

FrontLine SIX x-clear Ltd

T2S settlements in Wave 2

SIX x-clear – T2S settlements in Wave 2

1.0 Overview

On 22 June 2015, T2S – a unique integration project by the European Central Bank in the securities post-trading space – went live. SIX SIS (Switzerland) and Monte Titoli (Italy) migrated to the T2S platform as part of Migration Wave 1 on 22 June 2015 and 31 August 2015, respectively.

The other T2S CSDs will migrate to the new T2S platform in several "waves".

As part of Wave 2, Interbolsa (Portugal) will migrate to the T2S platform. There will be no change to the post-trade processing for other settlement locations.

SIX x-clear will be adapting to the T2S requirements and using services of SIX SIS as its settlement agent.

2.0 Effective date

28 March 2016.

3.0 Impact on participants

The high-level impact for settlement in T2S Wave 2 markets are as below

- For trades cleared with the trade currency “EUR” and place of settlement as Interbolsa, settlement will take place at T2S as per market practice. The approach is applicable for both gross/net settlement instructions.
- Below are the Settlement Standing Instruction (SSI) details of SIX x-clear for Interbolsa settlements at T2S.

Description	Values
Place of settlement	IBLSPTPPXXX
Receiving / delivering agent	BCOMPTPLXXX
Buyer / seller	INSECHZZXXX

- The SIX x-clear clearing members should provide their Settlement Standing Instruction (SSI) details applicable for Interbolsa settlement at T2S to the SIX Solutions and Onboarding team on or before 15 March 2016.
- T2S-eligible settlement instructions will NOT be instructed, as pre-matched instructions to T2S and bilateral matching are required at T2S.
- Settlement instructions of SIX x-clear to T2S will be routed as eligible for partial settlement with the partial indicator “PARQ”. In the member matching instructions against SIX x-clear at T2S, it is mandatory to input settlement instructions as being eligible for partial settlement with the partial indicator “PARQ”.

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- SIX x-clear counterparties should continue to be participants of Interbolsa S.A. either directly or through an agent (irrespective of the T2S connectivity type ICP/DCP) for Portuguese settlements. SIX x-clear does not support Portuguese settlements against participants other than Interbolsa S.A. in T2S.
- There is no change to the technical specifications of SIX x-clear reporting to clearing members.
- The migration of open settlement transactions that are eligible to settle at T2S will follow the market approach.

4.0 Reference material

Updates to the SIX x-clear settlement User Guide will be published by considering proposed changes to post-trade processing. SIX x-clear will share further communications on the updated documents planned to be published.

5.0 Testing

SIX x-clear proposes the below test window to support testing of post-trade services using T2S as below:

Settlement market	Start date	End date	Time (in CET)
Portugal	15 February 2016	11 March 2016	09:00 to 17:00

The scope of the testing is to ensure the correctness of settlement functionality, but not for volume testing.

The test support team can be contacted through the e-mail ID ClientTesting@sisclear.com for the below:

- Testing-related clarifications
- Incident management

Please specify the BP ID of the e-mail in the subject line to the test support team.

Clearing members of SIX x-clear participating through MTFs have to perform testing and provide test sign-off documents as available on the SIX x-clear website www.six-securities-services.com > Clearing > Member Information > Forms > Confirmation of technical and operational readiness to SIX Solutions and Onboarding team. The test sign-off form must be provided on or before 15 March 2016.

The availability of test services at the trading venue and/or at place of settlement location/ settlement agent should be ensured by the clearing member.

6.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details are mentioned in the list of SIX SIS contacts published at www.six-securities-



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services.com > Login > SIX SIS Private > Contacts > List of SIX SIS contacts > Markets & Clients.

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.