Changes related to Clearstream Banking November Release 2014

We are pleased to provide a summary of quality enhancements to the services that LuxCSD will implement together with the changes related to the November 2014 SWIFT Standards Release, effective

Monday 17 November 2014

to bring the following customer benefits:

- Improved instruction deadline for correctly formatted instructions;
- Increased STP processing for correctly formatted instructions.

The following Custody messages are impacted:

- MT564 Corporate Action Notification;
- MT564 Income Pre-Advice Report (IPAR);
- MT565 Corporate Action Instruction;
- MT566 Corporate Action Confirmation;
- MT567 Corporate Action Status and Processing Advice;
- MT568 Corporate Action Narrative.

The following Settlement messages are impacted:

- MT537 Statement of Pending Transactions report;
- MT548 Settlement Status and Processing Advice.

The new and changed information is presented here in sections as follows:

- "Asset Services" below;
- "Settlement and Reconciliation" on page 12.

Asset Services

In addition to the changes for Asset Services messages linked to the SWIFT Standards Release 2014, enhancements to corporate action instruction handling will be implemented.

In response to customer requests, we have improved our instruction processing to make it more efficient and to enable customers to benefit from better instruction deadlines. To improve straight-through processing (STP), some aspects of our processing will change.

The new service will differentiate between correctly and incorrectly formatted instructions:

- Correctly formatted instructions will benefit from a more competitive Clearstream deadline thanks to improved message handling.
- Incorrectly formatted instructions will have a less competitive deadline and will be subject to an additional fee.

Incorrectly formatted instructions correspond to the following:

- Any instruction received from the customer via any other medium than SWIFT MT565, CreationOnline or CreationDirect via Internet CSV file upload.
- Any unsolicited (that is, CORP ID from related notification missing) customer instruction (SWIFT MT565, CreationOnline or CreationDirect via Internet CSV file upload) for which the customer has received an MT564 Corporate Action Notification before sending the instruction.

- Any customer instruction received via SWIFT MT565, CreationOnline or CreationDirect via Internet CSV file upload where the required information has been incorrectly populated through dedicated structured SWIFT fields.

There is no SWIFT structured field that can be used to mention the Clearstream deadline for incorrectly formatted instructions and this information will therefore be sent through a fixed Additional Text narrative in the notification:

"FREE FORMAT MT599/MT568 - INCORRECTLY FORMATTED MT565 DEADLINE IS 4 BUSINESS HOURS PRIOR TO DEADLINE STATED IN DEDICATED FORMATTED FIELD :98C::EARD// AND/OR :98C::RDDT//."

In order to improve STP processing and to further provide Clearstream deadlines closer to market deadlines, LuxCSD will, as of 17 November 2014:

- Systematically ignore certain narrative types in the MT565 Corporate Action Instruction, as indicated:
  - When present in the Instruction block (CAINST):
    - COMP: Information to be complied with;
    - DISC: Disclaimer;
    - FXIN: Forex Instructions Narrative;
  - When present in the Additional Information block (ADDINFO):
    - BAIN: Basket or Index information;
    - DISC: Disclaimer;
    - PACO: Party narrative;
    - TXNR: Narrative version.
- Ignore any narrative type for specific corporate events on a case by case basis.

  Customers will be informed that the rule is applicable for a given event through the relevant MT564 Corporate Action Notification. A fixed standard text will be added in the notification (Additional Text (ADTX) in the Corporate Action Options block (CAOPTN)). This text will specify that any narrative received in the customer instruction on the related option will be disregarded:

  "NARRATIVE PRESENT IN INSTRUCTION BLOCK (:16R:CAINST :16S:CAINST) AND/OR ADDITIONAL INFORMATION BLOCK OF MT 565 (:16R:ADDINFO :16S:ADDINFO) WILL BE DISREGARDED. CLEARSTREAM WILL NOT VALIDATE ANY OF THE INFORMATION IN THESE BLOCKS."

Note: Customers are reminded that incorrectly formatted instructions increase the risk of rejection.

LuxCSD Services follow the Securities Market Practice Group (SMPG) guidelines. The SMPG templates are published in the Corporate Actions section of the SMPG website at: www.smpg.webexone.com, under Corporate Actions / Market Practices.

