

# OneClearstream Migration Guide

CBF CSD Customers - Release 3.0

## OneClearstream Migration Guide

November 2018

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Clearstream Banking is committed to informing its customers as early as possible regarding the foreseen changes to its functionality, while at the same time Clearstream Banking's migration to OneClearstream service level is still some time away and the content of this document may have to be updated again.

Hence, this Migration Guide represents the state of information available to Clearstream Banking at the publication date. The description may be subject to modifications or enhancements at a later stage of the rollout project. In the event of modifications, Clearstream Banking will provide the respective updates in due time as further releases of this document.

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<b>Disclaimer</b> .....	<b>i</b>
<b>Contact</b> .....	<b>i</b>
<b>1. Preface</b> .....	<b>1</b>
1.1 Purpose of this document.....	1
1.2 Document structure.....	1
1.3 Who should read this .....	2
<b>2. Migration scenarios</b> .....	<b>3</b>
2.1 Mandatory migration of the asset servicing business to OneClearstream in Investor-CSD markets .....	3
2.1.1 Customer preparation .....	3
2.1.2 Migration impacts on customers .....	5
2.1.3 Communication during the migration weekend .....	7
2.1.4 Contingency approach .....	8
2.2 Voluntary migration of the asset servicing activity for the Issuer-CSD market to OneClearstream .....	9
2.2.1 Customer preparation .....	9
2.2.2 Migration impacts on customers .....	10
2.3 Voluntary migration of settlement services to OneClearstream .....	11
2.3.1 Customer preparation .....	12
2.3.2 Migration impacts on customers .....	12
<b>3. Glossary</b> .....	<b>13</b>

# 1. Preface

Clearstream started to roll out its new OneClearstream service and implement its enhanced T2S Investor-CSD solution on 26 March 2018. The implementation and activation of the different service offerings is organised in dedicated migrations that differ in their impact on customers. It is therefore important to understand the nature of the respective cutover scenario and its effects on the operational business.

## 1.1 Purpose of this document

This Migration Guide provides customers with an overview of the possible cutover scenarios during the rollout of OneClearstream together with their impact.

It further builds on the information contained in the “OneClearstream Functional Specifications”.

## 1.2 Document structure

This Migration Guide describes the cutover impacts applicable to CBF customers for the following migration scenarios:

- Mandatory migrations:
  - Migration of the asset servicing activity in an Investor-CSD market to OneClearstream.
- Voluntary migrations:
  - Individual migration of asset servicing activities in the Issuer-CSD market to OneClearstream;
  - Individual migration of settlement input and reporting to OneClearstream.

The migration of asset servicing activities in the Investor-CSD markets takes place at pre-determined dates. However, any additional migration of asset servicing in the Issuer-CSD market or settlement input and reporting activity onto OneClearstream will take place at dates defined jointly between CBF and its customer. Please note that the migration activities start on a Thursday close of business, and will continue through to the end of the weekend.

## 1.3 Who should read this

All customers holding assets in the respective Investor-CSD markets at the time of migration will be impacted by the changes in the communication to and from CBF with regards to asset servicing and will benefit from the enhanced service offering as described in the “OneClearstream Functional Specifications”.

In addition, there will be purely migration related impacts, that are highlighted in Chapter 2.1 of this document. In order to take the future requirements into consideration for their internal readiness, customers who intend to invest in the Investor-CSD markets are also highly recommended to familiarise themselves with the future service offering as described in the “OneClearstream Functional Specifications”.

Issuer-CSD customers that would like to harmonise the Clearstream Service offering and reporting in asset servicing across all markets are informed in Chapter 2.2 about the migration impacts occurring with the individual migration of their business to OneClearstream.

In addition, both Investor-CSD and Issuer-CSD customers have the opportunity to align the reporting of their settlement activity with OneClearstream and receive all information harmonised from one common source. The impacts of this change are summarised in Chapter 2.3.

