

OneClearstream migration to Spain (Iberclear) and Portugal (Interbolsa) - customer impacts

Scope of securities relevant for the migration and exceptions

Clearstream Banking¹ will use Clearstream Banking AG (CBF) as Investor-CSD to access Iberclear and Interbolsa eligible securities in T2S.

This will not apply to the following securities:

- All multi-listed securities with the home CSD outside of T2S that are settled via BBVA or BP2S today will remain under CBL depositories 87 (Spain) and 2P (Portugal). For a complete list of multi-market securities and instruction specifications, please refer to the [Multi-Market Securities List](#) on the Clearstream website.
- Spain only:
 - Securities subject to ongoing corporate action events (with key dates around 27 or 30 November 2020), will remain in the former setup (under CBL depository code 87) for up to or slightly more than 20 T2S business days after the migration date. The exact date for the second migration iteration will be communicated as soon as available.
 - Some securities with an upcoming maturity date.
 - Distribution events subject to compensation, with key dates between the migration date minus 20 T2S business days (or more) and migration date, will not be migrated.
- For Portugal, a second migration iteration is not required.

Customers will be informed around two weeks prior to the initial migration date about the impacted securities. The final list will be provided on the Thursday before the migration.

The preliminary list of securities that will not migrate to CBF will be published in due course.

New depository details

The change of depository will be effective as of settlement date 30 November 2020 for Spain and 14 December 2020 for Portugal:

For all T2S assets to be migrated to CBF, the following new depository code will apply:

Depository	Current CBL depository code	New CBL depository code
Iberclear	87	4E
Interbolsa	2P	4P

1. Clearstream Banking refers collectively to Clearstream Banking S.A., registered office at 42, avenue John F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-9248, and Clearstream Banking AG (for Clearstream Banking AG customers using Creation Accounts), registered office at 61, Mergenthalerallee, 65760 Eschborn, Germany and registered in Register B of the Amtsgericht Frankfurt am Main, Germany under number HRB 7500.

New instruction format for ancillary transactions

Ancillary transactions (OAUX) are bilateral trades settling against a financial intermediary (that is, broker) which is a specific IC participant having an account at CCP level, which is directly linked with an account at Iberclear.

As a result of CBL's migration to CBF, the format for Ancillary transactions will change as follows.

Old format (pre-migration):

Options	Xact via SWIFT and Xact File Transfer
Option 1	:22F::SETR/TRAD :95P::DEAG or REAG //Counterparty's BIC11 :97A::SAFE//Account of the Financial Intermediary (broker) (35-digit)
Option 2	22F::SETR/TRAD :70E::SPRO//OAUX

New format (post-migration):

New format	Xact via SWIFT and Xact File Transfer
	:22F::SETR//TRAD :70E::DECL///SETR 801 (where 801 is the new Transfer reason used in CBF for OAUX)

Settlement timings

The following settlement deadlines will be applicable to customers:

Link	Current EUR AP deadline	New EUR AP deadline	Current FOP deadline	New FOP deadline
Iberclear via CBF	15:10 SD	15:55 SD	17:20 SD	17:55 SD
Interbolsa via CBF	15:45 SD	15:55 SD	17:55 SD	17:55 SD

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Procedures for domestic counterparties

Customers are requested to inform their local counterparties to use the following details for instructions that settle against Clearstream Banking:

	Migrated securities	Non-migrated securities (as today)
Place of settlement	IBRCESMMXXX (Spain) DAKVDEFFXXX (Portugal)	IBRCESMMXXX (Spain) IBLSPTPPXXX (Portugal)
Delivering/Receiving Agent (DEAG/REAG)	CEDELULLXXX	BBVAESMMXXX (Spain) PARBFRPPXXX (Portugal)
SAFE ^a of the DEAG/REAG	Should be specified for Spain as required by Iberclear to identify CBF as CSD in T2S (DAKV7201102) Should not be specified for Portugal. If specified, it must be the valid CBL SAC within CBF for the given market.	If instructed, it must be the valid SAC Iberclear: IBRCBBVAESMMXXX0000000 07T0EX0000004 Interbolsa: IBLSPARBFRPPXXXSA00000 0008010000055
Buyer/Seller	BIC11 of the CBL customer	CEDELULLXXX in favour of BIC11 of the CBL customer

- a. Although the safekeeping account of Party 1 (REAG/DEAG) is an optional matching field in T2S, if it is present on one instruction only it will only match with instructions instructed by this account. As CBL does not forward its own SAC to the settlement parties, if the customer counterparty instructs the SAFE of REAG/DEAG it must match CBL's SAC in T2S exactly. We encourage customers to ask their counterparties not to include the SAFE of the DEAG/REAG in their instructions (also called securi- ties account of the delivering/receiving party).

