

LuxCSD Release November 2015

Release Information

LuxCSD Release November 2015 - Release Information

October 2015

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Foreword

On Monday 23 November 2015, LuxCSD will implement a number of changes related to the mandatory standards release and enhancements to services delivered via CreationConnect. Impacted media channels include Creation via SWIFT, CreationDirect, CreationOnline and Vestima.

This document consolidates and updates the details of these changes to enable customers to make any required changes and to take advantage of enhanced products and services.

The respective documentation and guides associated with the impacted products and/or services will be updated to reflect the enhancements in due course.

Note: In some cases, this document will not contain the details of enhancements where a separate announcement has been published to address the needs of a particular product or service.

Further information

The Pre-Issue edition of the Creation via SWIFT User Guide is available on the Clearstream website.

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

You will find the relevant contact details at www.luxcsd.com, under Contacts.

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1. Executive summary

On Monday 23 November 2015, as part of LuxCSD's ongoing commitment to the timeliness and quality of our services to customers, LuxCSD will implement quality enhancements to our existing services. The services impacted and a summary of the enhancements can be found below.

Asset services

- The number of event types that can be reported via MT564 Income Pre Advice Report (IPAR) will be increased, to include non-income events.
- As part of our T2S preparation, we are improving asset servicing in the German market.
 - The two event scenario will be introduced for a number of events to align processing with German market practice. As a non-exhaustive example, capital increase events with the distribution of rights or intermediate securities are processed based on a two event scenario: The two event scenario is specified by two parallel MT564 workflows, starting 30 business days before ex date or record date and running until the end of the subscription period.
 - The format of the messages below will be enhanced in accordance with German Market Practice.
 - MT564 - Corporate Action Notification;
 - MT564 - Income Pre Advice Report (IPAR);
 - MT566 - Corporate Action Confirmation;
- The MT567 - Corporate Action Status and Processing Advice has been enhanced to include the transaction number of any related blocking instructions.
- The US Withholding Tax query in CreationOnline will be updated to allow a query for all reports using the Report Type field - this includes all reportable and all non-reportable payments.
- The PDF US Tax Report - All payments will now show the new Chapter 3 and Chapter 4 codes for FATCA.

Connectivity

The field Quantity Type will be added to the Financial Instrument detail view in CreationOnline.

Investment Fund Services

In the ISO 20022 Standards release, a technical upgrade will take place for one of the messages used by Vestima, the automated order routing service for investment funds. The upgraded message is only used to handle rare exceptions. CBL expects that customers will have little or no impact as a result of this upgrade.

2. Asset services

Changes in asset servicing messages are described in more detail below.

New non-income events will be added to the IPAR and asset servicing messages are being enhanced.

Changes apply to all formats (ISO, PDF, XLS and XML) across all connectivity channels (Creation via SWIFT, CreationDirect and CreationOnline). The Corporate Action Reference Data Report will also include these changes.

This section describes the changes to the ISO messages. All these changes are reflected as relevant in all corresponding reports. When displayed in PDF reports or CreationOnline lists and detailed views, the ISO fields are expressed as decodes.

The following Custody messages used by LuxCSD are impacted:

- MT564 Corporate Action Notification;
- MT564 Income Pre-Advice Report (IPAR);
- MT566 Corporate Action Confirmation;
- MT567 - Corporate Action Status and Processing Advice

MT564 - Corporate Action Notification

Field	Description	Usage
Sequence D - Corporate Action Details		
:98a::REGI	New indicator REGI - Deadline to Register	This indicates the deadline to register.
Sequence E - Corporate Action Options		
:98a::EXPI	New indicator EXPI - Expiry Date/Time	Date/time at which an order expires or on which a privilege or offer terminates.
Subsequence E2 - Cash Movements		
:92J::GRSS//INCO	New codes INCO - Income Portion	These codes are used for investment funds.
:92J::GRSS//INTR	INTR - Interest	
:92J::GRSS//SOIC	SOIC - Sundry/Other Income	

MT564 - Income Pre-Advice Report (IPAR)

The following non-income event types will be added to the IPAR:

BIDS	Repurchase Offer
BONU	Bonus Automatic
BPUT	Redemption at the Holder's Option
CONS	Solicitation of a Holder's Consent
CONV	Conversion Option
DETI	Detachment
DTCH	Dutch Auction
DVSC	Scrip Dividend/Payment
DVSE	Stock Dividend
EXOF	Exchange Offer
EXOF	Exchange Offer (Mandatory Exchange with Options)
EXOF	Exchange Offer (Mandatory Exchange without Options)
EXRI	Bonus
EXRI	Subscription Offer
LIQU	Liquidation
MRGR	Merger
PARI	Pari-Passu
PINK	Payment in Kind
PPMT	Instalment Call
PRI0	Subscription Offer without Rights
REDM	Currency Option on Redemption
REDM	Liquidation
RHDI	Rights Distribution (Choice Dividend)
RHDI	Rights Distribution
RHDI	Rights Distribution (Subscription)
SOFF	Demerger/Spin off
SPLF	Stock Split
SPLR	Reverse Stock Split
TEND	Tender Offer/Purchase Offer

A new field Proceeds will be added to the PDF, XML and XLS versions of the IPAR, and will indicate for each event whether the proceeds are "Income" and/or "Non Income".