## 2. Migration scenarios

The following migration scenarios are applicable to existing CBF customers only. They describe in detail the impacts of the actual cutover. The “OneClearstream Functional Specifications” describe the future services in order to enable customers to identify the adaptations that are required.

### 2.1 Mandatory migration of the asset servicing business to OneClearstream in Investor-CSD markets

In the aim to harmonise the asset servicing flows across all Clearstream legal entities, the asset servicing in all eligible T2S securities will be centralised and thereby harmonised and enhanced. This is achieved by appointing local market partners, that are highly experienced as service providers in asset servicing for Clearstream Banking. The services provided by these partners are used by Clearstream Banking to centralise the processing of asset servicing on the technical platform of OneClearstream. This results in a migration of processes in order to ensure that all Clearstream customers benefit from the best-in-class services provided under OneClearstream. The migration will take place at pre-defined dates communicated well in advance to customers. The migration activities start on a Thursday close of business, and will continue through to the end of the weekend.

#### 2.1.1 Customer preparation

The following changes will apply and must be taken into consideration by customers in order to ensure a smooth transition to OneClearstream:

- Asset servicing information, such as KVGI, will no longer be accessible through the current online functionality in CASCADE via Host and PC as the events will no longer be processed in the current technical environment. Customers wishing to access asset servicing related information in the migrated Investor-CSD markets via an online functionality (GUI) must subscribe to the Xact Web Portal. The subscription form must be filled in and returned as soon as possible to Clearstream Banking to allow sufficient time for the preparation and installation.
- The A2A connectivity will change and SWIFT / MQ formats for instructions on corporate events (MT565) will become similar to the ones already used for CBL and CBFi (6 series) accounts. Please check the “Xact via SWIFT User Guide” as well as the “OneClearstream Functional Specifications” for detailed information.
- Currently all MT565 are sent to DAKVDEFFXXX (MQ) and DAKVDEFFDOM (SWIFT). The range of BICs that instructions can be sent to will be extended to:
  - DAKVDEFFXXX (MQ)
  - DAKVDEFFDOM (SWIFT)
  - DAKVDEFFONE (MQ/SWIFT) (new)
  - CEDELULLXXX (SWIFT) (new)
- The A2A reporting to customers will be similar to the reporting already used by CBL and CBFi customers today. This results in the availability of additional reporting, for example the

## Migration scenarios

“Corporate Action Urgent Uninstructed Balances Report” and the “Corporate Action without Holding Report”. These new formats are described in the “OneClearstream Functional Specifications” and the “Xact via SWIFT User Guide”.

A2A reporting on asset servicing in Investor-CSD securities migrated to OneClearstream is offered from either of the following BIC / channel combinations:

- DAKVDEFFXXX (MQ)
- DAKVDEFFDOM (SWIFT)
- DAKVDEFFONE (MQ/SWIFT) (new)
- CEDELULLXXX (SWIFT) (new)

All reports can also be received via Xact File Transfer.

- The customer subscribes to reports in the Xact Web Portal. Asset servicing reporting for Investor-CSD securities is available since 26 March 2018. This initial setup covers the following reports:
  - MT564/MT568 notifications, all Corporate Action and Income Event types (CAEV)
  - MT566 confirmations, all Corporate Action and Income Event types (CAEV)
  - MT567, all reason codes.

The default sender BIC is DAKVDEFFXXX (MQ) and DAKVDEFFDOM (SWIFT) and the communication channel is the same as the current CBF Legacy setup (SWIFT, MQ Series or File Transfer).

It is not possible for Clearstream Banking to replicate the CBF Legacy report subscription in OneClearstream. Therefore, customers should carefully review the initial setup in Xact Web Portal. Here any amendments can be made to the scheduling, either adding or removing reports and customers can also opt for communication with DAKVDEFFONE or CEDELULLXXX.

Customers not subscribing to the Xact Web Portal are requested to contact Connectivity Support for the report subscription. If a customer does not want to receive any asset servicing reporting, a waiver must be signed.

