



T2S CORPORATE ACTIONS STANDARDS

GAP ANALYSIS REPORT

This report reflects the status of T2S markets and is based on the T2S migration plan (*as published in the ECB/T2S Webpages*) as of 31 January 2016

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Executive Summary

The T2S corporate actions (CA) gap analysis is the compliance assessment of the T2S markets with the [T2S CA standards](#). The T2S CA standards are defined and endorsed by the T2S community of stakeholders, i.e. the T2S Advisory Group (AG). This compliance assessment is performed by the Corporate Actions Sub-group (CASG) and approved by the T2S Harmonisation Steering Group (HSG), the steering group driving the harmonisation agenda of the AG. The results of the CA gap analysis are a key input to the [T2S Harmonisation Progress Report](#). The responses provided by the T2S markets are under the responsibility of the chairpersons of the [T2S National User Groups \(NUGs\)](#). The present gap analysis provides the implementation statuses of all T2S markets as per 18 January 2016.

As mandated by the AG, the present exercise focuses on two key monitoring objectives. First, to analyse carefully the post-migration compliance statuses of the five markets which joined T2S by end August 2015, i.e. Greece (BOGS), Italy, Malta, Romania and Switzerland. Second, to focus its gap analysis on the markets which plan to join T2S in March 2016 (wave 2 migration). Finally, the CASG report takes into account the revised T2S migration schedule as communicated in the ECB/T2S webpages.¹

Regarding the first T2S migration wave (by 31 August 2015), the monitoring results show that there are now three markets (CH, MT and GR (BOGS)) with Blue status (full compliance in production phase) and two markets (IT and RO) with Red status (not fully compliant in production phase)². However, the new red market (IT)³, which was green in the previous gap analysis, has made substantial progress and is already complying with the majority of the T2S CA standards. In fact, the Italian market is only partially not compliant with two standards on market claims and one on transformations. In order to measure the impact of the non-compliance on the T2S Community, a more detailed assessment is needed based on the implementation plan for full compliance of the Italian market, which is to be agreed by the T2S AG and presented to the T2S Board. The T2S Board will then decide on any further action.

Regarding the migration wave 2 markets (28 March 2016), BE (NBB-SSS) maintains its green status as it is scheduled to become fully compliant by its migration to T2S. In the case of PT, and despite the satisfactory compliance rates (see table 6), the compliance status deteriorated (Red from Green) since full compliance is postponed by six months after its migration to T2S.

Compared to the previous CASG gap analysis, the compliance status of the markets migrating in the remaining migration waves remains stable. After the rescheduling of migration waves the

¹ <http://www.ecb.europa.eu/paym/t2s/html/index.en.html> [accessed on 31 January 2016]

² Yellow and Green statuses are not relevant for migrated markets since they refer to statuses before migration. Markets already migrated to T2S can only have a Blue or Red status. See harmonisation methodology in the Fifth Harmonisation Progress Report here: http://www.ecb.europa.eu/paym/t2s/progress/pdf/ag/fifth_harmonisation_progress_report_2015_04.pdf

³ Romania was assigned a Red status already in the fifth report.

German market provided its updated plan for implementation of the T2S CA standards at the end of December 2015. However, the three NUGs of the ESES markets have not provided yet their revised implementation plans.

Table 1: Summary of compliance results of the latest gap analyses

T2S Markets' Status	March 2015 Gap Analysis	February 2016 Gap Analysis	Of which by migration wave				
			I	II	III	IV	Final
Blue	0	3	3	0	0	0	0
Green	17	11	0	1	2	6	2
Yellow	2	2	0	0	0	2	0
Red	5	7	2	1	3	1	0

BNYM CSD is included in the previous gap analysis (had a green status) but not in this one.

Key messages

The results of the current gap analysis, reflecting the status as of Jan 2016, show that

- 1. All wave 1 markets have made considerable progress towards full compliance despite the fact that there is overall deterioration in one market which was re-assessed with red status (see Table 2: three blue, two red statuses)*
- 2. There are no changes regarding the overall statuses of the rest of the T2S markets, except one wave 2 market which was assessed with red status.*
- 3. There is a need for a revised impact analysis of non-compliance with respect to both newly red markets and to those with a revised implementation plan. The impact of these changes on the rest of the T2S community will be assessed by the T2S AG and agreed by the T2S Board in the next version of the impact analysis report.*

Introduction

In September 2009, the T2S Advisory Group (AG) approved the T2S standards for processing corporate actions (CA) on flows (i.e. the standards for market claims, transformations and buyer protection) which had been prepared by the T2S CASG.⁴ Given their importance to the settlement efficiency of T2S, the AG has agreed that T2S markets (i.e. CSDs and their participants including CCPs) should therefore implement the standards prior to their migration to T2S. The T2S stakeholders should be technically ready, where applicable, to test in accordance with the relevant synchronisation points in the T2S Programme Plan.

The AG has mandated the HSG, via the CASG, with monitoring the progress of the T2S markets in implementing these standards. The gap analysis exercises have been running since January 2010. Since 2012, the gap analyses cover the T2S markets only, i.e. markets in which at least one CSD has signed the T2S Framework Agreement. As agreed in the AG, the T2S National User Groups (NUGs) chairmen are responsible for the delivery of their national market response to the gap analysis.

Procedures and methodology

This gap analysis covers market developments during the period March 2015 - January 2016. The initial survey was issued by the CASG in June 2015. T2S NUGs were invited to provide detailed information on the nature of the implementation gap (i.e. whether it requires a legislative or regulatory change, a major system change, a change in market practices, etc.) as well as the market's detailed implementation plans. By 15 September 2015, the CASG had received the surveys of the 21 T2S markets covering the 23 T2S CSDs⁵. Subsequently, further input has been provided by some T2S NUGs for this gap analysis, in particular after the CSG decision at the end 2015 to update the migration schedule of T2S. Based on this information, the T2S CASG prepared a draft assessment of the compliance status of each T2S market/CSD, which was subsequently approved by the HSG on 27 January 2016.

In addition to measuring the number of standards that the markets currently comply with, the CASG has provided a market compliance status for each market (BLUE, GREEN, YELLOW or RED) in accordance with the general AG methodology for measuring compliance with T2S harmonisation activities ([Annex 1 of the Report](#)).

In order to assign a market compliance status, the CASG members did not restrict their analysis on the current level of a T2S markets compliance with the standards. Additional elements were taken into account, such as the progress achieved since the previous survey, the severity of the

⁴ The latest versions of the three sets of standards can be found on the T2S CASG website (www.ecb.europa.eu/paym/t2s/governance/ag/html/subcorpact/index.en.html).

⁵ You can find the individual replies of T2S markets to the 2015/16 CASG gap analysis on the T2S CASG webpage here: http://www.ecb.europa.eu/paym/t2s/progress/pdf/subcorpact/20151015_consolidated_response_from_t2s_markets.pdf

barriers preventing full implementation as well as the agreed action plans for achieving full implementation before the T2S market's migration to T2S.

More specifically, for this gap analysis the following specific points have to be considered:

- With regards to compliance with the transformations standards, the T2S CASG had provided its guidance on compliance with standard 2 (detection period for transformations) in the FAQ document on T2S CA standards (see Q2.1). In effect, the CASG acknowledges that until the T2S Community implements the necessary technical change to allow instructions in T2S after the maturity/expiry date of a security (likely in Release 2 of T2S), the detection of transformations by T2S markets for all securities shall be done only once, i.e. between the end of day on Record Date and the start of day on the next (maturity date). Thus, even if market infrastructures today detect transformations only once (and not during the rest of the transformation detection period - 20 T2S opening days after the record date/market deadline), they will be considered fully compliant with the requirements of standard 2. Nevertheless, after the necessary technical change is implemented in T2S, market infrastructures should detect transformations during 20 days after the maturity date of a security.
- To achieve full compliance with the manual Buyer Protection (BP) standards, a market has to make publicly available its detailed BP framework, i.e. information on key dates, procedures, BP template, etc.

Impact analysis of non-compliance

Based on the [T2S Board view](#) published on 13 December 2013, the T2S AG analysed and presented before the T2S Board in April 2015, the impact of the non-compliance of five T2S markets (DE, FR, NL, BE and RO) on the rest of the T2S markets. In accordance with the AG proposal, T2S Board decided that in all cases the impact of non-compliance was manageable for the T2S community, provided that their plans for full compliance proceed on schedule. To ensure full compliance according to the plans of the markets, the T2S Board asked the ECB team to monitor their implementation. In this current gap analysis report, the Italian and the Portuguese markets have also been assessed by the T2S community as being non-compliant (red status). Furthermore, after the rescheduling of T2S migration waves at the end of 2015, the German market presented an updated plan for compliance. The three ESES markets (BE, FR, NL) have not yet presented their revised plans for full compliance. The AG will assess the negative externalities of this non-compliance to the T2S Community in the next version of its impact analysis report to the T2S Board.

Future work

The CASG will continue its work to support the markets/CSDs in their implementation of the T2S CA standards. The CASG will further clarify the T2S CA standards where necessary for the whole T2S Community or to individual markets. Such clarifications, where relevant, will be

included in an updated version of the Frequently Asked Questions (FAQ) document on the [CASG webpage](#). The last update of the FAQ on T2S CA Standards was done in October 2015.

1. Overall results

The CASG members have assessed and agreed to the following status for the T2S markets:

Table 1: Summary of compliance results of the latest gap analyses

T2S Markets' Status	March 2015 Gap Analysis	February 2016 Gap Analysis	Of which by migration wave				
			I	II	III	IV	Final
Blue	0	3	3	0	0	0	0
Green	17	11	0	1	2	6	2
Yellow	2	2	0	0	0	2	0
Red	5	7	2	1	3	1	0

BNYM CSD is included in the previous gap analysis (had a green status) but not in this one.

Wave 1 T2S markets

Table 2: Summary status for wave 1 markets

Wave 1 Compliance				
CH	GR	IT	MT	RO
B	B	R	B	R

Wave 1 markets are now in T2S; therefore, according to the HSG methodology, the only statuses they can have are blue or red. Based on this, there were quite a number of changes. In effect all wave 1 markets except Romania have changed their status. In particular, the Swiss, the Maltese and the Greek (BOGS) markets have become the first markets to operate fully in compliance with the T2S CA standards in T2S and have been assigned the blue status.

Two wave 1 markets have red status now. One is the Romanian market which has been assigned the red status also in the previous gap analysis. As already presented to the T2S Board in December 2014, the Romanian market has prepared an implementation plan for achieving full compliance, at the latest by February 2017. As of this gap analysis some delay is noted but the necessary legislative changes were adopted on 25 September 2015, which would allow the market to respect the deadline for final compliance by February 2017. An updated plan has been provided by the Romanian market at end October 2015. The other market with red status from wave 1 in this gap analysis is the Italian market. It does not fully comply with two market claims and one transformations standards: non-generation of market claims (market claim standard 6) and transformations (transformations standard 3) for OTC transactions and lack of provision of user friendly facility to CSD participants to manage the interdependence of settlement of market claims and the underlying transaction for on-exchange and CCP transactions (market claim standard 23).

Wave 2 T2S markets

Table 3: Summary status for wave 2 markets

Wave 2 Compliance	
NBB	PT
G	R

Regarding the migration wave 2 markets (28 March 2016), BE (NBB-SSS) maintains its green status as it is scheduled to become fully compliant by its migration to T2S, while the status of the PT market became red, as it will not be fully compliant with the T2S CA Standards for some rarely occurring corporate action types for up to six months after its migration in March 2016.

Wave 3 T2S markets

Table 4: Summary status for wave 3 markets

Wave 3 Compliance				
BE	FR	DK	NL	VP LUX
R	R	G	R	G

VP DK and VP Lux preserve their green statuses, similarly to the assessment in the previous gap analysis. The ESES (BE, FR and NL) markets maintain their red statuses. After the rescheduling of T2S migration, the ESES markets have delayed their timeline to reach full compliance with T2S CA Standards without providing a deadline by which they plan to reach full compliance. Thus, the planned non-compliance of the ESES markets at the time of their migration worsens compared with the situation reported prior to the change of the T2S migration schedule.

Wave 4 and final wave markets

Table 5: Summary status for wave 4 markets

Wave 4 Compliance								
AT	DE	EE	HU	LUX CSD	LT	LV	SI	SK
Y	R	G	G	G	G	Y	G	G

Table 6: Summary status for the final wave markets

Final Wave Compliance	
ES	FI
G	G

The CASG agreed not to change the compliance statuses of T2S markets, which are migrating in wave 4 and the final wave. Thus 8 markets preserve their green status, 2 markets continue to be yellow and the only red market remains Germany.

Overall results

Out of 23 monitored entities (i.e. one T2S market may include more than one CSD) in the current report, the outcome of the gap analysis exercise shows that there are only three markets CH, MT and GR(BOGS) with Blue status (full compliance with T2S CA standards in production phase). Eleven markets are Green compared to 17 in the previous gap analysis in 2015. This decrease is due to: 1) the non-participation of BNYM CSD which was Green in the previous gap analysis; ii) the change to Blue status of three previously Green markets (CH, MT and GR (BOGS)); iii) the downgrade to Red of one wave 1 market (IT) and one wave 2 market (PT) which were previously Green. Two T2S markets are still yellow according to the current gap analysis. LV remains with yellow status due to a tax issue hindering full compliance. The Austrian market remains with yellow status since there is still uncertainty regarding the timely adoption of a legislative change required to address compliance with market claim standard 13 on the information flow between the issuer and the issuer CSD.

The number of T2S markets maintaining a red status have increased to seven compared to five in the previous exercise. The assessment of BE (EoC), FR, NL, DE, and RO remains 'Red' as full compliance is planned for after their migration to T2S. The newly red markets are Italy and Portugal. Italy has already migrated to T2S and has already made substantive progress in compliance with the T2S CA standards despite the status downgrade. The Italian market does not fully comply with two market claims standards and one transformations standard: non-generation of market claims (MC standard 6) and transformations (transformations standard 3) for OTC transactions and lack of provision of user friendly facility to CSD participants to manage the interdependence of settlement of market claims and the underlying transaction for on exchange and CCP transactions (standard 23). The Italian market plans to become fully compliant with all T2S standards by end 2016. Similarly, the PT market became red, as it will not be fully compliant with the T2S CA Standards for some rarely occurring corporate action types for up to six months after its migration in March 2016. Furthermore, after the rescheduling of T2S migration waves at the end of 2015, the DE market presented an updated plan for compliance and while the ESES markets did not provide revised implementation plans. The effect of the remaining non-compliance (of the newly red markets and the changes of plans of non-compliant markets which were already assessed) on the rest of the T2S community will be assessed by the T2S AG and agreed by the T2S Board in the next version of the impact analysis of non-compliance.

1.1 T2S markets compliance status

This section provides a summary information table regarding the compliance status of all T2S markets.

The compliance status takes into account a number of factors, inter alia:

- the severity of barriers to implementation (in particular the need for extensive legislative amendments or changes in tax policy, which are not fully agreed with authorities, are given a strong weighting); and
- the availability of detailed action plans and concrete dates, as agreed at market level, to fully implement the standards.

It is therefore possible to have a low or even zero statistical value (in table 7) with a Green overall compliance status (in Table 6) at the same time. It is also possible to have a high statistical value but at the same time a yellow or red overall compliance status, reflecting some major regulatory, tax or legal barrier preventing full compliance.

For further details regarding the methodology used for compiling Table 6 is see Annex 1 (methodology) of the T2S Harmonisation Progress Report.

