The priority for SIX x-clear Ltd transactions will be assigned by T2S as priority “3”, which is a higher priority compared to the standard OTC trades of other participants.

The SSIs have to be compliant with both the T2S requirements and the Portuguese matching market practice. This means that instructions are only valid with the BIC11 format.

Matching at T2S will be based on the counterparty’s usage of additional matching fields. As settlement instructions of SIX x-clear Ltd will be issued to T2S by using mandatory matching fields only, SIX x-clear Ltd requires that counterparties limit their instruction details to mandatory matching fields.

The settlement instructions of SIX x-clear Ltd will be issued with the partial indicator PARQ, which means that the instruction will be eligible for partial settlement with a quantity threshold of 1, irrespective of the cash amount involved. In order to allow partial settlement to occur without restrictions, SIX x-clear Ltd recommends that counterparties of SIX x-clear Ltd enable partial settlement at T2S by adopting the indicator PARQ as well.

SIX x-clear Ltd assumes that its counterparties will continue to be participants of Interbolsa, either directly or through an agent (irrespective of the T2S connectivity type ICP/DCP) for Portuguese settlements. SIX x-clear Ltd does not support Portuguese settlements against participants other than Interbolsa in T2S.

#### 3.0 Income and corporate action guide

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

Portuguese banks receive their information regarding corporate actions from the local CSD CVM (Central de Valores Mobiliarios), Lisbon Stock Exchange Official Bulletin, the local press and companies’ websites.



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SIX SIS as the settlement agent of SIX x-clear Ltd has published a corporate actions guide, which specifies the processing procedures applied by SIX SIS.

SIX x-clear Ltd will process all distributions, market claims, mandatory and voluntary events according to the proceeds received by SIX SIS. The guide of SIX SIS is available from [www.six-securities-services.com](http://www.six-securities-services.com) > Login > Securities Services Private > MarketGuide > Country Information > Portugal.

#### 3.1 **Ex date – Record date**

The ex date is the first date for trading shares with no entitlement.

The ex date is scheduled one settlement cycle before the payment date (the record date remains one day prior to the payment date).

The entitlement is calculated based on the record-date (EOD) holdings. The record date is decisive for distributions in the form of cash and securities. Consequently, SIX SIS does not determine the eligible positions on the ex date, but only two working days thereafter (record date EOD).

#### 3.2 **Pay date**

The payment date is the day on which the new entitlements are credited (and the old shares are removed, if applicable) (ex date + two business days).

Generally, the new securities are available with immediate effect.

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

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

#### 3.4 **Compensation rules**

Nevertheless, if the trade date is prior to the ex date and the actual settlement date is after the record date, SIX x-clear Ltd's custodian will provide a manual claim to the counterparty (concerning OTC trades) automatically. Therefore, no compensation requests are required and participants should not arrange for them directly through their counterparties, unless the proceeds have not been received or debited one month after the ex date. Participants' accounts will be credited as soon as the transaction has settled and/or the cash has been credited or debited by the custodian.

#### 3.5 **Source tax**

Please refer to the Market Guide Taxes published by SIX SIS for taxation details.



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As a general rule, SIX x-clear Ltd does not provide any services on tax vouchers or tax reclaims at the local tax authorities.

#### 3.6 **Currency**

The currency most commonly distributed in the Portuguese market is EUR. There is a possibility that the CSD will not distribute the originally announced currency. In this case, SIX x-clear Ltd will credit the currency received from the custodian.

#### 3.7 **Buyer election**

There is no buyer election facility in the Portuguese market.

The buyer has to send its choice with a Liability Request Notice by fax to SIX x-clear Ltd's Settlement Desk by no later than 10:00 CET on the delivery date (deposit date) +1.

SIX x-clear Ltd 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.

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 Ltd 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/SIX x-clear Ltd is not obliged to accept a delivery of rights/shares after such 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 our onward deliveries failing

A full description of the process is available in the Service Description for Clearing Services of either equities or bonds.



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#### 4.0 Contact details

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

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[www.six-securities-services.com](http://www.six-securities-services.com)

If information is incomplete or missing in this guide, kindly consult the relevant MarketGuide of SIX SIS Ltd for further details.

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 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 Law.

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