Custody instructions and reports

Changes in the different messages linked to the SWIFT Standards Release 2014 and changes in custody messages linked to the new service offering concerning corporate action instruction handling are described in more detail below.

The following Custody messages are impacted:

- MT564 Corporate Action Notification;
- MT564 Income Pre-Advice Report (IPAR);
- MT565 Corporate Action Instruction;
- MT566 Corporate Action Confirmation;
- MT567 Corporate Action Status and Processing Advice;
- MT568 Corporate Action Narrative.

MT564 - Corporate Action Notification

Field	Description	Usage
Sequence A - General Information		
:22F::CAEV//BMET	New event code Bond Holder Meeting	This event type will be used to announce a bond holder meeting.
Sequence B2 - Account Information		
:93C::ELIG//FUPU :93C::ELIG//PAPU	New balance type codes FUPU- Full Period Units PAPU - Part-way Period Units	The existing option C is used to allow the formatting of the eligible balance types with the new codes FUPU and PAPU Accumulation (ACCU) events. **Note:** These balance type codes can only be used with Option C.
Sequence D - Corporate Action Details		
:92P::BIDI//	New format option available for BIDI - Bid Interval Rate	The new option P will allow the Bid Internal rate to be expressed in index points. **Note:** If this information is received from our depositories, it will be forwarded as is.
:90L::MAPX// :90L::MINP//	New format option available for Price MAXP - Maximum Price MINP - Minimum Price.	The new option L will allow the Maximum Price and Minimum Price to be expressed in index points. This new option L is only available for DTCH (Dutch Auction) and REDM (Redemption in Shares) events. **Note:** If this information is received from our depositories, it will be forwarded as is.
:22F::DITY//ONGO	New code, ONGO - Ongoing, for the DITY - Occurrence Type indicator	The new code ONGO has been introduced to distinguish ongoing rolling events from rolling events where a final expiration date is known.

Field	Description	Usage
:22F::CONS//CTRM :22F::CONS//DUPY	New CONS - Consent Type indicator and two new codes CTRM - Terms and Conditions DUPY - Due and Payable conditions	The new CONS - Consent Type indicator and the related CTRM and DUPY codes clarify the scope definition of Consent events when the Term and Conditions or the Due and Payable conditions are subject to modifications. **Note:** The new CONS - Consent Type indicator and CTRM and DUPY codes are only available under the Consent event (CAEV//CONS).
:22F::INFO//CONF	New INFO - Information Type indicator and new code CONF - Conference Call	The INFO//CONF combination will be used to indicate that the information event is related to a conference call.
Subsequence E - Corporate Action Options		
:22F::OPTF//BOIS	New code, BOIS - Beneficiary Owner Instruction, added under the OPTF - Option Features indicator	If received, this new code will be provided, at the option level, to indicate that the related MT565 Corporate Action Instructions are to be instructed at Beneficial Owner Level. **Note:** The new indicator implies changes to processing of MT565 Corporate Action Instruction and MT567 Corporate Action Status.
:98a::BORD//	New date, BORD - Stock Lending Deadline Date/Time	Where the securities have been lent, the BORD - Stock Lending Deadline Date/Time is used to inform the lender of the deadline by which the borrower must instruct on his behalf. This date will be set by Clearstream and will be the RDDT - Response Deadline Date minus one Clearstream Business Day. **Note:** Only voluntary (CAMV//VOLU) events are eligible to provide this new date.
:70E::ADTX//	New Additional Text	When specified, the following narrative indicates that any kind of narrative present in the MT565 Corporate Action Instructions on the related option will be disregarded by Clearstream: "NARRATIVE PRESENT IN INSTRUCTION BLOCK (:16R:CAINST :16S:CAINST) AND/OR ADDITIONAL INFORMATION BLOCK OF MT 565 (:16R:ADDINFO :16S:ADDINFO) WILL BE DISREGARDED. CLEARSTREAM WILL NOT VALIDATE ANY OF THE INFORMATION IN THESE BLOCKS."