Reporting subscription

Customers that are currently subscribed, or that wish to subscribe before 23 November 2015, to the IPAR can only select cash account(s) (:97A::CASH).

At cutover (23 November 2015), these existing customer subscriptions will remain unchanged and will not be automatically extended to cover the above listed non-income event types, regardless whether you have subscribed to specific or to "All" event types.

As of 23 November 2015, customers that wish to receive the IPAR for the new non-income event types are requested to select the safekeeping account(s) (:97A::SAFE) and the relevant non-income events.

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Field	Description	Usage
Sequence D - Corporate Action Details		
:98a::RDTE	New format options will be available, options B or C.	Further date option formats can be shown in this field.
:98a::REGI	New indicator REGI - Deadline to Register	This indicates the deadline to register.
:36a::QTSO	New indicator QTSO - Minimum Quantity Sought	The minimum quantity of securities the offeror/issuer is ready to purchase or redeem under the terms of the event. This can be a number or the term "any and all".
Sequence E - Corporate Action Options		
:98a::EXPI	New indicator EXPI - Expiry Date/Time	Date/time at which an order expires or on which a privilege or offer terminates.
:69a::REVO	New indicator REVO - Revocability Period	Period during which the shareholder can revoke, change or withdraw its instruction.
Subsequence E1 - Securities Movements		
:69a::TRDP	New indicator TRDP - Trading Period	Period during which intermediate or outturn securities are tradable in a secondary market.
:98a::DIVR	New indicator DIVR - Dividend Ranking Date	Date/time at which a security will be entitled to a dividend.
Subsequence E2 - Cash Movements		
:92J::GRSS//INCO	New codes INCO - Income Portion	These codes are used for investment funds.
:92J::GRSS//INTR	INTR - Interest	
:92J::GRSS//SOIC	SOIC - Sundry/Other Income	

MT566 - Corporate Action Confirmation

Field	Description	Usage
Sequence C - Corporate Action Details		
:36a::QTSO	New indicator QTSO - Quantity Sought	This field contains the quantity of securities the offeror/issuer will purchase or redeem under the terms of the event. This can be a number or the term "any and all".
Subsequence D2 - Cash Movements		
:92J::GRSS//INCO	New codes INCO - Income Portion	These codes are used for investment funds.
:92J::GRSS//INTR	INTR - Interest	
:92J::GRSS//SOIC	SOIC - Sundry/Other Income	

MT567 - Corporate Action Status and Processing Advice

Field	Description	Usage
Sequence C - Additional Information		
:70E::ADTX	Narrative	This field additionally contains the transaction number for the security blocking instructions.

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U.S. Withholding Tax Query

The U.S. Withholding Tax Query in CreationOnline will be changed so that it is possible to query all reportable and non-reportable payments using the Report Type field.

In addition, the payment status will be available in the list view.

U.S. Tax Report

The PDF U.S. Tax Report - All payments will be updated.

The following fields will be renamed:

- IRS Exemption code to CH3 Exemption code;
- IRS Recipient type to CH3 Recipient type.

Two new fields will be added:

- CH4 Exemption code;
- CH4 Recipient type.

3. Connectivity

CreationOnline

A new field, Quantity Type will be added to Reference Data, Financial Instruments Detail View.

The screenshot shows the 'Financial Instruments' detail view for query 012329997. The 'General Information' section is expanded, showing various fields and their values. The 'Quantity Type' field is highlighted with a red box, indicating its addition to the system.

Financial Instruments	
Query 012329997	
Action Link Print Help	
DE0005810055 / 012329997	General Information
General Information	ISIN Code DE0005810055
Events	Common Code 012329997
Issue	Common Code Type Home
Income	Description of Financial Instrument SHS DEUTSCHE BOERSE AG ORD REG
Redemption	Place of Safekeeping BIC DAKVDEFFXX
Re-denomination	Place of Safekeeping Name CLEARSTREAM BANKING AG FRANKFURT AM MAIN
Tax	CFI Code ESVUFR
	Currency of Denomination EUR
	Type of Financial Instrument SHARE
	Quantity Type Unit
	Market Category Domestic Issue
	Active Yes
	Physical No
	New Global Note No
	Form of the Security Global
	Denomination 1
	Minimum Trade Amount 1
	Total Issue Amount 193,000,000

4. Investment Fund Services

Semt.001.001.03 - Securities message rejection

The upgraded version of the securities message rejection message is semt.001.001.03. Vestima uses the securities message rejection message to provide notification in the exceptional situation that a received message cannot be acted upon.

The changes implemented with this version are purely technical:

- The “XOR” construct named Rsn (reason code of the rejection) becomes a “Choice” component; and
- The payload block is renamed from SctiesMsgRjctnV02 to SctiesMsgRjctnV03.

The securities message rejection message is not part of regular Vestima business flows, and customers should not normally need to take any action regarding this update.

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