- In order to be fully compliant with the U.S. regulations across all markets, a TEFRA D process is introduced for the migrating Investor-CSD markets. The new service for migrated Investor-CSD securities is part of the asset servicing process whereby customers will receive an MT564 and be able to retrieve the equivalent Xact Web Portal information (followed by reminders) for any newly acquired position in securities impacted by this restriction within the first 40 business days after issuance. In alignment with the CBL and CBFi processes, the “flexible” procedure will be the only one available to customers, where positions will be blocked at the end of the 40 days period and customers need to send an MT565 message or perform the corresponding action in the Xact Web Portal to avoid the blocking of assets (certification). A detailed description of the process is in the “OneClearstream Functional Specifications”.
- Customers can identify Investor-CSD securities migrated to OneClearstream in WSS Online Plus, where the field “LMP-Datum ab” will contain a date and the field “LMP-Datum bis” will be blank.
- Blocking due to corporate events in migrated securities will be reflected in CASCADE on subaccount /851. Further details are available in announcement [D17069 “Implementation of new blocking sub-account for non-CBF issued securities in T2S”](#).
- Clearstream may be notified of a corporate event with a record date (RD) prior to the migration (that is, “LMP-Datum ab” is greater than RD) after an Investor-CSD security has been migrated to OneClearstream. In such instances the corporate event will be processed by the CBF Legacy functionality and customers will receive the reporting in the Legacy formats, including information via the current online functionality e.g. KVG1.



- Tax bookings related to an event that was processed prior to the migration will also be handled by the CBF Legacy systems, providing customers with the currently known reporting.
- There is currently a technical limitation, whereby the securities of a migrated market become temporarily ineligible for GSF services in CBF. Customers intending to use GSF services of a migrated market can however continue to use the respective assets on a CBFi account on Creation. We will advise customers as soon as the end date of the limitation becomes available.
- All asset servicing bookings in T2S-eligible proceeds will be done at the customer's sub-account level, therefore customers are requested to make sure that each sub-account is linked to a DCA. The customer's sub-accounts without the appropriate T2S setup will be linked by default by Clearstream Banking to the DCA of their main account. This default linkage is a technical setup and only applies to debits and credits originated by OneClearstream. The current DVP participation flag setup remains unchanged.

## 2.1.2 Migration impacts on customers

CBF customer positions and instructions will not be affected by the migration, but there could be an impact on pending corporate events, as the processing of corporate events will be transferred from CBF Legacy to OneClearstream functionality

As a consequence, CBF customers will receive a cancellation for a previously received MT564 in the following cases:

- For mandatory events (income and non-income) if RD is greater or equal to the effective date of the migration (that is, RD = Monday or after).  
The security will be flagged as in scope for OneClearstream from the following Monday and the event will be processed under OneClearstream rather than CBF Legacy. Customers will therefore receive an MT564 CANC.
- For voluntary events if the subscription or offering period has not yet started on the original transfer date (OTD) customers will receive an MT564 CANC.
- For 2-event scenarios the following applies:
  - If the first event (mandatory or voluntary) has already been processed but the second event (mandatory or voluntary) has not yet been processed, the second event will be processed on the CBF Legacy platform rather than in OneClearstream, unless the completion time exceeds 20 business days.
  - If the first event (mandatory or voluntary) has not yet been processed, both events will be processed in OneClearstream.

Customers will receive a new MT564 as a replacement for the previously cancelled MT564 at the latest on the Saturday. As the new message will be sent from OneClearstream rather than CBF Legacy, it will have a new Corp ID and may differ in content, for example, the instruction input deadline.

If a customer has already sent an MT565 for an event that is withdrawn as described above, they will receive an MT567 REJT for this message. It will contain the text "Instruction cancellation due to migration. Instruction is being re-instructed by Clearstream on your behalf and followed by MT567 with a new status. No action required". This MT567 REJT is sent for technical purposes only and any previously accepted MT565 remains valid for further processing.