Field	Description	Usage
Subsequence E1 - Securities Movements		
:94F::SAFE//	New SAFE - Place of Safekeeping field	The Place of Safekeeping will be reported by Clearstream and will be provided with only Option F (:4!c//4!c/4!a2!a2!c[3!c]) (Qualifier)(Place Code)(Identifier Code) Possible Place Codes are: CUST - Local Custodian NCSD - National CSD
:92a::TRAX//	New TRAX - Financial Transaction Tax Rate qualifier	If the TRAX - Financial Transaction Tax Rate is received from depositories, it will be reported for information only. The rate can be reported in two options: Option A :4!c//[N]15d (Qualifier)(Sign)(Rate) Option K :4!c//4!c (Qualifier)(Rate Type Code) **Note:** The corresponding new amount :19B::TRAX// will not be provided in the cash movement (E2) by Clearstream.
Subsequence E2 - Cash Movements		
:92R::TAXR/FTCA/ :92R::TAXR/NRAT/	New format option R added for the TAXR - Withholding Tax Rate and two new codes FTCA - FATCA Tax NRAT - Non-Resident Alien Tax	These changes are implemented to provide adequate tax rate information in the context of FATCA, QI or both. The TAXR - Withholding Tax Rate supports the new option R used for the new FTCA - FATCA Tax and NRAT - NRA Tax codes. Option R :4!c/[8c]/4!c/15d (Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)
:90L::OFFR//	New format option L added for the OFFR - Generic Cash Price Paid Per Product	The new option L will allow the "OFFR - Generic Cash Price Paid Per Product" to be expressed in index points. Option L :4!c//15d (Qualifier)(Index Points) **Note:** If this information is received from our depositories, it will be forwarded as is.

Field	Description	Usage
Sequence F - Additional Information		
:70E::ADTX//	New Additional Text	This narrative details the specific deadline conditions that will be applied on instructions received via free-format SWIFT messages (MT568 or MT599) or incorrectly formatted MT565 SWIFT messages: "FREE FORMAT MT 599/MT 568 - INCORRECTLY FORMATTED MT565 DEADLINE IS 4 BUSINESS HOURS PRIOR TO DEADLINE STATED IN DEDICATED FORMATTED FIELD :98C::EARD// AND/OR :98C::RDDT//"

MT564 - Income Pre-Advice Report (IPAR)

Field	Description	Usage
Sequence D - Corporate Action Details		
:90L::MAPX// :90L::MINP//	New format option available for Price MAXP - Maximum Price MINP - Minimum Price	The new option L will allow the MAXP - Maximum Price and the MINP - Minimum Price to be expressed in index points. This new option L is only available for DTCH (Dutch Auction) and REDM (Redemption in Shares) events. **Note:** If this information is received from our depositories, it will be forwarded as is.
Sequence E - Corporate Action Options		
:98a::BORD//	New date, BORD - Stock Lending Deadline Date/Time	Where the securities have been lent, the BORD - Stock Lending Deadline Date/Time is used to inform the lender of the deadline by which the borrower must instruct on his behalf. This date will be set by Clearstream and will be the RDDT - Response Deadline Date minus one Clearstream Business Day. **Note:** Only voluntary (CAMV//VOLU) events are eligible to provide this new date.

Field	Description	Usage
Subsequence E1 - Securities Movements		
:94F::SAFE//	New SAFE - Place of Safekeeping field	The Place of Safekeeping will be reported by Clearstream and will be provided with only Option F. Option F :4!c//4!c/4!a2!a2!c[3!c] (Qualifier)(Place Code)(Identifier Code) Possible place codes are: CUST - Local Custodian NCSD - National CSD
:92a::TRAX//	New TRAX - Financial Transaction Tax Rate qualifier	If the TRAX - Financial Transaction Tax Rate is received from depositories, it will be reported for information only. The rate can be reported with two options: Option A :4!c//[N]15d (Qualifier)(Sign)(Rate) Option K :4!c//4!c (Qualifier)(Rate Type Code) **Note:** The corresponding new amount :19B::TRAX// will not be provided in the cash movement (E2) by Clearstream.
Subsequence E2 - Cash Movements		
:92R::TAXR/FTCA/ :92R::TAXR/NRAT/	A new format option R has been added to the TAXR - Withholding Tax Rate and two new codes FTCA - FATCA Tax NRAT - Non-Resident Alien Tax	These changes are implemented to provide adequate tax rate information in the context of FATCA, QI or both. The TAXR - Withholding Tax Rate supports the new option R used for the new codes FTCA - FATCA Tax and NRAT - NRA Tax. Option R :4!c/[8c]/4!c/15d (Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)
:19B::FTCA// :19B::NRAT//	New amounts FTCA - FATCA Tax Amount NRAT - NRA Tax Amount	These new amounts in the Cash Movement are used in the context of FATCA or QI and provide the different tax amounts.
:90L::OFFR//	New format option L added for the OFFR - Generic Cash Price Paid Per Product	The new option L allows the "OFFR - Generic Cash Price Paid Per Product" to be expressed in index points. Option L :4!c//15d (Qualifier)(Index Points) **Note:** If this information is received from our depositories, it will be forwarded by Clearstream as is.

