

FrontLine SIX x-clear Ltd

T2S settlements

Migration of T2S MW3 markets to T2S platform

1.0 Overview

As part of T2S Migration Wave 3, the CSDs Euroclear Belgium, Euroclear France, Euroclear Netherlands (ESES markets) and VP Denmark (hereinafter referred to as “T2S Wave 3 markets”) will migrate to the T2S platform. SIX x-clear Ltd, as a participant of these markets, will be adapting to the T2S requirements for the T2S Wave 3 markets and using services of SIX SIS as its settlement agent. SIX x-clear members must provide updated settlement standing instructions and perform tests in August.

2.0 Effective date

12 September 2016.

3.0 Impact on members

- Below are the standard settlement instruction (SSI) details of SIX x-clear Ltd for T2S Wave 3 market settlements at T2S

Description	VP Denmark	Euroclear Belgium	Euroclear France	Euroclear Netherlands
Place of settlement	VPDKDKKKXXX	CIKBEBBBXXX	SICVFRPPXXX	NECINL2AXXX
Receiving/delivering agent	VP No. 17600	INSECHZZTRA	INSECHZZTRA	INSECHZZTRA
Buyer/seller	-	CLRCHZZXXX	CLRCHZZXXX	CLRCHZZXXX

- All settlement instructions eligible to settle at T2S Wave 3 markets traded in EUR will settle at the T2S platform as per market practice.
- All settlements in DKK and with a place of settlement of VP Denmark will continue to settle at the CSD VP Denmark.
- SIX x-clear clearing members must provide their standard settlement instruction (SSI) details applicable for T2S Wave 3 markets at T2S to the SIX Solutions and Onboarding team on or before 19 August 2016.
- T2S-eligible settlement instructions will not be instructed as pre-matched instructions to T2S and bilateral matching is required at T2S.
- Settlement instructions of SIX x-clear eligible to settle at Euroclear Belgium, Euroclear France and Euroclear Netherlands instructed to T2S will be routed as eligible for partial settlement with the partial indicator “PARQ”. In the member’s 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”.
- SIX x-clear counterparties must be participants of T2S Wave 3 markets either directly or through an agent (irrespective of the T2S connectivity type ICP/DCP) for T2S settlements.

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SIX x-clear does not support T2S settlements against participants other than the respective CSD's participant in T2S.

- There is no change to the technical specifications for 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.
- SIX x-clear members are requested to perform testing, as further outlined below.

4.0 Reference

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 provides a test window to support testing of post-trade services using T2S as below:

Settlement market	Start date	End date	Time (in CET)
France / Netherlands / Belgium	2 August 2016	26 August 2016	09:00 to 17:00
VP Denmark	2 August 2016	26 August 2016	09:00 to 17:00

The scope of the testing is to ensure the correctness of the settlement functionality.

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 in the subject line of the e-mail 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 29 August 2016.

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

The scope of testing excludes volume testing in order to provide a good test system experience to all parties using the test system. In order to perform volume tests, please coordinate with your respective Relationship Manager.

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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-services.com > Login > SIX SIS Private > Contacts > List of SIX SIS contacts.

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.