Securities where the corporate action event needs to be finalised in CBF or CBL before being migrated will be excluded from the original transfer date. They will be migrated in one consolidated second migration up to 20 T2S business days later. During this time, customers will receive OneClearstream reporting for asset servicing on the migrated securities and CBF Legacy reporting for not yet migrated securities in parallel.

Starting two (2) weeks before the migration, Clearstream Banking will inform customers which securities will not be migrated on the transfer date (OTD) but up to 20 T2S business days later (OTD+20) due to ongoing corporate events. A list of ISINs not migrated on OTD will be provided on the Thursday

## Migration scenarios

afternoon before the migration weekend, this is expected to be the final list. However, there may be further updates on Friday morning.

Customers will receive an MT564 CERT or be able to retrieve the equivalent information in the Xact Web Portal for any holding subject to TEFRA D where the certification deadline is not yet reached, requesting to certify within the provided deadline via MT565 or online via the Xact Web Portal.

### Migration related fees

Customers are charged a maximum rate of EUR 0.06 per MT564. It is possible that an additional charge of EUR 0.06 occurs for each MT564 that is cancelled and replaced. Due to the limited number of expected cases, a special fee handling process is not foreseen. Customers can however contact their Relationship Manager if they would like to be reimbursed.

### Impact on stock exchange transactions

Clearstream Banking will amend the custody type (Verwahrt) for the impacted securities from non-collective safe custody (NCSC/AKV) to collective safe custody (CSC/GS) on the Thursday after close of business. These changes will be reflected in the Thursday evening GAT file distributed by WM. As a consequence, the entire community including trading venues and customers should be aligned on the Friday morning on the new custody type CSC.

Customers must re-align the needed provisioning for instructions with intended settlement date Monday from CBL to CBF. In order to avoid pending matched instructions with the current CBL depository or agent at the time of migration, customers are requested to send their realignment instructions early on Friday morning or two (2) hours after the early cutoff time of the respective market as provided in the dedicated CBL announcement.

### Eurex Clearing AG

The following section describes the procedures that will be executed by Eurex Clearing.

For equities and equity-like products, the settlement location is dependent on the custody type, this is not the case for fixed income. Eurex Clearing will therefore continue to send instructions in fixed income to CBL for settlement even though these securities were accepted to collective safe custody in CBF.

For equities and equity-like instruments in scope of the migration, Eurex Clearing will consider the custody type CSC for the first time in the Friday evening process. After the daily clean-up of all pending settlement instructions, a conversion from NCSC to CSC will take place. Following the successful conversion, instructions will be sent on the Friday for contractual settlement day Monday via CBF to T2S for further processing. This procedure (settlement via CBF on T2S) will be applicable from the contractual settlement day of the Monday.

### LION

On Thursday, all stock exchange trades will be executed with custody type NCSC and forwarded to LION. Instructions with a settlement period of T+1 will be forwarded in the Friday morning cycle to CBL for settlement and instructions traded T+2 on will be forwarded on Friday evening. All transactions up to and including trade date Thursday will be routed to CBL until they are settled. From trade date Friday, all instructions will be routed to CBF for settlement in CASCADE. Instructions are sent to CBL on SD-1, but instructions to be settled in CBF T2S will already be forwarded on trade date.

### 2.1.3 Communication during the migration weekend

In order to inform customers of the key migration milestones, all customers registered to this service will receive emails as follows (all timings are indicative and customers will be informed by email if there are any significant delays):