Table 6. T2S markets' compliance status

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
AT – Austria (W4)	Y	Low rate of current compliance. However, the Austrian market has committed to comply with all the T2S CA standards by the time of its migration to T2S and has provided an implementation plan. The only uncertainty remains the market practice change needed regarding the information flow between the issuer/issuer agents and the AT CSD. It is not clear yet whether this will be introduced on time.
BE - Belgium (EoC) (W3)	R	Euroclear Belgium plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. However, it will not comply fully with the transformations and buyer protection standards by the time of its migration to T2S and there is no date by which this will be completed.
BE – Belgium (NBB) (W2)	G	The only barriers to full compliance with market claims standards no 6 and 23 are additional controls which NBB-SSS participants requested to have at securities account level. Nevertheless, the Belgian market has a plan to fully comply by its migration to T2S.
CH – Switzerland (W1)	B	Since its migration to T2S, the Swiss market has achieved full compliance with the T2S CA standards

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
DE – Germany (W4)	R	The German NUG has reported that the necessary legal changes have been made by the German parliament in order to introduce record date on 1 January 2017, one year later than originally planned, but still prior to DE market migration to T2S (February 2017). Implementation of the standards with high impact on the T2S Community (payment on T2S DCA accounts and managing of fractions) is still scheduled within six months of Clearstream's migration to T2S, but due to the change of migration wave will materialise by August 2017 instead by March 2017. The German market does not yet have a plan to eventually comply with the two remaining standards ("CUM" flag and generating of MCs independently of settlement of the underlying transaction). It may elaborate such plans only after discussions with the authorities and analysis of volume developments after the introduction of Record date.
DK – Denmark (W3)	G	As part of the implementation plan provided by DK NUG, VP will offer an automated CA detection solution. According to VP, this solution will be ready for community testing prior to T2S migration (September 2016).
EE – Estonia (W4)	G	No changes in primary legislation have been identified and only amendments to the CSD rules will be needed. Technical implementation and testing of the new functionalities is on schedule for T2S migration. Implementation in the rules of the CSD is planned as of Q1 2017.
ES – Spain (FW)	G	Changes in level II legislation are needed to fully comply with the standards from legislative perspective. The rulebook has already been changed in June 2015, and additionally in December 2015, and implementation of most standards will take place at the time of go live of the Spanish reform in early February 2016. A few standards will only be implemented as from migration of Iberclear to T2S in 2017.
FI – Finland (FW)	G	There is a detailed plan to meet the standards by end 2016. No technical or regulatory issues remain.
FR – France (W3)	R	Euroclear France plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. However, it will not comply fully with the transformations and buyer protection standards by the time of its migration to T2S and there is no date by which this will be completed.
GR – Greece (BOGS) (W1)	B	As of end October 2015, BOGS has achieved full compliance with the T2S CA standards
HU – Hungary (W4)	G	<p>Consultations with tax authorities are on-going on clarifying withholding tax regime. Other proposals for legislative changes have been submitted by Keler to the authorities and no problems have been identified adopt them in the legislation. Detailed analysis and plan exist to comply with all standards from technical perspective by 2016.</p> <p>Full implementation is planned for KELER's migration to T2S.</p>

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
IT – Italy (W1)	R	The Italian market has already migrated to T2S and all the T2S standards on CA processing are complied with except market claim standard 6 and transformations standard 3 because of non-generation of market claims, respectively transformations for OTC transactions, as well as Market Claim standard 23 regarding the lack of provision of a user friendly facility to the Monte Titoli's participants in order to ensure that the market claim is not settled prior to the settlement of the underlying on-exchange and CCP transactions. There is a commitment to comply with all the standards by the end of 2016. Based on this, as well as additional more detailed information to be provided by the IT NUG, the Italian market case will be assessed under the T2S Board non-compliance framework.
LT – Lithuania (W4)	G	Even if a number of barriers to full compliance have been identified by the Lithuanian market, the T2S NUG is confident that these will be resolved by migration to T2S. All necessary changes of CSD rules, as well as activation of new technical functionalities, will take effect as of migration to T2S (Feb 2017)
LU – Luxembourg (LUX CSD) (W4)	G	Compliance with more than half of the MC standards has been achieved. Where non-compliance has been indicated with certain standards, LUX CSD has confirmed that only a change in market practice would be necessary. The standards will be adopted fully with the migration of LuxCSD in T2S.
LU – Luxembourg (VP Lux) (W3)	G	VP LUX has committed to fully comply with the T2S CA standards prior to its migration to T2S (Sept 2016). As part of its plan, VP LUX will offer an automated CA detection service to its participants. The service will be ready for community testing in February 2016 prior to migration of VP LUX to T2S.
LV – Latvia (W4)	Y	Full compliance with the standards is planned to be finalised at the time of migration to T2S in February 2017, although the majority of changes will be implemented by Q2 2016. However, there is an outstanding issue with tax law which needs to be solved in order to ensure that full compliance with the standards is achieved on time for migration to T2S. This will require change in market practice and discussion is on with CSD participants on changes required at the level of CSD participant-customer.
MT – Malta (W1)	B	All the standards with regards to market claims and transformation are already implemented since the Maltese CSD migrated to T2S. In addition, the manual Buyer Protection framework of the Maltese market has entered into force on 16 December 2015, enabling the Maltese market to fully comply with all T2S CA Standards.
NL – Netherlands (W3)	R	Euroclear Netherland plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. However, it will not comply fully with the transformations and buyer protection standards by the time of its migration to T2S and there is no date by which this will be completed. Nevertheless, the Dutch market complies with the BP standards for OTC transactions as of 1 January 2016.

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
PT – Portugal (W2)	R	The PT market has already achieved high compliance with the T2S CA Standards and is working actively for implementation of the rest of the standards. However, full compliance by the market will be reached only in September 2016, i.e. within six months after its migration to T2S. Compliance gaps: a) non-generation of market claims and transformations for some corporate action events and b) lack of key dates necessary for compliance with the BP standards in the corporate action announcements.
RO – Romania (W1)	R	The Romanian market was not fully compliant with the T2S CA standards by its migration to T2S. The RO T2S NUG had provided an implementation plan for achieving full compliance by February 2017 in October 2014. However, as of autumn 2015 it was noted that there is delay in the progress of the original implementation plan by the Romanian market even if some legislative changes have been approved by the Romanian Financial Supervisory Authority in September 2015. The Romanian market provided an updated implementation plan at the end of October 2015 with the same deadline for achieving full compliance as the original plan, i.e. February 2017.
SI – Slovenia (W4)	G	Major legal reform has been adopted in the legislation in October 2015. The Slovenian T2S NUG plans to fully comply with the standards by its migration to T2S in February 2017.
SK – Slovakia (W4)	G	CDCP has prepared the necessary proposals for changes of its Rules of Operation, which will be submitted on time to the regulators to be adopted before migration to T2S. Implementation of the necessary technological changes into its information systems (in the testing system) has been done at the end of 2015. The Slovakian market is aware of the CDCP's plans and no obstacles have been identified for their implementation although community testing of CAs processing is expected to commence only when at least the draft updated Rules of Operation become available – expected in Q2 2016.

1.2 Statistics on T2S markets current compliance

Some statistics on quantitative measurements of compliance based on the surveys provided by T2S markets/CSDs is presented below in a summary table of the current compliance of all T2S markets with the T2S CA standards. The statistical assessment in Table 7 reflects the current stock taking results based on the T2S NUGs responses to the current CASG gap analysis survey, which were received by the end of September 2015.

Table 7. Current compliance of T2S markets with T2S CA standards as of Sept 2015

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
AT – Austria (W4)	7%	0%	39%
BE - Belgium (EoC) (W3)	46%	23%	0%

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
BE – Belgium (NBB) (W2)	93%	100%	0%
CH – Switzerland (W1)	100%	100%	100%
DE – Germany (W4)	46%	0%	94%
DK – Denmark (W3)	21%	15%	0%
EE – Estonia (W4)	43%	15%	0%
ES – Spain (WF)	46%	46%	0%
FI – Finland (WF)	0%	0%	0%
FR – France (W3)	43%	31%	0%
GR – Greece (BOGS) (W1)	100%	100%	100%
HU – Hungary (W4)	4%	8%	6%
IT – Italy (W1)	93%	92%	100%
LT – Lithuania (W4)	0%	0%	0%
LU – Luxembourg (LUX CSD) (W4)	54%	0%	94%
LU – Luxembourg (VP Lux) (W3)	21%	15%	0%
LV – Latvia (W4)	0%	0%	0%
MT – Malta (W1)	100%	100%	100%
NL – Netherlands (W3)	43%	23%	0%
PT – Portugal (W2)	75%	54%	0%
RO – Romania (W1)	0%	0%	0%
SI – Slovenia (W4)	0%	0%	0%
SK – Slovakia (W4)	0%	0%	0%

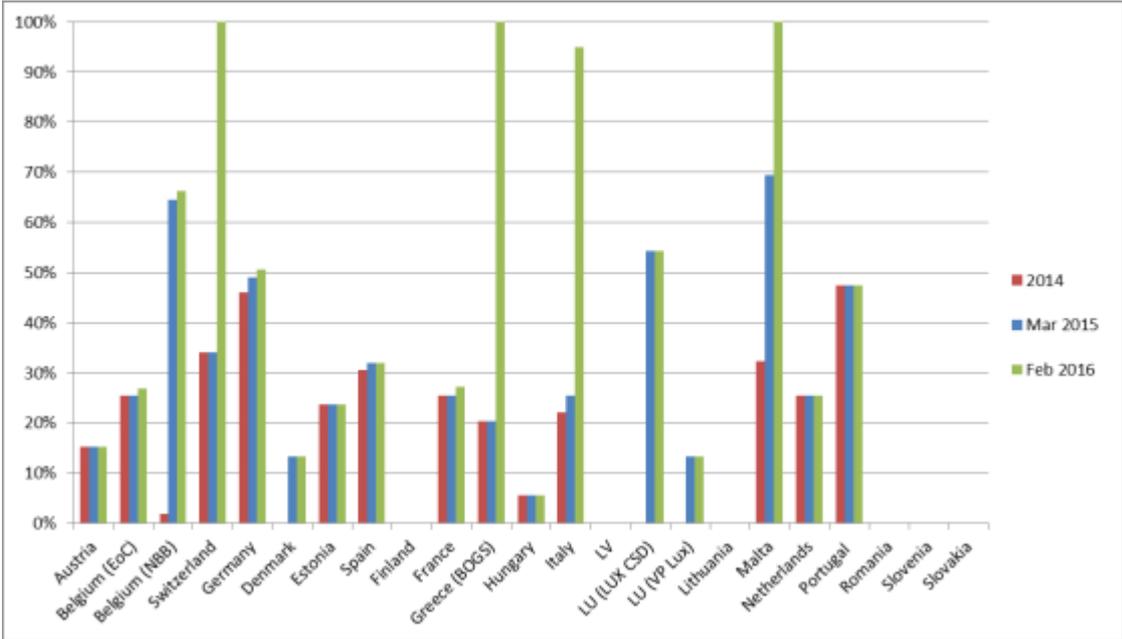
Source: Latest gap analysis surveys of T2S markets/CSDs

Table 8. Comparative statistics of current compliance across T2S markets (2014-2016)

	Market claims			Transformations			Buyer protection			Total			Trend
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	
Austria	7%	7%	7%	0%	0%	0%	39%	39%	39%	15%	15%	15%	→
Belgium (EoC)	43%	43%	46%	23%	23%	23%	0%	0%	0%	25%	25%	27%	↗
Belgium (NBB)	4%	93%	93%	0%	92%	100%	0%	0%	0%	2%	64%	66%	↗
Switzerland	36%	36%	100%	8%	8%	100%	50%	50%	100%	34%	34%	100%	↗
Germany	43%	43%	46%	0%	0%	0%	83%	83%	94%	46%	49%	51%	↗
Denmark	0%	21%	21%	0%	15%	15%	0%	0%	0%	0%	13%	13%	→
Estonia	43%	43%	43%	15%	15%	15%	0%	0%	0%	24%	24%	24%	→
Spain	43%	46%	46%	46%	46%	46%	0%	0%	0%	31%	32%	32%	→
Finland	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
France	43%	43%	43%	23%	23%	31%	0%	0%	0%	25%	25%	27%	↗
Greece (BOGS)	43%	43%	100%	0%	0%	100%	0%	0%	100%	20%	20%	100%	↗
Hungary	4%	4%	4%	8%	8%	8%	6%	6%	6%	5%	5%	5%	→
Italy	29%	32%	93%	31%	38%	92%	6%	6%	100%	22%	25%	95%	↗
Lithuania	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
LU (LUX CSD)	0%	54%	54%	0%	0%	0%	0%	94%	94%	0%	54%	54%	→
LU (VP Lux)	0%	21%	21%	0%	15%	15%	0%	0%	0%	0%	13%	13%	→
Latvia	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
Malta	68%	100%	100%	0%	0%	100%	0%	0%	100%	32%	69%	100%	↗
Netherlands	43%	43%	43%	23%	23%	23%	0%	0%	0%	25%	25%	25%	→
Portugal	75%	75%	75%	54%	54%	54%	0%	0%	0%	47%	47%	47%	→
Romania	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
Slovenia	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
Slovakia	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→

Source: Gap analysis surveys of T2S markets/CSDs

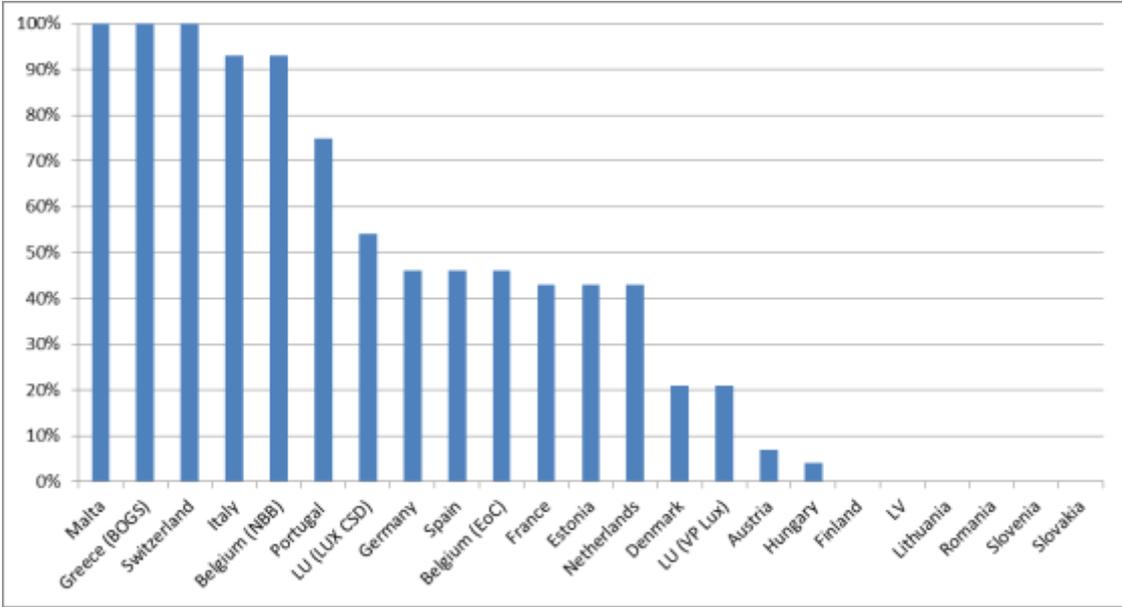
Figure 1. Development of compliance with T2S CA standards (2014-2016)



Source: Latest Gap analyses surveys of T2S markets/CSDs

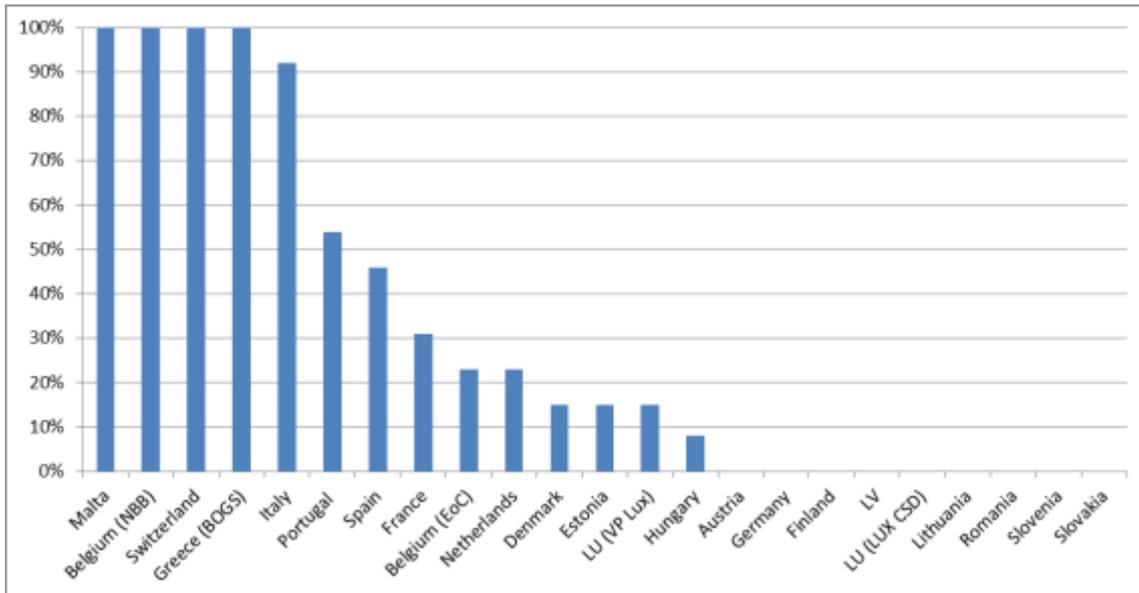
The figures below rank the markets/CSDs by rate of compliance for each set of standards:

Figure 2. Market Claims (% compliance for each market/systems as of Jan 2016)



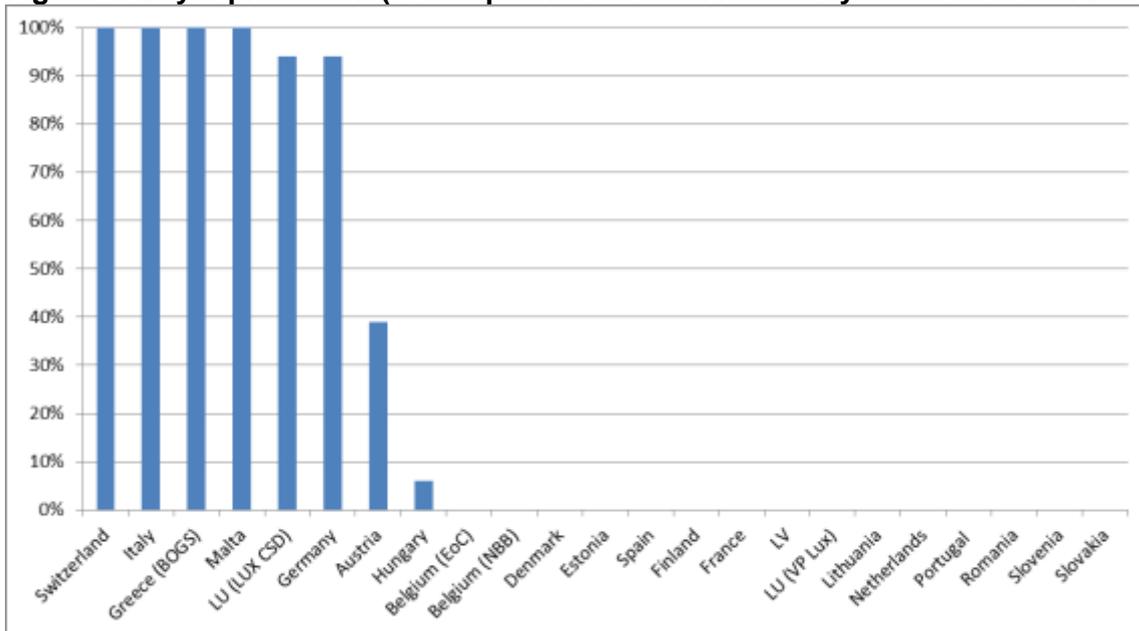
Source: Latest gap analysis surveys of T2S markets/CSDs

Figure 3. Transformations (% compliance for each market/systems as of Jan 2016)



Source: Latest gap analysis surveys of T2S markets/CSDs

Figure 4. Buyer protection (% compliance for each market/systems as of Jan 2016)



Source: Latest gap analysis surveys of T2S markets/CSDs

1.3 AT - Austria⁶

	Market claims	Trans-formations	Buyer protection	Total
Austria	7%	0%	39%	15%

Migration Wave 4 (February 2017)

⁶ CASG liaison persons: Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)

Overall assessment: YELLOW

Only a few of the standards are currently implemented. However, according to the Austrian NUG compliance with all the standards will take place by February 2017, i.e. the migration of OeKB to T2S. In particular, the Austrian market has provided a detailed implementation plan on compliance with all standards except market claims standard 13 on the information flow between the issuer and the issuer CSD, on which there is still discussion between the involved parties (CSD, CCP and banks as issuers and issuers' agents) and there is no certainty whether it will enter into force by the time of migration to T2S. The Austrian market considers that it now complies with almost half of the BP standards.

