

# ABN AMRO Clearing

## Newsletter – 23 June 2016

- **Market:** T2S
- **Impact:** Operational
- **Service:** IIS - Prime

### **T2S: Wave 3 - migration of Euroclear ESES (Belgium, France and Netherlands)**

Dear Client,

The Euroclear ESES (Belgium, France, and Netherlands), VP Securities (Denmark) and VP Lux (Luxembourg) markets will migrate to TARGET2-Securities (T2S) on 12 September 2016.

This newsletter is specifically related to the ESES markets.

An important change for Wave 3 is that the current ESES single operational account will be translated into three separate T2S accounts. In the new T2S account structure, only the SWIFT BIC 11 of the BUYR/SELL party can be used across CSDs, whereas the account number must be specific for the related CSD.

We also would like to inform you that AACB will support a testing environment as from 9 July 2016. We would like to take this opportunity to highlight the importance of (successful) testing which will allow a seamless transition to the post T2S Wave 3 environment. Clients are therefore strongly recommended to participate in testing. Please contact your Relationship Manager to participate in testing.

Please find hereafter important information about T2S Wave 3 applicable as from 12 September 2016.

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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**Standard settlement instructions (SSIs)****SSIs ESES Netherlands:**

Type of Client	Delivering/Receiving Agent	BUYR/SELL	Place of Settlement and Safekeeping
Custody	ABN CNL2ACUS	Client BIC11 (if available)	NECINL2A

**SSIs ESES Belgium:**

Type of Client	Delivering/Receiving Agent	BUYR/SELL	Place of Settlement and Safe keeping
Custody	ABN CNL2ACUS	Client BIC11 (if available)	CIKBBEBB

**SSIs ESES France:**

Type of Client	Delivering/Receiving Agent	BUYR/SELL	Place of Settlement and Safe keeping
Custody	ABN CNL2ACUS	Client BIC11 (if available)	SICVFRPP

**Pending settlement instructions**

Type of Transaction	Action taken by provider	Client impact
Pending Settlement instructions (on 12-9-2016)	Will be migrated by AACB and ESES	None

In view of the above, during the migration weekend ESES will cancel existing settlement instructions and re-enter instructions using the new SSI's. AACB will amend pending settlement instructions. SWIFT reporting regarding the migration of instructions will be suppressed.

Please note: Positions will be migrated after close of business (COB) Friday 9 September 2016 and before Opening of Business 12 September 2016.

## T2S changes Wave 3 and Client impact

Current situation/T2S Wave 3	Impact:
MT535 SWIFT Statement of Holdings	MT535 reported Place of Safekeeping (PSAF) will be change from ESESNL2A to: NECINL2A : Netherlands CIKBBEBB : Belgium SICVFRPP : France Note: Every ISIN will be linked to one CSD only. Client needs to verify that correct Place of Safekeeping will be provided in the settlement instructions.
Free of Payment without Matching (Dumps)	This type of transaction will no longer be possible in T2S. Securities will no longer be dumped. Exception: Corporate actions related dumps from counterparties within ESES CSD's will be supported.
Hold and release feature: Pre-matching of trades without available/sufficient balance	Supported by AACB.
Party identifier	EGSP Party Identifier changes to BIC11. Please use either 8 or 11 digit BIC in agent and buyer/seller field. In case of an 8 digit BIC, AACB will communicate 11 digit BIC to the market by adding a branch code XXX. As from 4 July 2016, AACB recommends using BIC11 in instructions but until further notice, will continue to accept EGSP codes.
Matching in ESES market	REAG/DEAG Delivering/receiving CSD participant: mandatory matching information  BUYR/SELL Client of delivering/receiving CSD participant: optional matching information
Allegements	Already available for AACB clients
Linked instructions (Back to Back)	Already supported by AACB.
ISO20022 communication with T2S settlement platform	No impact; AACB clients can continue to communicate via ISO15022 format until ISO15022 format is discontinued by SWIFT.
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. After implementation of T2S Wave 3, AACB will be able to support an override of this option on securities account level.
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 ESES 10 days	- 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. Already in place for ESES.
Repurchase agreement (Repo)	Settlement format will not be supported by T2S. French Repo bilateral repo services (Pension Livrée) no longer supported. The closing leg of the bilateral repo will not be generated automatically and parties need to instruct both opening and closing leg.  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

### Depot switches

Instruction templates will be available upon request.

Clients using our Special Products Module ("SPM") are expected to use the 11 digit BIC.

### Migration update:

Markets migrated (Wave 1) on 22-Jun-2015

- BOGS Greece
- Depozitarul Central Romania
- Malta Stock exchange Malta
- Monte Titoli Italy initially postponed and migrated on 31-AUG-2015
- SIX Sis Ltd Switzerland

Markets (Wave 2) on 29-MAR-2016:

- Interbolsa Portugal
- National Bank of Belgium Belgium

Markets to be migrated (Wave 3) 12-SEP-2016:

- Euroclear ESES (Belgium, France, Netherlands)
- VP Securities (Denmark)
- VP Lux (Luxembourg)

**Abbreviations:**

AACB	ABN AMRO Clearing Bank N.V.
CBF	Clearstream Bank Frankfurt
BIC	Bank Identifier Code
CBL	Clearstream Bank Luxembourg
CCP	Central Counter Party
CII	Computer Interface
CSD	Central Securities Depository
CeBM	Central Bank Money
DCP	Directly Connected Participant
DVP	Delivery Versus Payment
EGSP	Euroclear Group Single Platform
ESES	Euroclear Settlement of Euronext-zone Securities
FOP	Free Of Payment
ICP	Indirectly Connected Participant
ICSD	International Central Securities Depository
ISD	Intended Settlement Date
NBB	National Bank of Belgium
NPAR	Non Partial
NTS	Night Time Settlement
OEKB	Oesterreichische Kontrollbank
OTC	Over The Counter
RTS	Real Time Settlement
SIX SIS	Six Securities Services Swiss Financial Market.
SI	Settlement Instructions
SPM	Special Products Module
T2S	Target to Securities
VP	VP Securities Denmark