No.	Timing	Activity to be confirmed
1	Thu 09:00	Clearstream has started the migration activities.
2	Thu 16:00	ISINs being migrated have been provided to WM and are available on the Clearstream website together with the ISINs being postponed.
3	Thu 17:00	WM has completed the custody type change in their database except for the following ISINs that are now excluded from the migration.
4	Thu 18:45	WM GAT file with updated data has been distributed.
5	Thu 18:45	Point of No Return.
6	Thu 20:45	Custody type has been changed in CBL books and Security CSD Links have been created in T2S.
7	Fri 11:30 <sup>a</sup>	LMP start date has been populated in Clearstream except for the following ISINs that are now withdrawn from the migration.
8	Fri 11:30	The list of ISINs to be populated with the LMP from date has been shared with WM and is now available on the Clearstream website.
9	Fri 12:30	Early cut-off time for domestic settlement in the domestic market in CBL has been put in place and the cancellation of pending unmatched external settlement instructions in the domestic market started.
10	Fri 13:30	The cancellation of pending unmatched external settlement instructions in the domestic market has been completed and the CBL position transfer has started.
11	Fri 14:00	MT564 CANC distribution to CBF customers has been completed.
12	Fri 15:30	Release of queued and recycled domestic settlement instructions to CBF.
13	Fri 18:15	WM confirms that the LMP from dates have been updated for the ISINs in scope of this migration.
14	Fri 18:45	The CBL position transfer has been completed (except for the following ISINs) and customer instructions are now released to the domestic market (CBF).
15	Fri 18:45	WM has distributed the GAT file including the LMP values.
16	Sat 08:00 <sup>b</sup>	The position transfer is now completed except for the following ISINs where efforts will be continued on Monday morning.
17	Sat 08:00	The distribution of replacement MT564 under OneClearstream to CBF customers has been completed.
18	Sat 08:00 <sup>c</sup>	The migration activities have been completed.

a. Updated ISIN information will be made available on the Clearstream website.

b. If the position transfer is not completed on Friday, the NTP value Monday will also be used.

c. If there are activities left to be completed on Monday, customers will be advised here.

Customers who have not yet registered to this service but would like to receive these emails are requested to send an email to [OneClearstream@clearstream.com](mailto:OneClearstream@clearstream.com).

# Migration scenarios

## 2.1.4 Contingency approach

Clearstream Banking has identified a number of contingency scenarios and defined appropriate means to handle these if they occur during the migration.

The distribution of the Thursday evening GAT file by WM following the custody type change of all impacted securities in their database will trigger the custody type change in the entire market and has therefore been defined as Point of No Return for the OneClearstream migration. Most of the contingency scenarios described below will therefore target the actions to be taken in order to catch up with the migration activities after this point in time; no roll-back is foreseen after the GAT file distribution by WM.

1. WM is not able to create the securities missing in their database

The ISIN scope of each market migration is analysed and gaps in relation to the WM data scope are being identified. Clearstream Banking is in close contact with WM in order to make the missing ISINs eligible in WM prior to the migration weekend. These securities will be set up by WM in non-collective safe custody (NCSC/AKV) and will only be made collective safe custody (CSC/GS) eligible during the course of the migration. If the number of missing securities is significant compared to the overall scope of the respective migration, the inability of WM to open the majority of these codes prior to the migration would lead to a postponement of this migration. If there are a limited number of ISINs where WM faces an issue, the migration will take place with the following impact on customers:

- CBL/CBF-i: customers must inform their counterparties immediately that the SSI for these ISINs is not to be amended.
- CBF: the settlement location for securities traded on the German stock exchanges will not change and remain with CBL/Creation. It is therefore not necessary to trigger realignments for the impacted securities from CBF-i to CBF accounts. The asset servicing will continue to be provided under CBF legacy.

2. WM is not able to amend the custody type from NSCS to CSC on Thursday before the migration weekend.

Trading on the German stock exchanges as well as settlement in CBF are dependent on the static data of WM. It is therefore impossible to perform the CBL position transfer if the amended static data is not distributed in the Thursday evening file by WM. In the event that WM is not able to amend the custody type for the majority of the securities in scope of the migration, Clearstream Banking would also not change the custody type in our systems in order to stay aligned with the market and the migration would be postponed. If the amendment is not possible for a limited number of ISINs only, the migration will be executed and customers will be advised about the de-scoped securities in customer communication number 3.