Market claims

The Record date was successfully introduced in the Austrian market in November 2015. The information flow between the Issuer (or the Issuer's Agent) and the CSD in the Austrian Market is currently under discussion between the involved parties (CSD, banks, issuers and issuers agents). In Austria all data must be published by the issuer for all corporate action events in official gazette and CSD and all domestic banks catch this information electronically to inform their customers and participants. Thus the actual flow of information on the Austrian market is issuer - Central data vendor - CSD - Participants will not be changed for migration to T2S. Change of market practice that issuer must inform in addition the CSD directly will potentially be introduced by the Austrian market with the adoption of the Shareholder Rights Directive. The Austrian market would like to avoid that it changes its market practice on this for T2S and change it again in two years when the SRD is adopted. Introduction of the information flow Issuer to CSD can be done via change of market practice only; there is no need for legislative change. The Austrian market, even though it agreed to do this in stages, will also implement the independence of the settlement of the market claim from the underlying transaction before the Austrian market migrates to T2S.

Transformations

Transformations are done manually today in the Austrian Market. For CSD/OTC settlement no transformations are done currently. Basic (manual) transformation services are offered at CCP level. The new regime must therefore be built up from scratch. Thus serious change to current market practice and to IT-Infrastructure (for OeKB and market participants) would be required to close the gap with standards. Compliance with the standards will take place prior to the migration to T2S.

Buyer protection

The Austrian market response states that OeKB does not and will not implement an automated BP service as affected events are very rare. As market practice BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S. From that perspective, the Austrian market believes that it has implemented 7 out of the 18 standards in manual mode.

1.4 BE - Belgium

1.4.1 Euroclear Belgium⁷

	Market claims	Trans-formations	Buyer protection	Total
BE – (EoC)	46%	23%	0%	27%

Migration Wave 3 (September 2016)

Overall assessment: **RED**

Euroclear Belgium already complies with a number of T2S CA Standards on market claims and transformations. Euroclear Belgium plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. In particular, following rescheduling of ESES markets migration to T2S, there is still no compliance date regarding the Euroclear Belgium's segment of the Belgian market full compliance with the transformations and buyer protection standards.

Market Claims

Thirteen standards are currently implemented. Detection, processing and reporting of market claims are available in the CSD. Compliance with some standards requires major technical changes with regards to Opt-out facility, Ex/Cum indicator management, Hold and Release mechanism and Partial settlement of market claims in securities.

Transformations

The implementation of most of the standards requires major technical changes. Transformation is available on intra-CSD transactions for most mandatory reorganisations but due to some specificities it is not considered fully implemented. For mandatory reorganisation in cash and mandatory reorganisations with options, the CSD only cancels the pending transaction. Likewise, for cross-CSD transactions, the CSD only cancels the pending transactions. Generation of the transformed instruction will not be achieved by the time of Euroclear migration to T2S but only at a later stage which is yet to be agreed with the market.

Buyer Protection

Currently, a manual buyer protection process only exists on CCP transactions (performed by the CCP). Implementation of the standards will require change in existing market practice and is dependent on the full implementation of key dates on the Belgian market. Manual buyer protection solution will be developed on a bilateral basis. None of the standards are currently implemented and full implementation is only planned after migration to T2S at a later stage which is yet to be agreed with the market.

1.4.2 National Bank of Belgium SSS⁸

	Market	Trans-	Buyer	Total
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⁷ CASG liaison persons: Christophe Delbrouck (Euroclear) and Ben Van der Velpen (ING)

⁸ CASG liaison persons: Christophe Delbrouck (Euroclear) and Ben Van der Velpen (ING)

	claims	formations	protection	
BE – NBB SSS	93%	100%	0%	66%

Migration Wave 2 (March 2016)

Overall assessment: GREEN

Compliance with the T2S CA standards is facilitated as NBB-SSS settles only debt securities. Furthermore, its contractual framework with the issuers allows it to refuse to process certain CAs. The NBB-SSS launched on 2 February 2015 a new technical platform and a new rulebook came into force at the same moment. This allowed NBB-SSS to achieve almost full compliance with the T2S CA standards on market claims and transformations. The only barriers to full compliance with market claims standards are the additional controls which NBB-SSS participants requested to have at securities account level ((i) whether to generate or not market claims when settling on a securities account and (ii) whether to generate all market claims on a securities account with an “on-hold” status) which prevents full compliance with MC standards 6 and 23. Currently the control for NOT generating market claims is set up by default for all securities accounts. Nevertheless, the Belgian market has committed to use these controls only till NBB-SSS migration to T2S in wave 2.

The T2S CASG has confirmed that the BP standards are also applicable to NBB-SSS even though it settles only debt securities. NBBSSS agreed to become fully compliant with the standards on manual BP by the time of its migration to T2S in March 2016.

1.5 CH - Switzerland⁹

	Market claims	Trans-formations	Buyer protection	Total
Switzerland	100%	100%	100%	100%

Migration Wave 1 (June 2015)

Overall assessment: BLUE

The Swiss market is operating fully in accordance with the T2S CA standards.

Market claims

CH market is currently operating according to T2S standards on MC and has achieved 100% compliance.

Transformations

The Swiss market has complied with all the transformation standards. As agreed by the CASG it currently detects transformations only once but when the necessary CR is implemented in T2S (potentially in Release 2) it will comply with the standard transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).

Buyer Protection

⁹ CASG liaison person: Florentin Soliva (UBS)

CH market is currently operating according to T2S standards on BP and has achieved 100% compliance. As per Swiss MIG decision in August 2013, no automated buyer protection service will be provided by SIX SIS. A 'manual buyer protection process' will be followed by market participants according to the "Transaction Management Handbook" published by the CSD.

1.6 DE - Germany¹⁰

	Market claims	Trans-formations	Buyer protection	Total
Germany	46%	0%	94%	51%

Migration Wave 4 (February 2017)

Overall assessment: RED

The German market, even though it complies with a number of market claim and BP standards, has acknowledged that it will not become fully compliant with all T2S CA standards by the time of its migration to T2S. According to its updated implementation plan, implementation of the standards with high impact is still scheduled to be within six months of Clearstream’s migration to T2S. However, there is currently no plan for full compliance with market claims standard 19 (generating market claims on pending transactions) and market claim standard 7 with regards to the ‘CUM’ flag. More details on how the German market plans to reach compliance with the T2S CA standards are provided below.

Record date

The German market plans to introduce a record date on 1 January 2017, instead of 2016 as originally planned. The necessary legislative proposal has been agreed by the Ministry of justice and was approved by the legislators at the end of November 2015. The necessary technical changes have been implemented in Clearstream’s system release in November 2015.

Cash payments and related tax issues

Regarding MC standard 15 (the cash payment in T2S dedicated cash accounts (DCAs), as well as MC standards 9, 10 and 14 (non-compliance stems from withholding tax issues in Germany), the German market sought approval from CASG on the functional model that has been developed for generating Payment Free of Delivery (PFoD) instructions. The CASG considered this model and agreed that it is in line with the T2S CA standards. Implementation will be feasible at the latest within six months of CBF joining T2S. Thus, due to the change of the migration of Clearstream to T2S, it will be achieved by August 2017 instead of March 2017 as originally planned.

Cum indicator

Regarding the usage of the “cum” flag, tax issues around market claims need to be resolved. However, this is not foreseen by the time of the migration of the German market to T2S.

¹⁰ CASG liaison person: Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)

German Market Practice Committee has decided to monitor the handling and processing of "CUM" flag in other T2S markets and will start after period of time discussions with Ministry of Finance (MoF) again to implement the "CUM" flag a few months after the migration of wave 4 CSDs.

Fractions

Currently the compensation of fractions in Germany is made by using interim securities. For fractional compensation arising out of cross-border cases, the implementation will take place from the time of CBF migration to T2S in February 2017. Implementation of fractional compensation arising out of market claims in the domestic context will be feasible at the latest within six months of CBF joining T2S, thus by August 2017 instead of March 2017 because of the changes to the T2S migration schedule.

Generation of market claims on pending transactions (Market claim 19)

While the German market detects market claims on all pending matched transactions, Clearstream currently generates market claims only when the underlying transaction has settled. The German MPC decided to wait for the introduction of Record Date and a subsequent period of observation and monitoring of how the market participants will adapt to this major change and only then to agree whether to comply with this standard, i.e. currently there is no plan for full compliance with it.

Buyer Protection

The German market decided not to introduce an automated BP infrastructure. The CSD would not need to make any system changes in relation to buyer protection since the exchange of BP instructions takes place bilaterally between the counterparts, outside the CSD environment. Therefore, the German market already complies with most BP standards. Clearstream has published on its website the final version of BP instruction template agreed by CAJWG and T2S CASG as well as all the requirements of the market and T2S BP standards, including the agreed timeline. The German market will use the data provider Wertpapier-Mitteilungen as central source for providing and publishing Buyer Protection key dates.

1.7 DK - Denmark¹¹

	Market claims	Trans-formations	Buyer protection	Total
Denmark	21%	15%	0%	13%

Migration Wave 3 (September 2016)

Overall assessment: GREEN

The Danish market has committed to comply with the T2S CA standards prior to its migration to T2S. As part of VP's adaptation to T2S, it will offer an automated CA on flow solution for

¹¹ CASG liaison person: Nikolaj Hesselholt Munck

managing market claims and transformations which will be ready for community testing sufficiently in advance so as to ensure compliance with all T2S CA standards by the time of migration of VP to T2S in September 2016. Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

Market claims

Danish market has started to implement the T2S CA standards on market claims and 6 out of the 28 standards have already been implemented as part of the VP adaptation to T2S. Full implementation will take place prior to the migration of Danish market to T2S in September 2016. In particular, the Danish market will introduce end of day record dates for all CA types by its migration to T2S – the only CA event type to be standardised remains allocation of rights; implementation of end of day record date for redemptions has been done as of 21 September 2015.

Transformation

Implementation of T2S CA standards on transformation has started as part of VP’s adaptation to T2S and 2 out of the 13 standards have already been implemented. Full implementation will take place prior to the migration of Danish market to T2S in September 2016

Buyer protection

Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by its migration to T2S in September 2016.

1.8 EE - Estonia¹²

	Market claims	Trans-formations	Buyer protection	Total
Estonia	43%	15%	0%	24%

Migration Wave 4 (February 2017)

Overall assessment: GREEN

No change has been reported with respect to the compliance with T2S CA standards as compared to the previous survey. Compliance with the T2S CA standards is still within the timeline of migration of the CSD to T2S. According to the current analysis no changes in primary legislation have been identified and only amendments to the CSD rules/market practice changes will be needed. Standards with regards to detection of market claims and transformations have been already implemented; standards for generations have been implemented in the testing system at the end of 2015 and internal testing is ongoing, on schedule to proceed with the testing plan for full implementation in the live system with

¹² CASG liaison person: Christine Strandberg (SEB)

migration to T2S, while the respective rules of the CSD are planned to be amended by Q1 2017. Manual BP will be implemented in the Estonian market.

Market claims

The potential tax issue with regards to market claims has been clarified with the authorities that no changes in the regulations would be needed. Decision has been taken to implement the new functionalities in two steps - first the detection mechanism and later the generation and settlement of the relevant instructions (proceeds). The detection of market claims for matched transactions has already been implemented. Overall 12 of 28 standards were implemented. 11 of the standards which were not yet implemented are said to be straightforward to implement; implementation of the other standards would require only market practice change.

Transformations

The detection of transactions subject to transformations was implemented together with the implementation of the market claims detection. The functionality to generate transformations have been implemented in the test system and internal testing has already started, to be followed by the T2S testing according to the T2S timetable. The functionality will be launched together with the implementation of T2S. Amendment to CSD rules will take place by migration to T2S in Q1 2017.

Buyer protection

Manual buyer protection will be introduced in the Estonian market. The CSD may be mediating BP by manual BP in case of cross-CSD transactions. The practice will be launched together with the implementation of T2S.

1.9 ES – Spain¹³

	Market claims	Trans-formations	Buyer protection	Total
Spain	46%	46%	0%	32%

Final Migration Wave (September 2017)

Overall assessment: GREEN

Iberclear already complies with roughly half of the standards on market claims and transformations. Lower rank regulation, dependent on IBERCLEAR, needs to be amended to fully comply with some standards but no obstacles have been identified in this respect. The description of some of the procedures that need to be changed to achieve compliance have been already published in June 2015, and additionally in December 2015, but they will be implemented only once the Reform of the Spanish Registry, Clearing and Settlement System goes live (originally planned for February 2016). Iberclear plans to be fully compliant with all T2S CA standards, even those requiring major technical changes, by its migration to T2S.

¹³ CASG liaison person: Irene de Miguel / Mikel Picallo (IBERCLEAR)

Market Claims

For the standards which are not fulfilled, six require “Major Technical Change”, and six are straightforward to implement. Most of these are because ISO CA messages are not yet implemented in Iberclear (e.g. for the implementation of Ex/Cum indicator, CLAI transaction type, etc.). For some standards implementation will require further lower rank regulatory changes completely dependent on Iberclear, as the most significant legal changes have already been implemented.

Transformations

Again, several standards are not fulfilled because IBERCLEAR does not use yet standard ISO messages when processing CAs and therefore a major technical change is required. Iberclear intends to carry out transformations at the end of record date also for transactions that are not yet matched. Iberclear is aware that this is against the standards but it will comply with the T2S standards prior to its migration to T2S. Standards that are straight-forward to implement will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live and standards that require major technical change will be implemented prior to migration to T2S.

Buyer Protection

Automated BP mechanism will be applied by BME-Clearing (Spanish CCP) since it will manage the transformations. The description of most of the changes required for BP processing according to the T2S CA standards has been already published in June 2015 and additional changes have been published in December 2015; however, those changes will be implemented only once the Reform of the Spanish Registry, Clearing and Settlement System goes live. Full implementation of the T2S BP standards will be achieved by the time of migration of the Spanish market to T2S.

1.10 FI - Finland¹⁴

	Market claims	Transformations	Buyer protection	Total
Finland	0%	0%	0%	0%

Final Migration Wave (September 2017)

Overall assessment: GREEN

T2S CA standards for market claims and transformations have already been implemented for money market instruments in February 2015, while standard-compliant processing will be introduced for the other instruments by the end of 2016, when the new system of the CSD will be launched. The CASG reviewed and agreed that the Euroclear Finland proposed model for

¹⁴ CASG liaison persons: Päivi Ahola (Danske Bank) and Leena Ruostetsaari (Euroclear FI)

market claims processing, in particular with the taxation aspect, is in line with the T2S CA standards. In practice, the Finish market will raise market claims for shares applying the maximum tax rate. The Finnish market plans to implement manual BP, which will require only market practice change, by the time of its migration to T2S in February 2017.

1.11 FR - France¹⁵

	Market claims	Trans-formations	Buyer protection	Total
France	43%	31%	0%	27%

Migration Wave 3 (September 2016)

Overall assessment: RED

Euroclear France already complies with a number of T2S CA Standards on market claims and transformations. It plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. In particular, following rescheduling of ESES markets migration to T2S, there is no date when Euroclear France will fully comply with the transformations and buyer protection standards.

Market Claims

Twelve standards are currently implemented. Detection, processing and reporting of market claims are available in the CSD. Compliance with some standards requires major technical changes with regards to Opt-out facility, Ex/Cum indicator management, Hold and Release mechanism and Partial settlement of market claims in securities.

Transformations

The implementation of most of the standards requires major technical changes. Transformation is available on intra-CSD transactions for most mandatory reorganisations but due to some specificities it is not considered fully implemented. For mandatory reorganisation in cash and mandatory reorganisations with options, the CSD only cancels the pending transaction. Likewise, for cross-CSD transactions, the CSD only cancels the pending transactions. Generation of the transformed instruction will not be achieved by the time of Euroclear migration to T2S but only at a later stage which is yet to be agreed with the market.

