

ABN AMRO Clearing

Newsletter – 19 August 2015

- ∅ **Market:** T2S
- ∅ **Impact:** Operational
- ∅ **Service:** IIS - Clearing

T2S: Wave 1 - migration of Italian market

Dear Client,

Monte Titoli, the Italian central securities depository (CSD), will migrate to TARGET2-Securities (T2S) on the 31st of August 2015. Please find below the standard settlement instructions (SSIs) that will be applicable as from the 31st of August 2015 and the client impact.

SSIs:

Type of Client	Delivering/Receiving Agent	Counterparty	Safekeeping Account	Place of Settlement
Custody	PARBITMMXXX	ABNCNL2AXXX	9135XX	MOTIITMMXXX
Clearing	PARBITMM032	ABNCNL2AXXX	913602	MOTIITMMXXX

Client impact:

Pending settlement instructions

Type of Transaction	Action taken by provider	Client impact
Matched settlements (s/d > 28-8-2015)	Will be migrated by Monte Titoli	None
Unmatched settlements (s/d > 28-8-2015)	Will be migrated by BNP	None
Failed settlements (on 28-8-2015)	Will be migrated by BNP	None

T2S changes

Changes T2S Wave 1	Client impact
Hold and release feature: Pre-matching of trades without available/sufficient balance	Already available to clients of AACB
Party identifier	Use of 11 digit BIC in agent and buyer/seller field
Account structure T2S change	No impact for clients of AACB
Allegements	New functionality for the Italian market
Linked instructions (Back to Back).	AACB will continue its current service; links are being handled in AACB system. As of Wave 2, AACB will be able to forward linked instructions directly to the T2S platform.
ISO20022 communication with T2S settlement platform	No impact; clients can continue to communicate with AACB via ISO15022 format.
Additional and optional matching fields: Introduction of Opt-Out and Cum/Ex indicator	AACB will forward these fields to the T2S settlement platform, without any further processing. Clients must handle these fields with care as the fields will become matching criteria and should therefore only be used after agreement with the respective counterparty.
Settlement schedule (near real-time)	NTS = Night Time settlement RTS = Real Time settlement NTS: 20:00h (S-1) - 03:00h (S) RTS: DVP 05:00h - 16:00h (S) FOP 05:00h - 18:00h (S)
Partial settlements	AACB will opt for partial settlement by default. In case client does not want a transaction to partially settle the PART//NPAR indicator must be used.
Levels of matching tolerance: Harmonisation over T2S markets	EUR 2,00 settlement value <= EUR 100.000,00 EUR 25,00 settlement value > EUR 100.000,00
Recycling rules	- limited for unmatched instructions as of Intended Settlement Date (IS): 20 days. - unlimited for matched instructions or up to maturity of the security
Bilateral cancellation of matched instructions	Clients need to agree on a cancellation with respective counterparty
Repurchase agreement (Repo)	Settlement format will not be supported by T2S. Clients selling a REPO will need to contact their counterparty for retrocession of coupon payments.
Auto-collateralisation	No impact; auto-collateralisation will not be offered by AACB

With the migration of the Italian market T2S Wave 1 will be completed. Markets migrated:

- BOGS Greece
- Depozitarul Central Romania
- Malta Stock exchange Malta
- Monte Titoli Italy
- SIX Sis Ltd Switzerland

T2S Wave 2 is currently scheduled for 29 March 2016. Markets involved:

- ESES Belgium, France and the Netherlands
- Interbolsa Portugal
- National Bank of Belgium Belgium

We will provide further updates about the developments with respect to T2S, if and when applicable.

In case you require any further information, please do not hesitate to contact your Relationship Manager.

Yours faithfully,

ABN AMRO Clearing

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