3. WM is not able to populate "LMP-Datum ab" on the Friday of the migration weekend

On the Friday of each migration weekend both Clearstream and WM need to populate the "LMP-Datum ab" field with the effective day of the migration, that is, Monday after the migration weekend. If WM is not able to do so, customers need to work with the final in scope ISIN list provided by Clearstream Banking as a source of information to distinguish LMP from non-LMP securities.

4. ISINs to be excluded during the migration process due to failed static data updates

Clearstream Banking is thoroughly analysing the securities in scope for the migration during the pre-migration phase and applying buffer times during the migration to ensure that all static data changes can be properly reconciled and (manual) repairs conducted whenever possible, whereby priority is given to securities listed at a German stock exchange. However, there may be unforeseen occurrences where individual securities must be excluded from the migration during the course of the migration activities. Customers will be informed about such instances in the customer communication number 8. WM would be informed in due course before their cut-off

time and requested not to fill the field 'LMP-Datum ab'. We aim to avoid changing the custody type back to NCSC, especially for SE-traded securities. Customers will be informed via customer communication number 8.

## 5. Delay in the settlement of the CBL position transfer

The aim is to finalise the position transfer in the T2S real-time settlement window on Friday, but there might be instructions that fail. Customers will be informed about the impacted security codes in customer communication number 13 on Friday evening whilst Clearstream Banking will take appropriate measures to settle these transactions in the T2S night-time settlement window value Monday. Here again customers will be informed via email around 22:00 in customer communication number 15 on Friday evening whether the position transfer is now completed or if there are still remainders to be handled as of Monday morning. Impact on customers:

- CBF-i/CBL: All position transfers are expected to be completed on business day Monday at the latest and customers are therefore unlikely to be impacted by settlement delays.
- CBF: Customers might receive MT564 replacement messages with delay.

## 2.2 Voluntary migration of the asset servicing activity for the Issuer-CSD market to OneClearstream

In order to align the reporting for asset servicing between the Issuer-CSD market (generally referred to as the German domestic market) and the Investor-CSD markets customers can subscribe to the new service called "OneClearstream Asset Servicing for CBF issued securities". Customers can benefit from the advanced suite of reporting already available for CBL and CBFi accounts today. This kind of migration will be handled individually on a date jointly defined between Clearstream Banking and the customer. The migration will take place on weekends, and the related activities will start on the Friday.

### 2.2.1 Customer preparation

The following must be taken into consideration by customers in order to ensure a smooth transition to OneClearstream:

- Interested customers should contact their Relationship Manager as soon as possible to ensure that the preferred date for migration is still available and to allow sufficient time for operational readiness.
- Customers can subscribe to this service by completing the "OneClearstream Asset Services Options" form. An MT599 is also possible and must include the following:
  - The request to subscribe to OneClearstream service;
  - The main account(s) for the subscription;
  - The acknowledgment of the mandatory default setup to allow this service: TEFRA D profile: Flexible;
  - Whether or not the blocking option service for compensation instructions is required.
- Customers can manage their account online via the Xact Web Portal or A2A with Xact via SWIFT, Xact File Transfer or MQ Series. It is possible to subscribe to both Xact Web Portal and Xact via SWIFT, Xact File Transfer or MQ Series.
- Customers must ensure that the appropriate reporting subscription is performed via the Xact Web Portal before the migration in order to avoid any reporting gaps.
- OneClearstream expands the ways to communicate with Clearstream Banking and two additional BICs are offered:
  - DAKVDEFFXXX (MQ)

## Migration scenarios

- DAKVDEFFDOM (SWIFT)
- DAKVDEFFONE (SWIFT/MQ) (New)
- CEDELULLXXX (SWIFT) (New)

Event information is still accessible in CASCADE via online functionality (Host, PC) , for example in KVGI. Since the Corp ID will however differ from the one received in the OneClearstream reporting we strongly recommend to refer to the Xact Web Portal instead. Information related to cash bookings on corporate events can only be accessed in CASCADE Online.