Buyer Protection

Currently, a manual buyer protection process only exists on CCP transactions (performed by the CCP). Implementation of the standards will require change in existing market practice and is dependent on the full implementation of key dates on the French market. Manual buyer protection solution will be developed on a bilateral basis. None of the standards are currently implemented and full implementation is only planned after migration to T2S at a later stage which is yet to be agreed with the market.

¹⁵ CASG liaison persons: Christophe Delbrouck (Euroclear Group) and Frederic Beck (BNP Paribas)

1.12 GR – Greece (BOGS)¹⁶

	Market claims	Trans-formations	Buyer protection	Total
Greece	100%	100%	100%	100%

Migration Wave 1 (June 2015)

Overall assessment: **BLUE**

The Greek NUG has reported full compliance with all the standards on market claims and transformations as of its migration to T2S. Manual Buyer Protection procedures were implemented (for the Greek government Securities market) at end October 2015.

1.11 HU - Hungary¹⁷

	Market claims	Trans-formations	Buyer protection	Total
Hungary	4%	8%	6%	5%

Migration Wave 4 (February 2017)

Overall assessment: **GREEN**

The Hungarian market only complies with one standard for each the market claims, transformations and BP standards. Detailed analysis and plan exists to comply with all standards. Compliance with technical standards is considered straightforward to implement as functionalities to achieve this are already available in KELER's new system, whose functionalities with regards to corporate actions on flow are currently being tested in the T2S testing environment; however, based on an agreement with the market, those functionalities will be activated only in 2016. Good progress is being also made in achieving legislative compliance, where the Hungarian authorities are responding positively to the proposals for legislative changes needed for the Hungarian market to implement the standards.

Market Claims

Currently custodians of the buyer and seller having pending transactions between each other monitor trades being subject of market claim. The market claim standards therefore require a major technical change from KELER's perspective. With regards to MC standard 2 KELER has formulated its proposal of law changes and sent them to the Ministry of Economics. At a meeting with them in September 2015, the Ministry agreed with this proposal to make KELER an official CA announcement source according to the Hungarian legislation; the law is scheduled to come into force in March 2016. No other gaps of legislative nature were identified,

¹⁶ CASG liaison person: Frederic Beck (BNP Paribas)

¹⁷ CASG liaison person: Ben van der Velpen (ING)

except with regards to compliance with MC standard 14, where KELLER, together with the Ministry of the Economics, is planning to contact the Hungarian Tax Authority in order to propose changes in the tax related issues (e.g. to work out the framework of withholding tax adjustment and deduction as well as the tax declaration and reporting functions of a tax withholding agent, furthermore simplify and fasten tax refund procedure due to the application of the maximum withholding tax on market claims). The CSD has implemented only standard 11, whereas 26 standards are listed as straightforward to implement and 1 standard requiring major technical change. Implementation of the new CSD software will help Keller meet most of the standards and there are no barriers to implementation.

Transformations

Since transformation process is not recognised in the market it would require major market practice change and technical changes. However, all the standards are considered ‘straightforward to implement’ with the replacement of the existing system with a completely new system. Implementation of the standards will take place in 2016 although functions relating to the standards have been available in the software which is currently being tested in T2S testing environment.

Buyer Protection

Since BP process is not recognised in the market it would require major market practice and technical changes. The Hungarian market has agreed to implement manual BP but needs to further develop the framework as no market practice exists and there is lack of guidelines on regulatory level (SLA/KELERs GTC). KELER’s new CSD software contains functionalities which will support buyer protection that will be activated in 2016 based on an agreement with the market.

1.12 IT - Italy¹⁸

	Market claims	Trans-formations	Buyer protection	Total
Italy	93%	92%	100%	95%

Migration Wave 1 (June 2015)

Overall assessment: RED

The Italian market has already migrated to T2S. It complies with all but three T2S CA standards: non-generation of market claims for OTC transactions (MC standard 6), lack of provision of user friendly facility to CSD participants to manage the interdependence of settlement of market claims and the underlying transaction for on exchange and CCP transactions (MC standard 23) and non-generation of transformations for OTC transactions (transformations standard 3). There is a plan to achieve full compliance by end 2016 with all T2S CA Standards.

Market Claims

¹⁸ CASG liaison persons: Tina Mingoia (Monte Titoli) and Paola Deantoni (Société Générale)

Monte Titoli is not generating market claims for OTC transactions as required by MC standard 6. Also it is currently not providing the user-friendly service, required by market claim standard 23 for on exchange and CCP transactions. The Italian market plans to comply with all market claims standards by end 2016.

Transformations

Following the migration of Monte Titoli to T2S, the Italian market is now fully compliant with all T2S transformation standards, except transformations standard 3. In particular, the Italian market is not generating transformations for OTC transactions but there is a plan to fully comply with this standard by end 2016.

Buyer Protection

The Italian market is currently operating according to T2S standards on BP and has achieved 100% compliance. The Italian community has opted for a manual processing.

1.13 LT – Lithuania¹⁹

	Market claims	Trans-formations	Buyer protection	Total
Lithuania	0%	0%	0%	0%

Migration Wave 4 (February 2017)

Overall assessment: GREEN

No standards are currently complied with. Major legislative, regulatory, technical, tax and market practice changes will be needed.

Lithuanian CSD will adopt a phased approach to complying with the market claims and transformation standards from a technical perspective. Technical implementation is well under way – as of start of 2016 internal testing of the new system has started. This will be followed by T2S testing according to the T2S project plan. Implementation in the first phase includes additional information to be processed in the settlement instructions (Ex/cum and opt-out indicators), update of CSD operational rules on detection of the market claims and internal adaptations of the market participants to enable to pass additional required indicators in the settlement instructions to the CSD system. However, all of these functionalities will only be activated when the CSD migrates to T2S in February 2017. The second phase includes adding additional functionalities to the CSD system, amending the CSD operational rules to cater for processing of market claims and transformations by the Lithuanian CSD fully in accordance with the standards. The additional functionalities will be launched together with the migration to T2S. CSD rules will take effect as of migration to the new system and as of migration date to the T2S for phase two implementation (Feb 2017).

¹⁹ CASG liaison person: Christine Strandberg (SEB)

A number of legislative and tax barriers been identified by the Lithuanian market as well. These include: lack of obligation to local issuers to inform the local CSD about all corporate actions in standardized way; current taxation law imposes a requirement for the issuer to withhold the taxes at the moment of cash distribution based on recipient's legal status and country of residence, or in accordance with appropriate tax reclaim forms submitted; lack of legal framework for buyer protection (manual BP is planned for the Lithuanian market as of 2017). However, in all cases the Lithuanian market considers that these will be resolved by the time of migration to T2S.

1.14 LU – Luxembourg²⁰

1.14.1 LUX CSD

	Market claims	Trans-formations	Buyer protection	Total
LUX CSD	54%	0%	94%	54%

Migration Wave 4 (February 2017)

Overall assessment: GREEN

Lux CSD has achieved compliance with more than half MC standards. Where non-compliance has been indicated with certain standards, LUX CSD has confirmed that only a change in market practice would be necessary. There is a clear intent to comply with the standards by the migration of Lux CSD to T2S in February 2017.

Market claims

15 out of 28 standards are already implemented. Compliance with the rest of the standards is considered ‘Straightforward to implement’ and in some case will require change in market practice. There are no identified barriers that will hinder implementation.

Transformation

Although none of the standards are currently implemented, all standards are considered ‘Straightforward to implement’. The standards will be adopted by February 2017 with the migration of LuxCSD to T2S.

Buyer protection

LU market has decided to implement a manual BP mechanism. Hence Lux CSD considers all the BP standards other than standard 10 as implemented. Non implementation of standard 10 is due to the absence of central body in Luxembourg to publish the key BP dates.

1.14.2 VP LUX

	Market claims	Trans-formations	Buyer protection	Total

²⁰ CASG liaison persons: Nikolaj Hesselholt Munck (VP Securities) and Thomas Rockstroh (Clearstream)

VP LUX	21%	15%	0%	13%
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Migration Wave 3 (September 2016)

Overall assessment: GREEN

VP LUX has committed to comply with the T2S CA standards prior to the migration to T2S. As part of the compliance, VP LUX will offer an automated CA on flow solution. According to VP LUX, this solution will be ready for community testing prior to migration of LU market in September 2016. VP LUX considers the solution to be 'straightforward to implement'.

Market claims

VP LUX has started to implement the T2S CA standards on market claims and 6 out of the 28 standards have already been implemented as part of the VP LUX adaptation to T2S. All the other standards have been categorised as 'straightforward to implement' and no barriers have been identified. Full implementation will take place prior to the migration of LU market to T2S in September 2016. In particular, VP Lux will introduce end of day record dates for all CA types by its migration to T2S – the only CA event type to be standardised remains allocation of rights; implementation for end of day record date for redemptions has been done from 21 September 2015.

Transformation

Implementation of T2S CA standards on transformation has started as part of VP LUX adaptation to T2S and 2 out of the 13 standards have already been implemented. All the other standards have been categorised as 'straightforward to implement' and no barriers have been identified. Full implementation will take place prior to the migration of VP LUX to T2S in September 2016.

Buyer protection

Based on a common decision by the Danish market participants (there are only Danish participants in VP Lux), a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution is implemented, i.e. by its migration to T2S in September 2016.

1.15 LV – Latvia²¹

	Market claims	Trans-formations	Buyer protection	Total
Latvia	0%	0%	0%	0%

Migration Wave 4 (February 2017)

Overall assessment: YELLOW

²¹ CASG liaison person: Christine Strandberg (SEB)

No standards are currently complied with. However, the technical functionalities needed for full compliance will be available in the new CSD system (to be operational as of Latvian market migration to T2S in February 2017). Also for compliance from legal perspective only changes in the CSD rules have been identified which are planned to be approved by I quarter of 2016. The analysis of one potential tax issue (MC 14) shows that it is really a market practice issue and not legal on; therefore, the CSD will implement whatever market practice the CSD participants agree on this. The Latvian NUG will agree on the implementation plan of manual buyer protection standards in order to implement the standards as of Latvian market migration to T2S in February 2017. The lack of clear plan on the two issues above threatens the full compliance of the Latvian market by its migration to T2S.

1.16 MT - Malta²²

	Market claims	Trans-formations	Buyer protection	Total
Malta	100%	100%	0%	69%

Migration Wave 1 (June 2015)

Overall assessment: BLUE

The Maltese market migrated to T2S in June 2015. All the standards with regards to market claims and transformation were implemented as of the time of its migration. Furthermore, as of 16 December 2015 the Maltese market has adopted its BP framework, which is compliant with the T2S BP standards.

1.17 NL - Netherlands²³

	Market claims	Trans-formations	Buyer protection	Total
Netherlands	43%	23%	0%	25%

Migration Wave 3 (September 2016)

Overall assessment: RED

Euroclear Netherland already complies with a number of T2S CA Standards on market claims and transformations. It plans to achieve compliance only with some (mainly market claims) CA standards by the time of its migration to T2S in September 2016. In particular, following rescheduling of ESES markets migration to T2S, there is no date when Euroclear Netherland will fully comply with the transformations and buyer protection standards. Nevertheless, the Dutch market already complies with the BP standards for OTC transactions as from 1 January 2016.

Market Claims

²² CASG liaison person: Massimiliano Renzetti (Banca d’Italia)

²³ CASG liaison persons: Christophe Delbrouck (Euroclear Group) and Ben van der Velpen (ING)

Twelve standards are currently implemented. Detection, processing and reporting of market claims are available in the CSD. Compliance with some standards requires major technical changes with regards to Opt-out facility, Ex/Cum indicator management, Hold and Release mechanism and Partial settlement of market claims in securities.

Transformations

The implementation of most of the standards requires major technical changes. Transformation is available on intra-CSD transactions for most mandatory reorganisations but due to some specificities it is not considered fully implemented. For mandatory reorganisation in cash and mandatory reorganisations with options, the CSD only cancels the pending transaction. Likewise, for cross-CSD transactions, the CSD only cancels the pending transactions. Generation of the transformed instruction will not be achieved by the time of Euroclear migration to T2S but only at a later stage which is yet to be agreed with the market.

Buyer Protection

The NL market is already compliant with manual BP standards for OTC transactions as of 1 January 2016. Nevertheless, it will become fully compliant with the BP standards after the time of Euroclear migration to T2S, at a later stage which is yet to be agreed with the market, when Euroclear makes the necessary changes for implementation.

1.18 PT – Portugal²⁴

	Market claims	Trans-formations	Buyer protection	Total
Portugal	75%	54%	0%	47%

Migration Wave 2 (March 2016)

Overall assessment: RED

Interbolsa has already achieved high compliance with the T2S CA Standards and is working actively for implementation of the rest. The adaptation of its internal systems to comply with most T2S CA Standards has already been carried out and multilateral testing with the market is well under way. Thus by its migration to T2S it will be compliant most T2S CA standards.

The remaining gaps are with respect to:

1. non-generation of market claims and transformations on specific events (i.e. stock splits). This is planned to be resolved by 4 September 2016;
2. lack of communication of the key dates for managing buyer protection instructions in the announcement for corporate actions. This is planned to be resolved by the end of May 2016.

²⁴ CASG liaison person: Jyrki Leppanen (Interbolsa)

Thus full compliance is planned to be reached by 4 September 2016.

Market Claims

Few problems have been detected due to a project being carried out since 2009 for the implementation of market claims and transformations for the OTC transactions in the Portuguese market. Market claims and transformations for the exchange trades are done by the CCP. Some technical issues have been identified such as the lack of “Opt-Out” or “Ex/Cum” information in the settlement instructions due to the local market practice. A field for opt-out indicator and Ex/Cum indicator has been included in the settlement instructions for the use of the participants. These became available for the multilateral testing in 2015. The remaining gap is with respect to non-generation of market claims on specific events (i.e. stock splits)

Transformations

Transformations are being implemented in Portugal but the process has been slower as market claims have been implemented first. The missing standards are being implemented in the Interbolsa’s system. Implementation of some of the standards will require market practice change. The remaining gap is with respect to non-generation of transformations on specific events (i.e. stock splits).

Buyer Protection

The PT market will adopt the manual buyer protection procedures from the migration of the market to T2S in March 2016. The only compliance gap on this remains with respect to lack of communication of the key dates for managing buyer protection instructions in the announcements for corporate action events, which is planned to be resolved by the end of May 2016.

1.19 RO – Romania²⁵

	Market claims	Trans-formations	Buyer protection	Total
Romania	0%	0%	0%	0%

Migration Wave 1 (June 2015)

Overall assessment: RED

None of the T2S CA standards are currently implemented in the Romanian market. DC has indicated that, while it already complies with the T2S CA standards for issues from markets which are compliant with the standards, it will become fully compliant also as Issuer CSD by the end of the final migration to T2S February 2017. In October 2014, the RO NUG has shared a detailed implementation plan involving regulatory changes and technical changes in various phases. The plan was agreed with the Romanian Financial Supervisory Authority, the National Bank of Romania, T2S RONUG and ROMIG. According to the plan, the compliance with the

²⁵ CASG liaison person: Mariana Beca (Depozitarul Central) and Ben Van der Velpen (ING)

European standards will be achieved no later than February 2017. The Romanian market has not been able to adhere to some of the deadlines in the initial plan, related to adopting some needed secondary legislation amendments and conclusion of agreement between Depozitarul Central (DC) and National Bank of Romania regarding the solution for cash settlement of funds related to corporate actions (in RON), which was achieved in September 2015 instead of March 2015. Even though the delay in finalisation of secondary legislation has a cascading effect of finalisation of the other activities needed in the original plan, at the end of October 2015, Depozitarul Central together with the regulators and market participants sent a revised implementation plan for full compliance with T2S Corporate Actions Standards which, due to the availability of some buffers in the original plan, is planned to be achieved with similar timeline, i.e. latest by February 2017.

Market Claims

Generally, according to Romanian regulatory framework and market practice, for Romanian issuers, Depozitarul Central performs the distributions only based on settled positions at record date and there is no ex-date concept. Furthermore, the failed settlement rate is 0%, so no market claim for pending transactions at record date are currently raised.

In August 2014, through a Romanian Financial Supervisory Authority regulation, some terms in direct relation with standards, were introduced and/or better defined in the Romanian legislation (e.g. "ex-date", "payment date"). The new regulatory changes also establish the obligation of the issuers to disseminate the events details and every change of those details to the CSD.

In early January 2015, the Romanian Capital Market Law was also amended in respect of corporate actions area and now stipulates that the cash proceeds have to be paid throughout CSD and its participants. Those legal and regulatory changes represent important steps forward in the process of implementation of the standards. The regulatory framework needs to be further extended in order to ensure full compliance with the standards. Therefore, in December 2014, ROMIG (Romanian Market Implementation Group for Corporate Actions Standards) sent to the Romanian Financial Supervisory Authority (FSA) a draft of additional regulatory proposals considered as needed for corporate action standards implementation, including the 'On Flow' processing and in September 2015 the main necessary amendments on the current regulation were approved by FSA. Also, Depozitarul Central will issue rules and procedures for processing and recording of the corporate events.