Migration impact on customers

Settlement cut-off time 27 November (Spain) and 11 December 2020 (Portugal)

In order to facilitate the start of the migration process on Friday, 27 November 2020 (Spain) and Friday, 11 December 2020 (Portugal) and for securities in scope of this migration iteration, CBL has earlier end of day cut-off deadlines. The Clearstream Banking customer deadlines on above dates are as follows:

- Against payment in EUR: 12:00 CET instead of 15:10 CET (Spain) and 15:45 CET (Portugal);
- Free of payment: 12:00 CET instead of 17:25 CET (Spain) and 17:45 CET (Portugal).

Domestic instructions

Clearstream Banking will proceed with the migration of settled positions to the new depository, CBF, from 12:00 CET on 27 November 2020 (Spain) and 11 December 2020 (Portugal). No action is required from customers for all domestic instructions that settle before 12:00 CET.

Customer instructions for migrating securities:

- Received by Clearstream Banking after the cut-off time of 12:00; or
- That have been sent to Clearstream Banking before the early cut-off time at 12:00 but are not yet released to the domestic market, for example, due to lack of provisioning,

will be sent to the new depository CBF in the course of the migration and may match and settle on a "best efforts" basis.

All pending unmatched domestic instructions will be cancelled by CBL before the start of the migration at 12:00 CET.

For all pending matched domestic instructions, customers must contact their counterparties as early as possible to ensure that these instructions are cancelled by both counterparties by 12:00 CET, as the bilateral cancellation principle applies.

All instructions cancelled before migration must be reinstructed by customers and their counterparties (with the new place of settlement DAKVDEFFXXX for Portugal and IBRCESMMXXX for Spain) after 14:00 CET.

In order to reduce the number of matched instructions at the time of migration to a minimum, Clearstream Banking will suspend the instruction pre-matching service one week before the migration weekend on the evening of Friday 20 November 2020.

The re-activation of the Instruction Pre-Matching service is scheduled on the evening of Friday, 4 December 2020 (Spain) and Friday, 18 December 2020 (Portugal). Customers should be aware that domestic settlement instructions sent for pre-matching purposes only (with field :23G::PREA) will not be forwarded to BBVA and BP2S while the Instruction Pre-Matching service is suspended. The Immediate Release Flag service, which triggers immediate provisioning and submission of the instruction to the domestic market, will be available for exceptional use while the Instruction Pre-Matching service is suspended.

Clearstream Banking will keep customers updated about the key milestones of the migration.

Important note:

Customers should advise their counterparties that for new instructions sent to **CBL** after migration and in relation to the migrated securities, the counterparty details (SSI) will change and that counterparties need to instruct against the place of settlement DAKVDEFFXXX for Portugal and IBRCESMMXXX for Spain.

Cross-border settlement between CSDs in T2S is only possible, if the corresponding technical configuration in T2S for cross-border links has been established by the CSDs linked to each other. For T2S cross-border settlement in Spanish securities between non-Iberclear counterparties and Clearstream Banking, the T2S standard applies. This means that non-Spanish counterparties (that is, for example Monte Titoli participants) must instruction against DAKVDEFFXXX in the Place of Settlement.

Also, ICP counterparties should ask their domestic CSDs or agents for the proper formats to instruct against the CBL omnibus account in CBF. Some CSDs or agents may still have proprietary formats that differ from the format published in the above table.

The procedure for domestic counterparties listed in the above table for non-migrated securities remains unchanged.

Internal and Bridge instructions

There is no impact on internal and Bridge instructions.

Spain: Handling of ongoing asset servicing events and related migration rules

As mentioned in the Scope of securities relevant for the migration and exceptions, securities subject to ongoing Spanish asset servicing events will remain in the former setup and will be subject to another separate consolidated migration up to 20 or slightly more than 20 T2S business days (BD) after the Official Transfer Date (OTD).

The detailed migration rules for securities subject to pending asset servicing events will be updated in this announcement as soon as the exact date for the second migration iteration is available.

Further information

This is the current situation based on latest information, should there be any changes we will inform you accordingly.

For further information, customers may contact Clearstream Banking Client Services or their Relationship Officer.