- The Corp ID of the OneClearstream reporting will also be used in the instructions sent to T2S for settlement. Due to technical constraints it is however currently not possible to align the Corp ID of the settlement instruction in CASCADE. Customers must therefore be aware that they will have reconciliation issues for asset servicing related settlement instructions if they remain on CBF Legacy reporting for their settlement activity.

### 2.2.2 Migration impacts on customers

As the technical source of reporting will change from CBF Legacy to OneClearstream, customers will receive migration specific reporting. For all notified but unpaid corporate events, the following messages will be sent:

- An MT564 CANC with the previous Corp ID for all events in CBF-issued securities where the migrated accounts are entitled to the corporate event but have not yet been paid. The narrative of this message will contain the text "Cancellation due to migration" in field :70E::DISC// of sequence F ADDINFO.
- An MT564 NEWM will be sent for all MT564 CANC that have been sent. This replacement message will bear a new Corp ID.
- An MT567 IPRC//REJT with the previous Corp ID for all events in CBF issued securities where the customer had sent an MT565 that was accepted but not yet paid. This message will contain the following text in the narrative field :70D::REAS// of subsequence A2a Reason (REAS) "Instruction cancellation due to migration. The instruction is being reinstructed by Clearstream on your behalf and followed by MT567 with a new status. No action required". This MT567 REJT is sent for technical purposes only and the underlying MT565 received from the customer remains valid.
- For all MT567 IPRC//REJT a replacement MT567 IPRC//PEND or IPRC//PACK bearing the new Corp ID will be sent.

### Enhanced TEFRA D Process

The TEFRA D process will also be harmonised with the current CBL and CBFi service offering. Currently, customers have the choice between the "strict" and the "flexible" procedure, the "flexible" procedure will be the only one available to customers after their migration. The existing CBF Legacy service is settlement-based whereby incoming positions in the affected securities are automatically blocked on the sub-account /671 if customers have chosen the strict procedure. With OneClearstream, TEFRA D will become an asset servicing-based process whereby customers receive an MT564 or information in the Xact Web Portal (followed by reminders) for any newly acquired position within the first 40 business days after issuance in the securities impacted by this restriction.

Positions will be blocked at the end of the certification period on the sub-account /671 and reported in a sub-balance "blocked for certification" and will be unblocked based on the MT565 message received or corresponding manual certification in the Xact Web Portal. The existing KADI list with all securities impacted by TEFRA D remains available.

On the Friday before the migration weekend, the following processing will apply:

## Accounts operated under the strict procedure

If the certification period is not yet over at the time of migration, positions blocked on /671 subaccounts are unblocked until the end of the certification period when they will be blocked again. Customers will receive an MT564 CERT certification request on Friday evening according to the new procedure and will be requested to certify via MT565 or the Xact Web Portal to have their positions unblocked again after the certification period. In addition an MT568 (Corporate Action Narrative) will be sent on Monday in order to advise that the position was unblocked due to migration and that certification is required as the account is now operated under the flexible procedure. This MT568 will be linked to the previously sent MT564.

If the certification period has already passed, the positions will remain on /671 subaccounts and will not be unblocked, and no MT564 will be sent. The blocked position is reported to customers via the regular settlement reporting and an MT599 is requested to certify and trigger the subsequent unblocking of the impacted holdings. Upon receipt of the MT599, Clearstream will move the position from the customer's /671 sub-account to the Lead Manager's /670 sub-account. As today, customers must contact the Lead Manager to certify and have their position released again.

## Accounts operated under the flexible procedure

Customers will receive an MT564 CERT for all holdings subject to the TEFRA D restriction, followed by reminders ten (10) and two (2) business days before the certification date, if the duration of the certification period allows. The certification is performed via MT565 or Xact Web Portal until the end of the certification period. All impacted holdings will automatically be blocked on the certification date.