Transformations

Generally, according to Romanian regulatory framework and market practice, for all reorganisations of Romanian issuers, the underlying ISIN is suspended from trading one settlement cycle before the record date. Furthermore, the failed settlement rate is 0%, so no pending settlement instructions can be in place on record date end of day. The regulatory/market practice changes need to be further extended in order to ensure full compliance with the standards. In this respect, in December 2014, ROMIG (Romanian Market Implementation Group for Corporate Actions Standards) sent to the Romanian Financial

Supervisory Authority (FSA) a draft of additional regulatory proposals considered as needed for corporate action standards implementation, including the 'On Flow' processing (e.g. the definition of "guarantee participation date") and in September 2015 the main necessary amendments on the current regulation were approved by FSA. Also, Depozitarul Central will issue rules and procedures for processing and recording of the corporate events.

Buyer Protection

The BP is not implemented, regulated or used in practice in the Romanian market. Manual BP is planned to be introduced.

1.20 SI - Slovenia²⁶

	Market claims	Trans-formations	Buyer protection	Total
Slovenia	0%	0%	0%	0%

Migration Wave 4 (February 2017)

Overall assessment: GREEN

None of the standards is currently implemented. However, one major prerequisite for compliance, namely the Book Entry Securities Act including all amendments (ZNVP-1) has been approved by Government of Republic of Slovenia in June 2015 and was adopted by the Parliament in October 2015. Subsequent changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level) will be released (in more phases till the end of 2016) after the entire package of necessary legislative changes is enforced. Market practice and complete CSD support will be changed in 2017 when KDD infrastructure connects to T2S. No problems have been identified to achieve full compliance.

Market Claims

National legislation does not recognise cascade (x-mas tree) principle of handling corporate actions, hence CSD is in practice not able to intervene and instruct Market Claims among its members (even if CSD could theoretically detect transactions eligible for instructing Market Claims). Legislation suggests fulfilment of rights from securities (e.g. dividend payments) directly from Issuer to Investor, which clearly contradicts with best practices suggested by standards serving cross-border ownership, nominee ownership and Investor CSD functions. Major technical/legislative/market practice changes are required to adhere to standards for market claims processing. Necessary changes in legislation have been approved by the Parliament in October 2015.

Transformations

Market practice clearly contradicts with best practices suggested by standards on Transformations. CSD currently does not intervene and transform pending transactions

²⁶ CASG liaison person: Ben Van der Velpen (ING)

(pending transactions are automatically deleted in case of reorganisation event). Major technical/legislative/market practice changes are required to adhere to standards for Transformations processing. Necessary process for change in legislation has already started and final confirmation from the Parliament is expected by October 2015 at the latest.

Buyer Protection

Introduction of automatic BP functionality is not planned. Discussion about the preparation activities (who, what, when...) and timing of publication of market practice with regard to the implementation of manual Buyer Protection (guidelines, procedures, deadlines, etc.) is expected to be discussed by Slovenian T2S NUG on time to ensure that all documentation will be publicly available in parallel with connection to T2S at the latest.

1.21 SK - Slovakia²⁷

	Market claims	Trans-formations	Buyer protection	Total
Slovakia	0%	0%	0%	0%

Migration Wave 4 (February 2017)

Overall assessment: GREEN

None of the standards are currently implemented. However, implementation of most standards is considered straightforward to implement, although a few would require major technical, market practice changes and CSD rule changes. CDCP intends to make the necessary changes (including approval of its regulators) in its Rules of Operation by the time of its migration to T2S. Implementation of the necessary technological changes into its information systems has been done at the end of 2015. The Slovakian market is aware of the CDCP’s plans and no obstacles have been identified for their implementation even if it needs to have at least the draft updated Rules of operation become available, which is currently expected in Q2 of 2016. CDCP will offer manual buyer protection on bilateral basis and procedures and recommendations related to manual BP will be specified and set in the rules of operation.

²⁷ CASG liaison persons: Thomas Rockstroh (Clearstream) and Dagmar Kopuncova (CDCP)

2. Annex 1: List of CASG contact persons

Market/ CSD	CASG Member
CH	Florentin Soliva (UBS)
DE	Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)
ES	Irene de Miguel / Mikel Picallo (Iberclear)
DK	Nikolaj Hesselholt Munck (VP Securities)
FR	Christophe Delbrouck (Euroclear Group) and Frederick Beck (BNP Paribas)
LU	Nikolaj Hesselholt Munck (VP Securities) and Thomas Rockstroh (Clearstream)
HU	Ben Van der Velpen (ING)
FI	Päivi Ahola (Danske Bank) and Leena Ruostetsaari (Euroclear FI)
PT	Jyrki Leppanen (Interbolsa)
IT	Tina Mingoia (Monte Titoli) and Paola Deantoni (Société Générale)
AT	Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)
RO	Mariana Beca (Depozitarul Central) and Ben Van der Velpen (ING)
LT/LV/EE	Christine Strandberg (SEB)
GR (BOGS)	Frederic Beck (BNP Paribas)
MT	Massimiliano Renzetti (Banca d'Italia)
SK	Thomas Rockstroh (Clearstream) and Dagmar Kopuncova (CDCP)
SI	Ben van der Velpen (ING)
BE (NBBSSS and Euroclear BE)/NL	Christophe Delbrouck (Euroclear Group) and Ben Van der Velpen (ING)

Detailed individual responses received from the markets/CSDs

2015 (2) - T2S Corporate Actions Standards Gap Analysis: **AUSTRIA**

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice:</p> <p><u>Domestic transactions (OeKB is IOC for both instructions -> also including transactions where one of the Instructions is sent by another CSD):</u></p> <p>Market claims are detected by OeKB (OTC-cash claims in EUR only) and the CCP.A (cash & securities claims). As there is currently no record date in AT the detection is ex-date based.</p> <p><u>Cross Border Transaction (OeKB is IOC for only one Instruction):</u></p> <p>As current European market practice the potential market claims are detected by the issuer CSD (or the respective investor CSD which is instructed by OeKB for the settlement and which holds the respective security for OeKB and where the other counterparty of the transaction holds the account) where the settlement takes place. OeKB as investor CSD will pass on all information to its customers (detection) and credits/debits performed by the other CSD.</p> <p>Gap:</p> <ul style="list-style-type: none"> - Detection of OTC claims in non EUR payments and securities distributions: <p>Change to OeKBs corporate action system. Reporting to customers has to be clarified.</p> <ul style="list-style-type: none"> - Detection of claims in case of Cross Border transactions. <p>Major change to OeKBs corporate action system. Reporting to customers has to be clarified.</p>	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	Query against corporate action database and securities' settlement system (after migration = T2S)	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Market Change Practice	Currently no limitation but a limit can be easily introduced. No Record Date in the Austrian Market (Legal or market practice Issue)	The introduction of the Record date in the Austrian Market is planned for Nov. 2015.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Major Change Technical	<p>Currently there is no record date in AT</p> <p>Payment of coupon compensation is detected and effected under the following conditions:</p> <ul style="list-style-type: none"> - successful final settlement of the transaction - Trade Date < Ex Date - Value Date (corresponding to the Effective Settlement Date) ≥ Ex Date - Payment Date has been reached <p>The Record Date will be introduced in the Austrian Market in Nov. 2015.</p>	<p>see 3</p> <p>With T2S detection will be implemented for EOD processing.</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Straightforward to Implement	<p>Current practice</p> <p><u>OeKB:</u> If the underlying transaction is settled before (Value Date < Payment Date) the Payment Date the resulting compensation is detected at Payment Date (when the payment is calculated). If the underlying transaction is settled on/after (Value Date ≥ Payment Date) the Payment Date the resulting compensation is detected on settlement (when settlement is performed).</p> <p><u>Customers:</u> Multiple procedures</p> <p>Gap: Introduction of Record date (see 3). Introduction of daily detection (currently event based (payment or settlement))</p>	<p>see 3</p> <p>With T2S detection will be performed once a day during EOD processing.</p>
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Major Technical Change	Currently no opt-out available in AT. Technical/regulatory change to provide opt-out possibility. Small change for OeKB (as functionality provided in T2S) probably major change for AT-Banks.	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Major Technical Change	Currently not supported.	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Market Change Practice	Currently the claim detection only happens when the transaction is settled (and the payment occurred). Detection already in status matched has to be introduced.	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Major Technical Change	see 1. New regime has to be introduced	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	<p>NOT IMPLEMENTED</p>	Major Change Technical	Currently only OTC cash claims (see 1) which are directly booked on the cash accounts with OeKB (-> no instructions generated, no central bank money). PFOD transaction type not used in AT. Major change for OeKB and Banks (Customers) systems to generate and monitor separate transactions in their systems.	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	<p>NOT IMPLEMENTED</p>	<p>Major Change Technical</p>	<p>No separate instruction available (see 10). To be implemented.</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Major Technical Change	No separate instruction available (see 10). To be implemented.	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Legislative Change	There is currently no direct information flow between the Issuer and the CSD as described in the CAJWG Market Standards for Corporate Actions Processing in the Austrian Market.	<p>The information flow between the Issuer (or the Issuers Agent) and the CSD in the Austrian Market is currently under discussion between the involved parties (CSD, banks as issuers and issuers agents).</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A	Tax adjustments, if necessary, should be processed by the relevant withholding agent.	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Straightforward to Implement	Currently only commercial bank money is used. With T2S DCAs will be used.	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)

2015 (2) - T2S Corporate Actions Standards Gap Analysis: AUSTRIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Major Change Technical	Currently no separate transaction for market claims is generated. Full concept has to be implemented by OeKB and Banks (customers) from scratch (see also 10)	With the introduction of T2S (implementation plan exists and was communicated to the market)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching</p>	<p>NOT IMPLEMENTED</p>	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Major Technical Change	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Change Technical	<p>Current practice: For CSD/OTC Settlement no transformations are done. On CCP level basic (manual) transformation services are offered. New regime must be build up from scratch.</p> <p>Gap: Serious change to current market practice and to IT-Infrastructure (for OeKB and market participants).</p>	<p>With the introduction of T2S (implementation plan exists and was communicated to the market)</p> <p>The handling of CCP instructions has to be agreed between OeKB CSD and CCP.</p>
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED		OeKB does not and will not implement an automated BP service as affected events are very rare. As market practice BP is carried out bilaterally between the buyer and seller.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED		market default = no action	
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED			
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED			
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED			
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Market Change Practice		<p>OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>NOT IMPLEMENTED</p>	Market Practice Change		<p>OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Market Practice Change		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Market Practice Change		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Change Practice		OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards will be established as market practice till the introduction of T2S by CANIG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straightforward to Implement	The current maximum time period for claim detection is 45 BD. This time period will be set to 20 BD in the frame of the T2S project. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Major Technical Change	Opt-out is currently not facilitated by ESES. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015 : testing - March 2016 : go live
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Major Technical Change	Currently, ESES does not provide ex/cum indicator in the ISO message. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	This is planned to be implemented in the frame of T2S adaptation plan. - September 2015 : testing - March 2016 : go live
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	Market practice change		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently not applicable in ESES (no use of such ISO transaction type codes). The use of "CLAI" ISO transaction type code will be implemented in the frame of T2S project.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015 : testing</p> <p>- March 2016 : go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Other	<p>Presumption is that same amount should be used by both CSDs in case of Cross CSD market claim.</p> <p>Assuming that this standard will be fulfilled, it would imply having all other standards fulfilled by all the T2S markets...</p> <p>Hence colour of the report would depend not only on a given market willing to implement the standard.</p> <p>We plan to be compliant by the T2S but this compliancy also depends on the other countries compliancy for this standard.</p> <p>Presumption is that same amount should be used by both CSDs in case of cross-CSD market claim.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>Functionalities will be part of the T2S adaptation plan:</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live <p>Dependency with other countries adaptation plan to be noticed</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	Implemented	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A		
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A		
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Major Technical Change	<p>Currently the TD is the same as the one of the underlying transaction, while the ISD of the MKC is the current Business Day if detected after the PD.</p> <p>To be implemented in the frame of T2S.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015 : testing</p> <p>- March 2016: go live</p>
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	<p>Considered as not implemented as such (On hold/Released) concepts do not exist in ESES.</p> <p>Standard to be implemented in the frame of T2S.</p> <p>Manual procedure for bilateral cancellation currently being rolled out.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	<p>Considered as not implemented as such concepts do not exist in ESES.</p> <p>Standard to be implemented in the frame of T2S: either IOCs or parties to amend their instructions.</p> <p>Manual procedure for bilateral cancellation currently being rolled out.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	<p>Considered as not implemented as such concepts do not exist in ESES.</p> <p>Standard T2S rules for amending to apply in the frame of T2S.</p> <p>Manual procedure for bilateral cancellation currently being rolled out.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	<p>Considered as not implemented as such concepts do not exist in ESES.</p> <p>Standard to be implemented in the frame of T2S.</p> <p>Manual procedure for bilateral cancellation currently being rolled out.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	<p>ESES comply with the first part of this standard (the settlement of the market claim transaction is independent from settlement of the underlying transaction).</p> <p>Currently, the user friendly facility as required by the standard is not available.</p> <p>The user friendly facility will be this that will be used for any settlement instruction.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	<p>There is currently no partial settlement on market claim in ESES.</p> <p>Standard to be implemented in the frame of T2S, including replication of the partial settlement indicator from the underlying instruction.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Major Technical Change	<p>ESES recycling period for market claims is limited to 45 business days.</p> <p>Standard T2S recycling period to apply in the frame of T2S.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Major Technical Change	<p>Currently considered as not implement in ESES (not applicable due to architectural considerations).</p> <p>T2S to report 20022 settlement format instruction only, while ESES will provide custody reporting</p> <p>Issue with regards to the choice of the format for reporting of market claims to be investigated further (ISO Custody - or Transaction Management - vs. ISO Settlement). Alignment of all various CSDs to be agreed on the usage of such messaging. See SMPG summer 2015 meetings.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p>	NOT IMPLEMENTED	Major Technical Change	<p>Currently the 'cancel and replace' principle is applied within ESES, but only related to intraCSD transactions. However some specifics exist in ESES, hence considered as not fully implemented:</p> <ul style="list-style-type: none"> - far leg of repo is subject to transformation instead of 'cancel and replace', - mandatory reorganisation against cash where a movement in the opposite direction is generated to complement the underlying instruction, - reorganisation with options where no new instruction is created. <p>In the frame of T2S, for intraCSD transactions, cancellation and creation will be instructed by the ESES CSDs, while for XCSD transactions this will require matching (both for cancellation and creation).</p> <p>Rmq : need for a specific cancellation reason code related to "transformation processing".</p> <ul style="list-style-type: none"> - Follow up: pending issues regarding a list of limited optional events (potentially 2 CAEV). However this list is under fine-tuning process to ensure having embraced all the cases - Follow up: high level of confidence on mandatory reorganisation - Between March and September 2016, CCP ("cash business") will deal with failed trades on Record Date (end of day) for mandatory reorganisations with a cancel and replace process. <p>French government bonds will be handled via Euroclear process.</p> <ul style="list-style-type: none"> - The non-compliance of transformation is not due to the ESES T2S engines and the way it operates the corporate actions on flows. It is a consequence of the use of inappropriate qualifiers in the announcement of the C.A that leads to inappropriate per default option application : an optional CA must be announced as a mandatory CA + optional content, instead of pure voluntary option <p>The adaptation regards the CA on stock processing that will be enhanced with the so called "Euroclear stream 6" delivery in September 2016.</p> <p>The status will automatically change to "implemented" when this delivery of September 2016 will be achieved.</p> <p>-Technical issue regarding the implementation of the CA. WG standard (i.e. Corporate actions on stock standard) and linked to the restricted capabilities of ESES platform to use the range of qualifiers for the announcements.</p> <p>The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan for mandatory reorganisations without options events, and few elective events</p> <ul style="list-style-type: none"> - Oct 2015: testing - March 2016: go live <p>This is planned to be implemented in the frame of CSE Stream 6 adaptation plan for the other elective events. (for this standard the concern is limited in fact to 2 CAEV potentially).</p> <ul style="list-style-type: none"> - June 2016: testing - September 2016: go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	ESES period for creating transformations is limited to 45 business days following the record date/market deadline. This will be changed to 20 BD in the frame of T2S. The transformation process itself will be ready as part of the T2S adaptation plan. However it will not be seen as such as far as the first standard is not fulfilled. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	Functionalities will be part of the T2S adaptation plan : - October 2015 : testing - March 2016 : go live
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Major Technical Change	Opt out is currently not facilitated by ESES. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	Functionalities will be part of the T2S adaptation plan : - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	<p>NOT IMPLEMENTED</p>	Major Technical Change	As of today, this piece of information is not available in current messages. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	<p>Functionalities will be part of the T2S adaptation plan :</p> <ul style="list-style-type: none"> - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	This is a new T2S functionality. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	Functionalities will be part of the T2S adaptation plan : - October 2015 : testing - March 2016 : go live
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>NOT IMPLEMENTED</p>	Major Technical Change	Currently ESES process is only to cancel underlying instruction in case of multiple outturns. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	<p>Functionalities will be part of the T2S adaptation plan :</p> <ul style="list-style-type: none"> - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Major Technical Change	<p>There is no cancel and replace mechanism for transformation into cash in ESES (related to mandatory reorganisation against cash without option).</p> <p>Standard to be implemented in the frame of T2S. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.</p>	<p>Functionalities will be part of the T2S adaptation plan :</p> <ul style="list-style-type: none"> - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	N/A	<p>This standard has been technically implemented in the frame of the custody evolutions CSE5 of March 2015.</p> <p>However the evolution will be only be offered in T2S (March 2016)</p> <p>Same comment as for standard 11 on market claims. The evolution to top down method has been achieved technically in last March 2015 but the application (PFOD generated by IOC) is linked to T2S wave II.</p>	<p>The functionality has been delivered in the scope of the "ESES stream 5" (March 2015)</p> <p>It will be fully applied in March 2016 (wave II)</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Currently, in case of fractions, only the underlying transaction is cancelled and no new instruction is created. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	It will be fully applied in March 2016 (wave II)
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Technical Change	The indicators are currently not available in the relevant messages. The implementation Plan column has been updated following the decision made on July 29th to postpone the start of Wave II testing in October 2015.	Functionalities will be part of the T2S adaptation plan : - October 2015 : testing - March 2016 : go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">9</p>	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	<p>To be implemented by 09/2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">14</p>	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice.</p> <p>A manual BP mechanism will be implemented</p>	<p>To be implemented by 09/2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">15</p>	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice.</p> <p>A manual BP mechanism will be implemented</p>	<p>To be implemented by 09/2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Change Practice	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	Major Technical Change	Detection by CSD, implemented with release of the new software platform RAMSES. On request by market parameter NOMC added until start T2S wave 2.	2 February 2015
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A	Fixed income securities are always considered to be CUM, thus generating market claims.	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	N/A	N/A	Fixed income securities only: coupons in cash only.	
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	N/A	N/A	Until now unclear what rules/terms can be defined for fixed income securities besides the standard rules.	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	Major Technical Change		
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available).	IMPLEMENTED			
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	Major Technical Change	If the underlying transaction is PARC, and thus the MC is as well, how is T2S going to prevent the partial settlement of the MC? Replication of the status can be developed, the 'never partial behavior' in spite of the status may be more challenging.	2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	Major Technical Change		2 February 2015
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	N/A	N/A	<p>For fixed income securities, transformations only take place on the maturity date of the isin, after which no instructions on this ISIN coming from participants are allowed anymore.</p> <p>So no detection period needed in this case.</p>	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	N/A	N/A	No transformation of this nature in fixed income securities.	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	Major Technical Change		2 February 2015