MT565 - Corporate Action Instruction

Field	Description	Usage
Sequence A - General Information		
:22F::CAEV//BMET	New event code BMET - Bond Holder Meeting	This event type will be used to announce a bond holder meeting.
Sequence D - Corporate Action Instruction		
:92R::TAXB/FTCA :92R::TAXB/NRAT	Format option R added to the TAXB - Requested Taxation Rate and two new codes FTCA - FATCA Tax NRAT - Non-Resident Alien Tax	These changes are implemented to provide adequate tax rate information in the context of FATCA, QI or both. The TAXB - Requested Taxation Rate supports the new format option used for the new FTCA and NRAT codes.
:90L::OFFR//	New format option L added for the OFFR - Generic Cash Price Paid Per Product	The new option L allows the OFFR - Cash Price Paid Per Product to be expressed in index points. Option L :4!c//15d (Qualifier)(Index Points) **Note:** If this information is received from our depositories, it will be forwarded as is.

MT566 - Corporate Action Confirmation

Field	Description	Usage
Sequence A - General Information		
:22F::CAEV//BMET	New event code BMET - Bond Holder Meeting	This event type will be used to announce a bond holder meeting. **Note:** All existing MT566 reports scheduled, where all events have been requested, will be automatically amended to receive the new BMET - Bond Holder Meeting event.
Sequence C - Corporate Action Details		
:22F::DITY//ONGO	New code, ONGO - Ongoing, for the DITY - Occurrence Type indicator	The new code ONGO has been introduced to distinguish ongoing rolling events from rolling events where a final expiration date is known.

Field	Description	Usage
Subsequence D1 - Securities Movements		
:92a::TRAX//	New TRAX - Financial Transaction Tax Rate qualifier	The TRAX - Financial Transaction Tax Rate is received from depositories and will be reported for information only. The rate can be reported with two options: Option A :4!c//[N]15d (Qualifier)(Sign)(Rate) Option K :4!c//4!c (Qualifier)(Rate Type Code) **Note:** The corresponding new amount :19B::TRAX// will not be provided in the Cash Movement (D2) by Clearstream.
Subsequence D2 - Cash Movements		
:92R::TAXR/FTCA :92R::TAXR/NRAT	New format option R added to the TAXR - Withholding Tax Rate and two new codes FTCA - FATCA Tax NRAT - Non-Resident Alien Tax	These changes are implemented to provide adequate tax rate information in the context of FATCA, QI or both. The TAXR - Withholding Tax Rate supports the new format option used for the new FTCA and NRAT codes. Option R :4!c/[8c]/4!c/15d (Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)
:19B::FTCA// :19B::NRAT//	New qualifiers for amounts FTCA - FATCA Tax Amount NRAT - Non-Resident Alien Tax Amount	These new amounts in the Cash Movement are used in the context of FATCA or QI and provide the different tax amounts.
:90L::OFFR//	New format option L added for the OFFR - Generic Cash Price Paid Per Product.	The new Option L allows the OFFR - Cash Price Paid Per Product to be expressed in index points. Option L :4!c//15d (Qualifier)(Index Points) **Note:** If this information is received from our depositories, it will be forwarded as is.

