

FrontLine SIX x-clear Ltd

Spanish equities

CCP clearing services for Spanish equities – Update

1.0 Overview

SIX x-clear (hereinafter referred to as "x-clear") published its plan to introduce CCP clearing services for Spanish cash equities in its FrontLine on 31 October 2017. During the project phase, x-clear introduced additional features for its services. The updated Business Partner (BP) Specifications are published on x-clear’s private website.

2.0 Effective date

x-clear plans to offer the CCP clearing services for Spanish equities as of **April 2018**.

3.0 Impact on Members

Members have to adapt their application as per the updated BP Specifications published by x-clear as of 15 January 2018.

4.0 Details

x-clear has made the below enhancements to its service for clearing Spanish equities after publication of the previous FrontLine.

1. Extended deadlines for the Hold and Release request (see the table below)
2. Introduction of a new Pseudo Netting run on the trade date at the End of Day (EoD), resulting in corresponding details in the Member reporting. Apart from the existing netting models, a new direct aggregation netting model (netting of Buys and Sells separately) is introduced for the Pseudo Netting.
3. Introduction of the fields “exchange reference” and “clearing account” to offer more flexibility when the Member sends the following input files to x-clear:
 - a. Ownership Update / Correction request at the gross trade level
 - b. Account Update request
 - c. Hold & Release request

Overview of the updated timelines and processes as below.

Day	Time (CET)	Action by Member	Process at x-clear	Reports to Member or its settlement agent
T	Trading phase		Accept and process gross trade	MT548 (real time), RDXO434 (intraday and EoD)
	20:00		Pseudo Netting process and reporting	RDXO535, MT537
ISD-1	Until 14:30	Send Account Update request to x-clear		
	15:00		Process Account Update request from Members	Response for Account Update request

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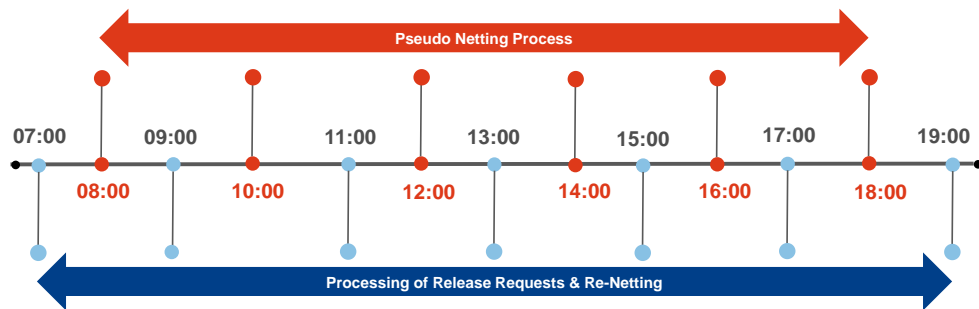
Day	Time (CET)	Action by Member	Process at x-clear	Reports to Member or its settlement agent
	Until 15:30	Send Ownership Update request to x-clear		
	16:00		Process Ownership Update request from Members	Response for Ownership Update request
	18:00		Pseudo Netting process and report on Pseudo Netting to Members	RDXO535, MT537
	Until 19:00 (instead of 18:30)	Send Hold/Release request to x-clear		
	19:00		Process Hold/Release request from Members	Response for Hold/Release request
	07:00 - 19:00		Report current day trades and trades updated on ISD-1 due to updates like Account Update, Ownership Update etc.	RDXO534 (intraday)
	19:00		EoD netting after Hold/Release request processing; send report on netting results to Members	RDXO435, RDXO422 (EoD), MT548, MT54X
	20:00		Send pre-matched settlement instructions to Iberclear	
ISD to ISD+ 4	Until 18:00		Cyclical Pseudo Netting process and reporting	RDXO535, MT537
	Until 19:00 (instead of 18:30)	Send Release request to x-clear		
	Until 19:00		Cyclical process to execute Release request from Members	Response for Release request
	Until 19:00		Cyclic Re-Netting process, reporting and routing pre-matched settlement instructions to Iberclear	RDXO435, RDXO422 (EoD), MT537, MT548, MT54X
	Until 15:30	Send Ownership Correction request to x-clear		
	16:00		Process Ownership Correction request from Members	Response for Ownership Correction request
ISD + 5	Until 14:00		Cyclical Pseudo Netting process and reporting. Note: Until the cash-out process is executed for the open instructions.	RDXO535, MT537
	Until 15:00	Send Release request to x-clear		
	Until 15:00		Cyclical process to execute Release request from Members	Response for Release request

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Day	Time (CET)	Action by Member	Process at x-clear	Reports to Member or its settlement agent
	Until 15:00		Cyclic Re-Netting process, reporting and routing pre-matched settlement instructions to Iberclear. Note: Until the cash-out process is executed for the open instructions.	RDXO435, RDXO422 (EoD), MT537, MT548, MT54X
	16:00		Cash-out process for unsettled settlement instructions. Note: Release request expected before 15:00 (CET) on ISD+5	
	Until 15:30	Send Ownership Correction request to x-clear		
	16:00		Process Ownership Correction request from Members	Response for Ownership Correction request
ISD+6	Until 15:30	Send Ownership Correction request to x-clear		
	16:00		Process Ownership Correction request from Members	Response for Ownership Correction request

The following diagram shows the timeline (in CET) of Pseudo Netting run, as well the processing of Release requests & Re-Netting at x-clear from the Intended Settlement Date (ISD) onwards.



4.1

References

FrontLine of 31 October 2017 at <https://www.six-securities-services.com/dam/downloads/clearing/frontlines/2017/cfr-fl-171031-spanish-equities.pdf>.

The latest Business Partner Specifications Volume 5 are published at www.six-securities-services.com > Login > Securities Services Private > SECOM > Business Partner Specifications > SIX x-clear Specifications - Volume 5 > Updates > Mar 2018 Release > Updates for Version 2/Updates for Version 1.



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5.0 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 > Clearing > Contacts.

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f., chapter 17.0 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.