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	N/A	N/A	Not for fixed income securities.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	Major Technical Change		2 February 2015
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Technical Change		2 February 2015

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	N/A	N/A		
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	N/A	N/A		
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	N/A	N/A		
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	N/A	N/A		
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	N/A	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	N/A	N/A		
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	N/A	N/A		
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	N/A	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	N/A	N/A		
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	N/A	N/A		
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	N/A	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	N/A	N/A		
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	N/A	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	N/A	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BELGIUM – NBB SSS

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	N/A	N/A		
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	N/A	N/A		
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	N/A	N/A		
Buyer Protection	18	<p>Settlement of BP instructions should take place as specified in the T2S transformations standards.</p>	N/A	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A		
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A		
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A		
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A		
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A		
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: SWITZERLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A		
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u></p> <p><u>The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is</u></p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Major technical change	<p>Interim solution: Currently transformation only once on record date EOD. 'Transformation for 20 days from record date' shall be implemented upon formal decision from T2S-CASG, which is still pending (-> T2S CA Standards FAQ Version April 2015, Question/Answer 2.9, likely to be resolved with Release 2 of T2S).</p> <p>Practically we could also report 'green' as this is a pending T2S issue and is for the time being not in the hands of the Swiss market to be solved.</p>	Compliance will be achieved with interim solution (transformation only once on record date EOD) with the implementation of T2S (June 2015) . 'Transformation for 20 days from record date' shall be implemented upon formal decision from CASG & T2S.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A		
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	N/A		
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A		
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	N/A		As per Swiss MIG decision in August 2013, no automated buyer protection service will be provided by SIX SIS. A 'manual buyer protection process' will be followed by market participants according to the "Transaction Management Handbook" published by the CSD.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A		
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A		
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A		
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A		
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A		
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	IMPLEMENTED	N/A	Our assumption is that this standard mainly refers to the Buyer Protection Template that has been agreed to be as much ISO compliant as possible. By using the proposed BP Template the market considers to be compliant with this standard. The template has been agreed by CAJWG and T2S CASG.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED	N/A		
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A		
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	IMPLEMENTED	N/A		
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A		
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	Clearstream already detects Market Claims for both counterparties as well as the CCP. Nevertheless, in case of X-Border instructions the Market Claims are generated by the Issuer CSD.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	By following the CAJWG standards regarding the definition of Market Claims, Clearstream already follows this standard regarding the detection solely.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	At present Clearstream provides a claim detection period of 20 BD.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	Legislative Change	<p>Already today Clearstream detects Market Claims at Rec-1 (=Ex) and for the following period. Regarding the implementation of the Record Date the aspects are as follows: Legislative Change</p> <p>The introduction of Record Date processing require changes to the clause 58 Abs. 4 of the AktG (Aktiengesetz) and §44 EStG.Regarding Non income events (especially Rights Issue) there still is a gap to be closed.</p> <p>Market Practice Change</p> <p>Record Date processing of corporate action and income events needs to be implemented by market participants based on agreed standards.</p>	<p>Legislative Change: In view to T2S introduction an initiative started by DK ("Die Deutsche Kreditwirtschaft") to achieve a law change (§58 AktG and §44 ESTG), effective as 01.01.2016 – a pre-condition to introduce the record date for income events. Issuers, T2S National User Group Germany, Banking associations, Federation of German Industry started a collective initiative to push ministry of justice and ministry of finance to change the law. Ministry of Justice confirmed that changes will be included in the AktG amendment. It is planned that German parliament will pass the law after the summer break 2015. Market Practice Change: Depending on the ratification, new Market Practice will be agreed and implemented right after. Regulator ("BaFin") will be contacted regarding processing on non-income CA e.g. mandatory reorg to get approval concerning timing of booking and reporting on end-investor level.</p> <p>Requirement will be implemented with the CBF-November release 2015 to be effective by 1st January 2016.</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A	Currently Clearstream detects market claim relevant transactions for Income events once a day. For Non-Income events the detection takes place during the Clearstream settlement cycles several times a day.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Straightforward to Implement	At present Clearstream only provides the Ex-Flag (SPEX) to exclude the respective transaction from the Market Claiming process.	The standard (OPT-OUT) will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	7a	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A	At present Clearstream provides the Ex-Flag (SPEX) to customers in order to exclude transactions from the Market Claiming process.	As already implemented (SPEX-Flag), the standard will only be migrated (simply changing SPEX to XCPN) in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	7b	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Legislative Change	There are some conflicts by implementing the “cum” flag with the German laws e.g. in respect of “manufactured dividends “ when not entitled transactions can be flagged as entitled transaction and tax voucher will be created.	Due to conflicting tax implications in Germany it is in principle not intended to implement the CUM flag without prior approval by the ministry of finance. In this regard German market started discussion with ministry of finance to get approval that t2s "cum" flag processing will not create any prudential complaints by tax audit based on the fact that a market claim is a dividend and not a cash compensation in respect of tax purposes in Germany. In general there is no need for a “cum” flag by changing the trade date to a day prior Ex, cum processing can be achieved. The "cum" flag will be matching criteria in German market (following the standards) but will be considered for Custody processing only for non-German securities (manual). German MPC decided to monitor handling and processing of "CUM" flag in other T2S market and will start after period of time dicusions with MoF again to implement the "CUM" flag some month after wave 4	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Other	<p>Market claims are detected on basis of pending, matched trades on record date (MT564 REPE ACLA); Market and Reverse Claims are generated at CBF on basis of settled transactions, which is the standard for reverse and market claims. Claims on open instructions caused several problems (late trades, Rec-Date) when this processing was standard in the German market.</p> <p>CAJWG Standards apply on „irrevocable transactions“ which would not be fulfilled by „matched transactions“ solely. There the underlying transaction could be set „on hold“ while the MC settles. Furthermore a real-time detection is required to account for open transactions."</p>	<p>Taken into account the detection to be based on matched trades (irrespective of being pending or settled), the standard is already implemented and will only be migrated in September 2016 with the participation of CBF on T2S.</p> <p>Already compliant by Reverse Market Claims (reverse claims can only be processed after settlement).</p> <p>German MPC decided to be fully complaint with the standard to observe and monitor the behavior of the counterparts and after adaptation phase of RD implementation to switch timing of processing MC from settled to matched.</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Other	<p>security outcome: <i>Straightforward to implement</i></p> <p>cash outcome: <i>Taxation Change/Regulatory Change</i></p> <p>By introducing IOC the process to withhold taxes in case of Cross-Border transactions (for DE-ISIN) needs to be re-designed.</p> <p><i>Legislative Change</i></p> <p>At present Clearstream is obliged to deduct the withholding tax by being the last paying instance. This includes payments out of market claims. With implementing the IOC model Clearstream is not able to fulfill the commitment as the deduction of the tax can be prevented by foreign participants simply by not entering the counter-leg. The respective paragraph that needs to be amended: clause 44 EStG, paragraph 1, numer 3b).</p> <p><i>Market Practice Change</i></p> <p>All T2S direct-participants do have to apply the same rule and must be obliged to enter the counter-leg of the tax deduction entered by Clearstream.</p>	<p>security outcome: to be implemented in September 2016 with the participation of CBF on T2S</p> <p>cash outcome (Domestic): not to be implemented with the participation of CBF on T2S in wave 3. Implementation timeline will be decided by the NUG in autumn 2014.</p> <p>cash outcome (X-Border): to be implemented in September 2016 with the participation of CBF on T2S"</p> <p>German market developed a functional model to generate PFODs and integrated tax calculation to fulfill the tax obligations for last paying agents by generating market claims on dividends. CASG will be asked for approval and afterwards development will be started.</p> <p>Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 3).</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	NOT IMPLEMENTED	Other	<p><u>security outcome:</u></p> <p><u>In case of a security distribution already today CBF instructs FoPs on each underlying transaction</u></p> <p><u>cash outcome:</u></p> <p><u>Market Practice, Taxation, Regulatory & Legislative Change</u></p> <p><u>Please refer also to CASG standard no. 09 for Market Claims.</u></p> <p><u>The settlement of Non-T2S-Currencies will be handled as before, therefore the requirement is fulfilled.</u></p>	<p><u>security outcome:</u></p> <p><u>As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S</u></p> <p><u>cash outcome (Domestic):</u></p> <p><u>Implementation at the latest 6 months after CBF's migration to T2S.</u></p> <p><u>cash outcome (X-Border):</u></p> <p><u>to be implemented in September 2016 with the participation of CBF on T2S</u></p> <p><u>Dependencies on "CASH" regarding functional model to generate PFODs (see comment CASG standard no. 09 for Market Claims)</u></p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	<p>NOT IMPLEMENTED</p>	Market Practice Change	<p>Clearstream as Issuer CSD: By using Partial Rights (interim securities) in case of occurring fractions, there is no cash in lieu required for the german market where Clearstream is Issuer CSD.</p> <p>Clearstream as Investor CSD: If PFoDs are used by other IN-CSD, Clearstream would accepts them on the DCAs at T2S.</p>	<p><u>fraction compensation (Domestic):</u> not to be implemented with the participation of CBF on T2S in wave 3. Implementation timeline will be decided by the NUG in autumn 2014.</p> <p><u>fraction compensation (X-Border):</u> to be implemented in September 2016 with the participation of CBF on T2S</p> <p>Clarifying and final discusion regarding definition, interpretation and implementation of "fractions and MSU" will be disussed in CASG (and CAJWG) in 2015</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A	At present Clearstream provides the CLAI-Flag in ISO15022 to customers in order to identify Market Claims.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A	Detailed information e.g. exchange ratios or dividends are received by the CSD from the issuer. The CSD is also calculating the market claims for the German CCP.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p>NOT IMPLEMENTED</p>	Other	<p>Market Practice, Taxation, Regulatory & Legislative Change</p> <p>At present Clearstream is responsible for the deduction of the withholding tax. Furthermore there are distinctions to be considered (resident or non-resident taxpayer) in first instance.</p> <p>Please refer also to CASG no. 09 for Market Claims.</p>	<p>German market developed a functional model to generate PFODs and integrated tax calculation to fulfill the tax obligations for last paying agents by generating market claims on dividends. CASG will be asked for approval and afterwards development will be started.</p> <p>Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 3).</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Other	Market Practice, Taxation, Regulatory & Legislative Change Please refer also to CASG no. 09 for Market Claims.	German market developed a functional model to generate PFODs and integrated tax calculation to fulfill the tax obligations for last paying agents by generating market claims on dividends. CASG will be asked for approval and afterwards development will be started. Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 3).	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Other	<p>Market Practice, Major Technical Change</p> <p><u>Domestic transactions (Non-Income):</u></p> <p>At present, Market Claims are instructed already matched, because they are based on settled to transactions. This raises market efficiency. Any changes to this will result in a change of the Market Practice and lower market efficiency.</p> <p><u>X-Border transactions (Non-Income):</u></p> <p>With T2S X-Border Clearstream will enter only one leg (matching required). Though, this feature is: Straightforward to implement</p> <p><u>Domestic & X-Border (Income):</u></p> <p>At present, Market Claims are instructed via TARGET2 where there is no concept of matching. Regarding T2S changes please refer also to CASG no. 09 for Market Claims.</p>	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Straightforward to Implement	For customers acting in DCP- or ICP mode, Clearstream will provide the "T2S Actors Reference" as well as the "T2S MITI" of the underlying transaction.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A	In the case of payment date = record date + 1 the settlement date of the market claim is after payment date (same day as settlement date for Non Income events, next day for Income events), because creating of market claims will be done on basis of settled underlying trades.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Market Practice Change	At present market claims are based on settled transactions as these were defined to be "irrevocable" according to CAJWG standards. Furthermore, Clearstream experienced manifold problems with the compensation on open transactions. Therefore the MPC decided to consider only settled transactions for market claims.	Market Claims should be based on „irrevocable transactions“ according to CAJWG Standards. Please refer also to CASG no. 1 & 8 for Market Claims.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	According to CAJWG rules market claims are not modifiable at all. Clearstream considers this standard also for T2S by setting the ModificationAllowance-Flag to ""NO"". Nevertheless, the current feature to set up blocked market claims requiring the release of customers (if applied for this service) will also be provided.	With the participation of Clearstream on T2S the current service will be migrated and enhanced, by allowing customers applying for the Block-functionality to release, modify or cancel the market claims regardless if they are ICP or DCP.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	According to CAJWG rules market claims are not modifiable at all. Clearstream considers this standard also for T2S by setting the ModificationAllowance-Flag to ""NO"". Nevertheless, the current feature to set up blocked market claims requiring the release of customers (if applied for this service) will also be provided.	With the participation of Clearstream on T2S the current service will be migrated and enhanced, by allowing customers applying for the Block-functionality to release, modify or cancel the market claims regardless if they are ICP or DCP.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	According to CAJWG rules market claims are not modifiable at all. Clearstream considers this standard also for T2S by setting the ModificationAllowance-Flag to ""NO"". Nevertheless, the current feature to set up blocked market claims requiring the release of customers (if applied for this service) will also be provided.	With the participation of Clearstream on T2S the current service will be migrated and enhanced, by allowing customers applying for the Block-functionality to release, modify or cancel the market claims regardless if they are ICP or DCP.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	CBF creates the market claims after settlement of the underlying transaction and will therefore not have any potential conflict with lifecycles.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S. Based on the decision of German market to process market claims when underlying is settled the question of independency will not occur. Please see comment on market claim standard #8	
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A	The current processing considers these rules to the payment date and any kind of required resources (cash or securities).	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Market Practice Change	Generally a partial settlement of market claims is not possible, because the respective flag will be set to "NO". The reason for this is the short time slot on T2S where partial settlement is allowed (two times for half an hour during RTS). Nevertheless, as the market claims will be generated based on settled trades and these can be subject to partial settlement, for each settled part of the underlying instruction a market claim will be generated. Therefore the standard is fulfilled.Regarding ""irrevocable transactions"", please also refer to CASG no. 8 for Market Claims.Regarding ""market claims in cash"", please also refer to CASG no. 1 for Market Claims. Regarding "cash payment - PFOD" please refer to CASG standard no. 9 for Market Claims	Implementation at the latest 6 months after CBF's migration to T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	Today CBF recycles open transactions after 40 business days. This rule will be migrated to T2S.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	CBF provides comprehensive reporting regarding market claims.	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A	<p><u>Income Event:</u></p> <p>CBF sends a MT564 REPE / ACLA on record date on basis of pending underlying trades and MT566 CLAI after settlement of the market claim. The MT564 REPE / CLAI after creation of the market claim is an open requirement (ER U58029)</p> <p><u>Non Income Event:</u></p> <p>CBF sends a MT564 REPE / ACLA on record date on basis of pending underlying trades, MT564 REPE / CLAI after creation of the market claim and MT566 CLAI after settlement of the market claim</p>	As already implemented, the standard will only be migrated in September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is</u></p>	<p>NOT IMPLEMENTED</p>	Straightforward to Implement	<p><u>CSD (domestic transactions):</u> Clearstream in the role of the IOC for both sides will manage the transformation by cancelling and re-instructing each leg.</p> <p><u>CSD (X-Border transactions):</u> Clearstream as well follow the IOC-Model by managing (cancel & re-instruct) only the leg being in charge of.</p> <p><u>CCP:</u> CCP already cancel and reinstruct today on basis of CBF transaction information. In future when CCP plans trade date netting in addition to settlement date netting, then CBF would cancel/reinstruct for those trades (already matched)</p>	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	Clearstream will process the transformations at the end of Record Date and provide a transformation period of 20 BD after first transformation.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Straightforward to Implement	Opt-out flag currently not implemented within the transformation detection process. This flag can be used to exclude transactions in general from transaction management (claims, transformations). Clearstream will with T2S consider this bilaterally agreed flag and simply cancel the instruction without re-instructing.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other</p>	<p>NOT IMPLEMENTED</p>	Straightforward to Implement	<p>Clearstream will trigger the transformation process by cancelling the underlying instructions via sese.020 for each instruction leg. The re-instructing will be triggered simultaneously via sese.024 providing the original dataset except:</p> <ul style="list-style-type: none"> • amended ISIN and/or amended nominal • <StlmParams><StlmTxCond><Cd><TRAN> • <TradDtls><StlmInstrPrcgAddtlDtls> carrying the CORP-ID • T2S-MITI reference of the original/underlying instruction • T2S-Actors-Reference of the original/underlying instruction • Clearstream provides a new T2S-Actors reference being unique <p>The latter will be provided in the section of additional trade details. To assure correct processing of the transformation, Clearstream will b+F43lock the respective security in order to prevent customer settlement in the old ISIN except CBF-instructions.</p>	<p>The standard will be implemented by September 2016 with the participation of CBF on T2S.</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Straightforward to Implement	All customer instructions will be transformed leg-based. Therefore the matching will be handled on T2S.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Straightforward to Implement	In case of Cross Border instructions, CBF will cancel their effected instruction legs and re-instruct them.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	<p><u>Info:</u></p> <p>Record Date for Reorg Events where transformation is applicable is on payment date - 1 BD.</p> <p><u>In Future:</u></p> <p>New instruction has to contain intended settlement date at least with current business date.</p>	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Straightforward to Implement	Clearstream will retain the original information of the underlying instructions except the points mentioned under "CASG no.4 Transformations".	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>NOT IMPLEMENTED</p>	Straightforward to Implement	German market practice does not fore see this constellation. Instead one or more tender lines will be used. Therefore this requirement will be fulfilled.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Straightforward to Implement	Clearstream will implement this process with ER M48120 "Transformation for Mandatory Reorgs in Cash" before participating on T2S. This service will than be migrated to T2S.	The standard will be implemented by November 2014.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	Market Practice Change	<p>In the German Market fraction processing applies. This process will also be adopted under T2S by changing the Static Data of the security respectively.</p> <p>Furthermore the German market does not see the necessity to change the current processing.</p>	<p>Please refer to answer Market Claim Standard 11.</p> <p>Ongoing discussion regarding definition, interpretation and implementation of "fractions and MSU" in CASG (and CAJWG).</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	At Present Clearstream modifies instructions in case of reorganizational events thereby keeping all status. While re-instructing with T2S all status will be restored. Linkages are not included.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Straightforward to Implement	Clearstream will provide the same indicators as the underlying instruction.	The standard will be implemented by September 2016 with the participation of CBF on T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	N/A	<p>Buyer protection is handled bilaterally in Germany: In this case, only the market participants need to comply with the T2S CA standards on manual buyer protection. The CSD would not need to make any system changes in relation to buyer protection since the exchange of BP instructions takes place bilaterally between the counterparties, outside the CSD environment.</p> <p>If a CSD wishes to act as an Investor CSD for a market in which the issuer CSD has chosen to implement an automated BP functionality, then the investor CSD would need to comply with the Issuer CSD framework, like any other Issuer CSD participant. The Investor CSD would therefore manage BP for the servicing of those ISINs issued in the issuer CSD, complying with the T2S BP standards. However this does not necessarily require that the investor CSD would need to implement a fully automated BP solution.</p>	<p>German market decided to do not introduced an automated BP infrastructure.</p> <p>Manual BP requirements on counterparty level will be implemented before participating on T2S.</p> <p>Clearstream Banking will publish on its website the final version of the Buyer Protection Instruction (BPI) template agreed by CAJWG and T2S CASG</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	N/A	See comment on BP standard 01	The German market would like to use the data provider Wertpapier-Mitteilungen as central source for providing and publishing Buyer Protection key data e.g. Buyer Protection Deadline.	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A		<p>Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.</p>
Market Claims	15	<p>The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.</p>	IMPLEMENTED	N/A		<p>Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP adaptation to T2S.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A		Part of the VP adaptation to T2S. VP will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP.
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Straightforward to implement.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Denmark