## 2.3 Voluntary migration of settlement services to OneClearstream

In order to harmonise the reporting across all services (settlement and asset servicing) and all markets (Issuer-CSD and Investor-CSDs) customers can migrate the reporting of their settlement activity to OneClearstream. The following changes will apply to inbound and outbound communication flows:

### **Inbound: instructions sent by the customer to Clearstream Banking (MT540-3, MT530)**

Currently, customers send instructions to DAKVDEFFXXX (MQ) and DAKVDEFFDOM (SWIFT) in the applicable (Legacy) formats for both their T2S and non-T2S (for example, vaults instructions) activities. With OneClearstream, the following two additional BICs for T2S-related instructions will be offered:

- CEDELLULLXXX (SWIFT).
- DAKVDEFFONE (SWIFT/MQ).

Customers can therefore send their settlement instructions in the existing CBF Legacy format to DAKVDEFFXXX (MQ) and DAKVDEFFDOM (SWIFT) and in the OneClearstream format either to DAKVDEFFONE (SWIFT/MQ) or CEDELLULLXXX (SWIFT).

### **Outbound: reporting provided by Clearstream Banking to its customers (MT544-8, MT535-8)**

The report subscription is performed by customers in the Xact Web Portal where they can choose between the following options:

- OneClearstream format from DAKVDEFFXXX (MQ) and from DAKVDEFFDOM (SWIFT).
- OneClearstream format from DAKVDEFFONE (SWIFT/MQ).
- OneClearstream format from CEDELLULLXXX (SWIFT).

Customers can however continue to receive the reporting in CBF Legacy format from DAKVDEFFXXX (MQ) and from DAKVDEFFDOM (SWIFT).

In addition the new file transfer service, Xact File Transfer, will be introduced to customers, the existing CBF Legacy file transfer solution will remain in place.

# Migration scenarios

## 2.3.1 Customer preparation

As described above it will be possible to communicate with Clearstream Banking in the current CBF Legacy formats with the BICs available today. Consequently, adaptations are not mandatory for this scenario. If the preferred option is the usage of the new format and communicating with the existing BIC, only the format would need to be adapted accordingly.

The source of reporting can be switched from CBF Legacy to OneClearstream by subscribing to OneClearstream reporting via the Xact Web Portal and unsubscribing from the corresponding CBF reporting via the form that can be found in the CBF Connectivity section of the Clearstream website. It has however to be noted that reporting related to the following business activities is currently not available via OneClearstream:

- Registration and deregistration of registered shares MT501/510/519.
- MT537 will not include SE trades not yet released for settlement to T2S.
- All vaults transactions not settling in T2S, for example, precious metals, third party vaults, special vaults.

It is also possible to subscribe to some or all OneClearstream settlement reporting in addition to the existing CBF Legacy reporting. The settlement reporting in OneClearstream can be limited by excluding the Issuer-CSD securities. This option could be useful for customers who would like to receive the settlement reporting for the Investor-CSD markets under OneClearstream and leave the reporting for the German domestic business in CBF Legacy. Please note that it is currently not possible to unsubscribe for the CBF settlement reporting in part only, and duplicate reporting may be received.

## 2.3.2 Migration impacts on customers

There is no migration impact on customers as such, since neither security positions nor settlement instructions are affected.



### 3. Glossary

Acronym or abbreviation	Description
CASCADE	CBF application for securities settlement
CBFi	Clearstream Banking Frankfurt international accounts maintained on the CBL (Creation) platform (6-series accounts)
CORP	Corporate Action reference
Customer	Customer means CBF customer, unless otherwise specified
DCA	Dedicated Cash Account in T2S'
KADI	CBF application for asset servicing
OTD	Original Transfer Date: this is the date when the majority of securities will be migrated to OneClearstream
OTD+20	This is the second migration weekend when all securities that could not be migrated due to corporate events that needed to be finalised before being migrated. This second migration will take place 20 T2S business days after the first migration at the latest.
RD	Record Date

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