MT567 - Corporate Action Status and Processing Advice

Field	Description	Usage
Sequence A - General Information		
:22F::CAEV//BMET	New event code BMET - Bond Holder Meeting	Clearstream supports MT567 status with the new corporate event BMET - Bond Holder Meeting. **Note:** All existing MT567 reports scheduled, where all events have been requested, will be automatically amended to receive the new BMET event.
Subsequence A2a - Reason		
:24B::PEND/BOIS :24B::REJT/BOIS	New reason code BOIS - Beneficial Owner Details under the reason status PEND - Pending Reason and REJT - Rejected Reason :PEND//BOIS - Pending Beneficial Owner Details :REJT//BOIS - Missing Beneficial Owner Details	When an MT565 related to an MT564 event that requests to instruct at the beneficiary owner level, is received, via SWIFT or CreationOnline, Clearstream will apply the following rules: If the beneficial owner information is not present into the MT565 or not yet received: • An MT567 is automatically sent to the customer with the status code PEND//BOIS. • When the beneficial owner data has been received from the customer, Clearstream will approve the instruction. Based on the approval, an MT567 will be sent with the status code IPRC//PACK. • When the beneficial owner data has not been received in due time, Clearstream can reject the instruction at any time by sending a new MT567 with the status REJT//BOIS.
:24B::PACK//ADEA :24B::PACK//LATE	Codes under the PACK - Pending Reason removed ADEA - Account Servicer deadline Missed LATE - Market Deadline Missed	

Field	Description	Usage
:70D::REAS//	New Reason Narrative	The following reason narratives can be reported on MT567 - Corporate Action Status messages and can lead to the rejection of the instruction: "EXERCISE PERIOD IN MORE THAN 5 BUSINESS DAYS" "TRADING PERIOD IN MORE THAN 5 BUSINESS DAYS" "RUNNING SUSPENSION PERIOD" "ONLY QREC ALLOWED WHEN OPTION OVER" "INSTRUCTION REQUIRES AN INST NARRATIVE" "INSTRUCTION REQUIRES AN ADTX NARRATIVE" "INCORRECT CERTIFICATION" "MANDATORY BID PRICE IS MISSING" "INVALID FORMAT FOR BID PRICE" "BID PRICE OUT OF BIDDING RANGE"

MT568 - Corporate Action Narrative

Field	Description	Usage
Sequence A - General Information		
:22F::CAEV//BMET	New event code BMET - Bond Holder Meeting	Clearstream supports MT568 narrative with the new corporate event BMET - Bond Holder Meeting (BMET). **Note:** All existing MT568 reports scheduled, where all events have been requested, will be automatically amended to receive the new BMET event.

Settlement and Reconciliation

Changes in the different messages linked to the SWIFT Standards 2014 release for Settlement and Reconciliation are described in more detail below:

The following Settlement and Reconciliation messages are impacted:

- MT537 Statement of Pending Transactions report;
- MT548 Processing Advice and Settlement Status.

MT537 - Statement of Pending Transactions report

Field	Description	Usage
Subsequence B1 - Reason		
Subsequence C3a - Reason		
:24B::NMAT//INVE	New reason code INVE - Disagreement Investor Party added under NMAT - Unmatched Reason	The reason code NMAT//INVE will be reported if received from the depository.
:24B::NMAT//PLIS	New reason code PLIS - Disagreement Place of Listing added under NMAT - Unmatched Reason	The reason code NMAT//PLIS will be reported if received from the depository.

MT548 - Settlement Status and Processing Advice

Field	Description	Usage
Subsequence A2a - Reason		
:24B::NMAT//INVE	New reason code INVE - Disagreement Investor Party added under NMAT - Unmatched Reason for mismatched Investor Party.	The reason code INVE - Disagreement Investor Party will be reported if received from the depository.
:24B::NMAT//PLIS	New reason code PLIS - Place of Listing added under NMAT - Unmatched Reason for mismatched Place of Listing.	The reason code PLIS - Place of Listing will be reported if received from the depository.

Cutover

In general for all of the new services described above, no special cutover is required. The enhanced reports will be generated automatically for all customers from 17 November 2014.

Further information

The November Pre-Issue edition of the Clearstream Banking Creation via SWIFT User Guide is available at www.luxcsd.com under Information Centre / Connectivity.

For further information about our products and services, please visit www.luxcsd.com or contact Client Services or your Relationship Officer.

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