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	Market practice change.		<p>Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the Danish market participants, a compliant manual BP handling will be implemented at the same time as the VP automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	Implemented	N/A	The information necessary for the detection of market claims is available in the CSD system and is used for detection by the CSD.	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	Implemented	N/A	A query to the CA database combined with the query to the pending transactions database to identify transactions that meet the date criteria for claim generation is used to implement the functionality.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	Implemented	N/A	As the occurrence of market claims is very rare in the market, it was decided to omit the 20 days detection period for the time being in order to detect the maximum amount of possible claims. The 20 days detection period can be included in the query any time.	
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	Implemented	N/A	The detection of market claims after the close of business on record date and during the rest of the claims detection period has been implemented. Please refer also to standard 3 above.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	Implemented	N/A	The detection functionality is available continuously. Thus the requirement to detect claims at least once a day is met.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	Not Implemented	Market Practice Change	Market claims are detected for all transactions. The implementation of the opt-out indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules. Thus it was decided to implement the functionality as step 2 together with the implementation of the settlement functionality of claims.	Decision has been taken to implement the new functionalities related to the processing of corporate actions on flows in two steps - first the detection mechanism and later the generation and settlement of the relevant instructions (proceeds). Detection functionality of market claims was made available in the test system by Q1 2013; the functionality was tested with the involvement of market participants and launched in the live system on 05.04.2013. Opt-out indicator will be implemented in the new CSD system together with the settlement functionality of claims. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	Not Implemented	Market Practice Change	The implementation of the ex/cum indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules. Thus it was decided to implement the functionality as step 2 together with the implementation of the settlement functionality of claims.	Ex/cum indicator will be implemented in the new CSD system together with the settlement functionality of claims. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	Implemented	N/A	The detection of market claims for matched transactions only has been implemented.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	Not Implemented	Market Practice Change	Market claims generation by the CSD to be implemented, requiring a technical and market practice change. Change of the CSD rules is also required.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	Not Implemented	Market Practice Change	The prescribed types of market claim instructions to be implemented. Change of CSD rules is necessary.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	Not Implemented	Market Practice Change	<p>According to the current market practice the Issuer decides how to handle fractions. A requirement to apply the rounding down principle to the number of outturn securities fractions will be added to the new rules of the CSD effective after migration to T2S. The compensation handling mechanism is straightforward to implement.</p>	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	Not Implemented	Straightforward to Implement	A specific ISO transaction type code "CLAI" to be used in the settlement instructions in order to identify market claims, requiring technical change.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	Implemented	N/A	Implementation of the calculation of the entitled proceeds based on the terms of the CA event. The CA notification procedure (Issuer->Issuer CSD->clients including Investor CSDs) is already followed as market practice.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	Implemented	N/A	<p>As the CSD offers taxation services (withholding tax at source and quick refund) and performs as withholding agent upon request of Issuer, the tax adjustments can be processed in parallel to the market claim processing. According to the present legislation tax has to be declared to the Tax Board by the 10th date of the calendar month following the period of taxation regarding the benefits granted during the calendar month. This buffer allows the processing of tax adjustments before the declaration to the Tax Board; according to the present understanding rare cases may occur when there is a need to reclaim tax from the Tax Board; in such cases the currently available procedures are to be followed and there is no need to make changes to the current procedures or regulations. be followed and there is no need to make changes to the current procedures or regulations.</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	Implemented	N/A	The CSD shall identify the T2S dedicated cash accounts to be used for the market claims processing. Similar process is currently in use for the identification of Participants' cash accounts for settlement proceeds.	
Market Claims	16	Matching is required for all market claims settlement instructions.	Not Implemented	Straightforward to Implement	The matching functionality of market claims to be implemented.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Not Implemented	Straightforward to Implement	Appropriate references for the market claim instruction to be negotiated with the Participants of the CSD.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	Not Implemented	Straightforward to Implement	The trade date of the claim to be set the same as the trade date of the underlying transaction. The settlement date of the claim to be set the same as the payment date of the underlying corporate action.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	Not Implemented	Straightforward to Implement	Market claim transaction to be instructed with the same status as the underlying transaction. The hold/release mechanism is already available in the CSD system.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Not Implemented	Straightforward to Implement	Standard T2S rules for amending settlement instructions to be applied in the context of market claims amending rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Not Implemented	Straightforward to Implement	Standard T2S rules for amending settlement instructions to be applied in the context of market claims amending rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Not Implemented	Straightforward to Implement	Standard T2S rules for cancelling settlement instructions to be applied in the context of market claims cancellation.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	Not Implemented	Straightforward to Implement	A market claim to be treated independently from the settlement of the respective underlying transaction. The CSD system provides a user friendly facility for management of transfers.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	Not Implemented	Straightforward to Implement	The T2S settlement conditions to be applied.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	Not Implemented	Straightforward to Implement	Currently no partial settlement is practiced in the market, thus requiring market practice change and technical changes in the system, as well as change of the CSD rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	Implemented	N/A	Currently unmatched settlement instructions are purged after 20 days from the intended settlement date or the last status change; matched instructions are retained in the system until settled or cancelled by counterparties to the trade. Thus only minor adjustments (application of T2S calendar) are needed in the context of T2S.	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	Implemented	N/A	Reports are available in user-to-application mode as well as in application-to-application mode; message types and XML structures comply with the ISO20022 standard. The same reporting principles will be followed in the context of T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	Implemented	N/A	The standard pending/settled transaction reporting will be provided. Please see also comment above (standard 27).	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u></p> <p><u>The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is</u></p>	Implemented	N/A	The detection of transactions subject to transformations was implemented together with the implementation of the market claims detection.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Implemented	N/A	As the occurrence of transformations is very rare in the market, it was decided to omit the 20 days detection period for the time being in order to detect the maximum amount of possible transformations. The 20 days detection period can be included in the query any time.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	Not Implemented	Straightforward to Implement	<p>Transformations are applicable for all transactions.</p> <p>The implementation of the opt-out indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules. Thus it was decided to implement the functionality as step 2 together with the implementation of the processing functionality of transformations.</p>	<p>Detection functionality of transformations was made available in the test system by Q1 2013; the functionality was tested with the involvement of market participants and launched in the live system on 05.04.2013.</p> <p>The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	Not Implemented	Straightforward to Implement	<p>Relevant ISO20022 format for managing the transformation, the ISO transaction type code "TRAN" and appropriate references to be implemented.</p> <p>ISO20022 format messaging has already been implemented in the market since 2011.</p>	<p>Processing of transformations to be implemented in the second phase of developments.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	Not Implemented	Straightforward to Implement	T2S matching rules to be followed for handling transformation instructions matching.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Not Implemented	Straightforward to Implement	T2S matching rules to be followed for handling transformation instructions matching.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	Not Implemented	Straightforward to Implement	The settlement date of the new transformed instructions to be defined according to the proposed T2S principles.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	Not Implemented	Straightforward to Implement	Transformation into new security with a single outturn to be implemented according to the proposed T2S rules.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	Not Implemented	Straightforward to Implement	Transformation into two or more new securities to be implemented according to the proposed T2S rules.	<p>Processing of transformations to be implemented in the second phase of developments.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	Not Implemented	Straightforward to Implement	Transformation into cash to be implemented according to the proposed T2S rules.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	Not Implemented	Market Practice Change	<p>According to the current market practice the Issuer decides how to handle fractions. A requirement to apply the rounding down principle to the number of outturn securities fractions will be added to the new rules of the CSD effective from the migration to T2S. The compensation handling mechanism is straightforward to implement.</p>	<p>Processing of transformations to be implemented in the second phase of developments.</p> <p>Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S Q1 2017.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	Not Implemented	Straightforward to Implement	The instructing of the transformed transaction with the same status as the underlying transaction to be implemented.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partially indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	Not Implemented	Straightforward to Implement	In order to replicate the indicators (partially, ex/cum, opt-out) of the underlying transaction in the new outturn transaction(s), the relevant fields need to be implemented in the system thus requiring technical changes to the system.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	Not Implemented	Market Practice Change	Manual buyer protection solution will be developed (instructions will be mediated by the market participants without the involvement of the CSD in case of domestic settlement). The CSD will via manual procedures mediate the instructions in cases involving cross-CSD settlement.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	<p>Not Implemented</p>	<p>Market Practice Change</p>	<p>Manual procedures to be implemented requiring market practice change.</p>	<p>The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures.</p> <p>Implementation time: The practice will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>Not Implemented</p>	Market Practice Change	Manual procedures to be implemented requiring market practice change.	<p>The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures.</p> <p>Implementation time: The practice will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>15</p>	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	<p>Not Implemented</p>	<p>Market Practice Change</p>	<p>Manual procedures to be implemented requiring market practice change.</p>	<p>The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures.</p> <p>Implementation time: The practice will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	Not Implemented	Market Practice Change	Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	IBERCLEAR is aware of the pending transactions and detects market claims.	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	IBERCLEAR has a DDBB with the CA and the pending transactions which have been instructed.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straightforward to Implement	This time period is set to 20 BD in the frame of the Reform before T2S Project, in October 2015.	<ul style="list-style-type: none"> - Procedure published in November 21st 2014 - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live. (February 2016)
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A	Market claims are detected after the close of business on the record day.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A	Market claims are detected once a day, after the End of Day processing.	
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	Not Implemented	Major Technical Change	There is no opt-out indicator in Iberclear. It will be implemented following T2S CA standards in the frame of T2S Project	<ul style="list-style-type: none"> - Following T2S CA standards - Procedure published in November 21st 2014 - It will be implemented in February 2017
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	Not Implemented	Major Technical Change	There is no ex/cum indicator in Iberclear. It will be implemented following T2S CA standards in the frame of T2S Project	<ul style="list-style-type: none"> - Following T2S CA standards - It will be implemented in February 2017
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	Market claims are detected for irrevocable trades	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A	Corporate Action SWIFT messages are not implemented in IBERCLEAR so, consequently, no instruction is created. However, IBERCLEAR generates the market claims by credits or debits in the accounts of its participants	CA SWIFT messages will be implemented in the Frame of Reform Project.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A	Corporate Action SWIFT messages are not implemented in IBERCLEAR. However, market claims instructions are created for each outturn.	CA SWIFT messages will be Implemented in the Frame of Reform Project.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	Not Implemented	Straightforward to Implement	<p>Nowadays if the issuer compensates IBERCLEAR generates it by credits or debits in the accounts of its participants as Corporate Action SWIFT messages are not implemented in IBERCLEAR</p> <p>CA SWIFT messages will be Implemented in the Frame of Reform Project, in October 2015.</p>	<p>- Procedure published in June 18th 2015.</p> <p>It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.</p>
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	Not Implemented	Major Technical Change	Corporate Action SWIFT messages are not implemented in IBERCLEAR so, consequently, no instruction with the type code CLAI is created.	<p>- Procedure published in June 18th 2015.</p> <p>- It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A	CSDs operating in T2S has to comply with the standards and rules of T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A	The tax status of the accounts does not have direct effect on the amount to transfer.	
Market Claims	15	<p>The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.</p>	IMPLEMENTED	N/A	The CSD identifies the account to be used.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	Not Implemented	Straightforward to Implement	Market Claims SWIFT messages are not implemented in IBERCLEAR, consequently, no instruction is created.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Not Implemented	Straightforward to Implement	Market Claims SWIFT messages are not implemented in IBERCLEAR, consequently, no instruction is created.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	Not Implemented	Straightforward to Implement	It will be implemented in the frame of the Reform before T2S Project, in October 2015.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	Not Implemented	Straightforward to Implement	Market Claims will be instructed with the same status as the underlying transaction. SWIFT messages are not implemented in IBERCLEAR, but will be in the frame of the Reform before T2S Project, in October 2015.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Not Implemented	Legislative Change	The standard T2S rules for who can amend settlement instructions are not yet implemented. The new securities Law 32/2011, which allows the system to be compliant with T2S in the future, has already been approved. Nevertheless, some further lower-rank regulation (including Iberclear's Rule Book) still has to be modified.	<ul style="list-style-type: none"> - Describe on the Schedule of the Registry and Settlement System of IBERCLEAR. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Not Implemented	Legislative Change	The standard T2S rules for who can amend settlement instructions are not yet implemented. The new securities Law 32/2011, which allows the system to be compliant with T2S in the future, has already been approved. Nevertheless, some further lower-rank regulation (including Iberclear's Rule Book) still has to be modified.	<ul style="list-style-type: none"> - Describe on the Schedule of the Registry and Settlement System of IBERCLEAR. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Not Implemented	Legislative Change	The standard T2S rules for who can amend settlement instructions are not yet implemented. The new securities Law 32/2011, which allows the system to be compliant with T2S in the future, has already been approved. Nevertheless, some further lower-rank regulation (including Iberclear's Rule Book) still has to be modified.	<ul style="list-style-type: none"> - Describe on the Schedule of the Registry and Settlement System of IBERCLEAR. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	Market claims always settle at the same time or later, never prior, than the underlying transaction.	
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A	Market claims settle if payment date has been reached and resources are available.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	Not Implemented	Straightforward to Implement	Partial settlement is not possible for market claims in securities due to the fact partial settlement is currently not possible in IBERCLEAR. IBERCLEAR will comply with T2S rules in the future.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	26	The standard T2S rules for the recycling period should apply.	Not Implemented	Straightforward to Implement	There is not recycling in IBERCLEAR currently. But it will be in the Frame of the Reform Project, in October 2015, before T2S.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	IBERCLEAR reports to its own participants.	
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	Not Implemented	Straightforward to Implement	No report on pending/settled transaction is sent because no instruction for market claims is generated currently, but it will be implemented on the frame of Reform Project, in October 2015, before T2S.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	N/A	Nowadays, IBERCLEAR knows not only which are the pending transactions but also the transformation regarding the related C.A.	
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A	Depending on the corporate event IBERCLEAR manages the pending transactions in order to transform them according to the rules of the reorganization at the end of the record date or within the detection period (maximum 20 more days)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	Not Implemented	Major Technical Change	Transformations are applicable to all eligible transaction in IBERCLEAR. Counterparties will be able to cancel their instructions if they don't want the CSD to transform it. However, there is no possibility to use the opt-out indicator since it is not developed yet. Iberclear will comply with T2S rules.	It will be implemented following T2S CA standards in the frame of T2S Project

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	Not Implemented	Straightforward to Implement	As far as we do not have implemented the SWIFT messages for Corporate Actions, the transformation cannot be identified with the required references (underlying transaction, TRAN and the Corporate Action reference). ISO15022 will be developed in the frame of the Reform Project, in October 2015, before T2S. Iberclear will comply with T2S Rules.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live. - It will be implemented following T2S CA standards in the frame of T2S Project
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	Not Implemented	Straightforward to Implement	It will be developed in the frame of the Reform, in October 2015, before T2S Project.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Not Implemented	Straightforward to Implement	Transformation Instructions via SWIFT are not implemented yet, Iberclear will comply with T2S rules.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live. - It will be implemented following T2S CA standards in the frame of T2S Project
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A	The SD of the transformed instruction is the same than the SD of the underlying transaction. This SD is always after the PD of the entitlement	
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A	IBERCLEAR retains with a single outturn the same characteristics of the underlying instruction	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	N/A	In case of multiple outturns, instructions are not linked between each other.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	Not Implemented	Straightforward to Implement	For a corporate event which takes place through IBERCLEAR the new transaction retains the same characteristics and the outturn is paid separately from the underlying instruction. In the frame of the Reform Project, in October 2015, before T2S.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	Not Implemented	Straightforward to Implement	<p>If, due to a transformation, apart from securities, the seller may have to deliver a cash amount to the buyer arising from the application of the corporate action ratio, IBERCLEAR shall generate two different transactions linked to the underlying one. One shall comprise the delivery of the securities arising from the reorganisation while the other shall be the cash delivery arising from the calculation of the fractions. Settlement of the cash delivery, corresponding to the fractions, will be subject to the prior settlement of the delivery of securities.</p>	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A	The status of the transformation remains the same as the underlying transaction. Iberclear has not implemented SWIFT messages for CA. CA SWIFT messages will be Implemented in the Frame of Reform Project, in October 2015.	
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	Not Implemented	Major Technical Change	The mentioned indicators are not implemented. This will be implemented in the frame of T2S Project.	It will be implemented following T2S CA standards in the frame of T2S Project

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	Not Implemented	Major Technical Change	Buyer will be able to instruct IBERCLEAR the BP instruction. (IBERCLEAR will send those instructions to the seller)	<ul style="list-style-type: none"> - Buyer will instruct BME-Clearing (Spanish CCP). - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	Not Implemented	Major Technical Change	In the spanish market BP instructions will always be necessary invoked for elections since there are not default rules.	<ul style="list-style-type: none"> - Buyer will instruct BME-Clearing (Spanish CCP). - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	Not Implemented	Major Technical Change	IBERCLEAR will inform to its participants who obtain a position or who are involved in any transactions with the security involved in the corporate action, from that time until the market deadline.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	Not Implemented	Major Technical Change	Buyer will be able to instruct IBERCLEAR the BP instruction. (IBERCLEAR will send those instructions to the seller)	<ul style="list-style-type: none"> - Buyer will instruct BME-Clearing (Spanish CCP). - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	Not Implemented	Major Technical Change	It will be implemented following T2S CA standards in the frame of T2S Project	
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	Not Implemented	Major Technical Change	Reference of the underlying instruction to which the CA applies included.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	Not Implemented	Major Technical Change	Late BP instructions will be managed according to process foreseen in BME-Clearing (Spanish CCP) rules.	It will be implemented following T2S CA standards in the frame of T2S Project

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	Not Implemented	Major Technical Change	IBERCLEAR will accept instructions from the Buyer by email.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	Not Implemented	Major Technical Change	BME-Clearing (spanish CCP) will follow T2S BP standards.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	Not Implemented	Major Technical Change	According to the standards BP deadline will be follow the Guaranteed Participation Date by a settlement cycle.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	Not Implemented	Major Technical Change	The Buyer will be the only one who can amend the instruction	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	Not Implemented	Major Technical Change	The BP election can be amended in the BP instruction	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	Not Implemented	Major Technical Change	If the underlying transaction can be settled prior BP deadline, the BP instruction will be cancelled	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	Not Implemented	Major Technical Change	<p>Automated BP mechanism will be applied by BME-Clearing (spanish CCP) since it will manage the transformations.</p> <p>Nevertheless, the transformations will be managed manually.</p>	It will be implemented following T2S CA standards in the frame of T2S Project

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	Not Implemented	Major Technical Change	<p>Automated BP mechanism will be applied by BME-Clearing (spanish CCP) since it will manage the transformations.</p> <p>Nevertheless, the transformations will be managed manually.</p>	<p>It will be implemented following T2S CA standards in the frame of T2S Project</p>
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	Not Implemented	Major Technical Change	CSD will follow buyer elected instruction.	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	Not Implemented	Major Technical Change	BME-Clearing (spanish CCP) will follow T2S BP standards	<ul style="list-style-type: none"> - Procedure published in June 18th 2015. - It will be implemented once the Reform of the Spanish Registry, Clearing and Settlement System goes live.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	Not Implemented	Major Technical Change	BME-Clearing (spanish CCP) will follow T2S BP standards	It will be implemented following T2S CA standards in the frame of T2S Project

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Major Technical Change	<p>Currently in Finland, the responsibility for detecting market claims is ultimately on the clearing parties (including CCP). Market claims are processed manually between the participants outside the settlement system.</p> <p>According to the standard, the responsibility would be on Euroclear Finland (Efi) as the CSD and market claims should be detected automatically. Efi as a CSD will detect market claims based on the situation on the Record Date of a CA event and during following 20 opening days for pending matched settlement instructions.</p>	<p>There is a project ongoing for building facilities for the Finnish market to join T2S, i.e. building the new CSD system. As a part of the project, technical facilities for processing market claims according to the standards on the Finnish market are built.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. For other instruments market claims will be available in Q2 2016 when the new CSD system will be launched i.e. before the Finnish market joins T2S in wave 4.</p> <p>The implementation of the standards related to market claims requires changes to the market practice as well.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	NOT IMPLEMENTED	Major Technical Change	<p>Currently the responsibility for detecting market claims is ultimately on the clearing parties (including CCP).</p> <p>EFi as the CSD will be responsible for detecting market claims for the Finnish market. Detection of market claims will happen automatically in the CSD system.</p>	<p>There is a project ongoing for building facilities for the Finnish market to join T2S, i.e. the new CSD system. As a part of the project, technical facilities for processing market claims according to the standards on the Finnish market are built.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. For other instruments market claims will be available in Q2 2016 when the new CSD system will be launched i.e. before the Finnish market joins T2S in wave 4.</p> <p>The implementation of the standards related to market claims requires changes to the market practice as well.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there are no time limits to the market claim detection of the clearing parties.</p> <p>The claim detection period will be defined according to the standard. The CSD system will automatically detect market claims for pending matched settlement instructions on the Record Date EOD and during following 20 opening days.</p>	<p>The claim detection period will be defined for the claim detection mechanism according to standard as a part of the implementation of standards 1 and 2.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. Other instruments will be covered in Q2/2016.</p>
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>On the Record Date EOD the CSD system will create market claims based on pending matched settlement instructions eligible to receive proceeds of the CA event. During following 20 opening days the CSD system will detect market claims daily after the close of business.</p>	<p>The claim detection period will be defined for the claim detection mechanism according to standard as a part of the implementation of standards 1 and 2.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. Other instruments will be covered in Q2/2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>The claim detection period will be defined for the claim detection mechanism according to standard. After the Record Date the CSD system will detect market claims based on pending matched settlement instructions daily after the close of business EOD.</p>	<p>The claim detection period will be defined for the claim detection mechanism according to standard as a part of the implementation of standards 1 and 2.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. Other instruments will be covered in Q2/2016.</p>
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there is no parameter in the settlement instructions for the clearing parties to "opt-out" market claims even if the market claims are ultimately agreed between the clearing parties.</p> <p>Opt-out indicator will be available in settlement instructions when the mechanism for detecting market claims is implemented on the Finnish market.</p>	<p>Part of the implementation of standards 1 and 2.</p> <p>Market claims are already available for money market instruments as of 2 February 2015. Other instruments will be covered in Q2/2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Straightforward to Implement	Functionality exists in settlement instructions but is not widely used. Ex/cum indicator will be taken into account when detecting market claims. However, opt-out indicator will have priority in relation to ex/cum indicator if present in same settlement instructions.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Straightforward to Implement	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. Along with the market claim mechanism, the CSD system will create market claims only for matched settlement instructions.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>EFi as the CSD will generate market claims for the local settlement instructions and for cross CSD settlement instructions where EFi is the IOC on behalf of both direct and indirect participants.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	NOT IMPLEMENTED	Major Technical Change	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>Efi will create market claims settlement instructions for cash and securities which are settled either as FOP or PFOD settlement transactions in EUR. For non-EUR payments Efi has a mechanism for paying the cash outside T2S. The automatic generation of market claim instructions will be developed according to standard 2. Processing market claims requires changes to market practice regarding payments in non T2S currencies and to tax processing especially regarding dividend payments.</p>	<p>Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	NOT IMPLEMENTED	Major Technical Change	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>In case of fractions, market claims for securities distribution will be rounded down when created by the CSD system. If the issuer compensates fractions they will be paid as PFOD settlement instructions.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	<p>There is no specific parameter to indicate market claim instructions since market claims are processed outside the settlement system.</p> <p>The CSD system will automatically create market claims with CLAI transaction type code.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently market claims are manually processed by clearing parties and reported to the CSD outside the settlement system.</p> <p>As the IOC, EFi is responsible for developing a mechanism to retrieve relevant data related to the CA at hands as well as generating the market claims. The CSD system will generate market claims according to the standards.</p> <p>EFi in a role of Issuer CSD will advise issuers issuing securities in EFi to follow the standards for detecting market claims.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p>NOT IMPLEMENTED</p>	Taxation change	<p>Currently market claims are manually processed by clearing parties and reported to the CSD outside the settlement system. Taxes are taken into account since it is a manual process. Part of the market claims are handled as cash compensation.</p> <p>Due to the existing tax laws, EFi aims at processing market claims in gross. Discussions with issuers, market participants and tax authorities are ongoing regarding especially taxation of dividend payments. Solution is expected to be received during Q2 2014 which will clarify possible needs for changes in tax laws. Changes to market practice will be needed as well.</p>	<p>The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Straightforward to Implement	No market claim instructions are generated by the CSD. The only market claims are generated by the clearing parties and only regarding dividends, and the market claims are processed outside the settlement system. EFi as the CSD will identify T2S dedicated cash accounts in market claims detection process.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. EFi as the CSD will create settlement instructions for market claims in the market claim detection process and match them locally. Locally matched settlement instructions are sent to T2S as already matched.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Straightforward to Implement	Market claim instructions are generated manually by clearing participants and processed outside the settlement system. EFi as the CSD will create market claims for matched settlement instructions with appropriate references. Both CA reference and reference of the underlying transaction will be included in the market claim settlement instruction.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. EFi as the CSD will create market claims. In the settlement instructions the trade date will be the trade date of the underlying transaction and the settlement date same as the payment date of the CA event.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. EFi as a CSD will create market claims. The settlement instructions for market claims will be created with the same status as the underlying transaction.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. EFi as the CSD will create market claims. Settlement instructions for market claims will be processed like other settlement instructions according to T2S standards and they can be amended respectively.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims. Settlement instructions for market claims will be processed like other settlement instructions according to T2S standards and they can be amended respectively.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims. Settlement instructions for market claims will be processed like other settlement instructions according to T2S standards and they can be cancelled respectively.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims. As a user friendly facility, Efi will create market claims on party hold and the delivering party has to release the market claim settlement instruction. Settlement instructions for market claims will be settled independently from the underlying instructions.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims. Settlement instructions for market claims will be processed like any other settlement instructions according to T2S standards.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Currently no market claim instructions are generated by the CSD. Efi as a CSD will create market claims. Settlement instructions for market claims will be processed like any other settlement instructions according to T2S standards. Partial settlement will be taken into account only when market claims for securities are created.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Straightforward to Implement	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims. Settlement instructions for market claims will be processed like any other settlement instructions according to T2S standards including recycling of instructions.	Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently limited reporting available from CSD, e.g. open cum div transactions at the end of record date and queries available from tax reporting system.</p> <p>EFi as the CSD will create market claims and report created market claims to its participants.</p>	<p>Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.</p>
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED NOT IMPLEMENTED	Straightforward to Implement	<p>Currently limited reporting available from CSD, e.g. open cum div transactions at the end of record date and queries available from tax reporting system.</p> <p>EFi as the CSD will create market claims based on pending transactions. EFi will offer reporting regarding pending and settled transactions to participants.</p>	<p>Reporting functionalities will be developed at CSD level in connection with the implementation of the new settlement instructions and functionalities as well as the mechanism for detecting and generating the market claims.</p> <p>Part of the implementation of the market claim mechanism (standards 1 and 2). The market claim mechanism for money market instruments was implemented on 2 February 2015. Other instruments will be covered in Q2/2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	NOT IMPLEMENTED	Major Technical Change	<p>Currently there are no automated transformations.</p> <p>EFi as the CSD will create transformations and report them to its participants. EFi will create mechanism for processing transformations according to T2S CASG standards consisting of at least following elements: 1) CA database 2) database for pending transactions and a transformation detection mechanism; 3) generating instructions to T2S for replacing the existing instructions with new settlement instruction; 4) necessary reporting to CSD participants.</p>	Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there are no automated transformations.</p> <p>EFi as the CSD will process transformations on the Record Date situation and 20 opening days onwards.</p>	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Major Technical Change	Currently there are no automated transformations. EFi as the CSD will process transformations for the eligible transactions. Participants will have an opportunity to use opt-out indicator to exclude transactions from transformation process.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Major Technical Change	Currently there are no automated transformations. Efi as a CSD will process transformations for the eligible transactions. Transformation settlement instructions will include the reference of the original transaction, TRAN as settlement transaction condition code and CA event reference.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. Efi as the CSD will process transformations for the eligible transactions. Transformation settlement instructions will be matched locally when counterparties are local and sent for settlement in T2S in case of cross CSD settlement.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. Efi as a CSD will process transformations for the eligible transactions and send instructions for settlement in T2S.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. Efi as the CSD will process transformations for the eligible transactions. Settlement dates of transformation settlement instructions will follow the standard.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. EFi as a CSD will process transformations for the eligible transactions. ISIN code, quantity of securities and settlement date in transformation settlement instructions will be defined based on the CA event. Other details will remain the same as in the underlying settlement instruction.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there are no automated transformations.</p> <p>EFi as the CSD will process transformations for the eligible transactions. ISIN code, quantity of securities and settlement date in transformation settlement instructions will be defined based on the CA event. If there are multiple outturn securities the cash consideration will be split based on the ratio of the CA event. There will not be any linking between settlement instructions. Other details will remain the same as in the underlying settlement instruction.</p>	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. Efi as the CSD will process transformations for the eligible transactions. Characteristics of the underlying transactions will be taken into account. There will not be any linking between settlement instructions.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there are no automated transformations.</p> <p>EFi as a CSD will process transformations for the eligible transactions. In case of fractions, the number of securities will be rounded down and fractions will be paid as separate transactions if the issuer compensates them in cash.</p>	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently there are no automated transformations.</p> <p>EFi as the CSD will process transformations for the eligible transactions. Status of the transformation settlement instructions will be the same as the status of underlying transactions.</p>	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. EFi as a CSD will process transformations for the eligible transactions. The transformation settlement instructions will include the same indicators as the underlying transactions.	Part of implementation of standards 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered in Q2 2016. Changes to Market Practise will be also required.
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document..	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document..</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document.</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The Finnish Market intends to implement manual BP together with other Nordic Markets. Implementation requires Market Practice document..</p>	Manual Buyer Protection process will be implemented by February 2017 when the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straightforward to Implement	The current maximum time period for claim detection is 45 BD. This time period will be set to 20 BD in the frame of the T2S project. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A	<p>A minor technical change (change in detection rule) has been implemented in March 2014 in order to apply this standard to reverse market claims as well. Before this minor change, reverse market claims were suppressed and did not occur materially.</p> <p>This change has been implemented in ESES in March 2014.</p>	This change has been implemented in ESES in March 2014.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Major Technical Change	Opt-out is currently not facilitated by ESES. The current maximum time period for claim detection is 45 BD. This time period will be set to 20 BD in the frame of the T2S project.	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Major Technical Change	Currently, ESES does not provide ex/cum indicator in the ISO message. The implementation Plan has taken in account the decisions made on July the 29th to postpone the start of Wave II testing	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	<p>NOT IMPLEMENTED</p>	Market Practice Change	<p>The former process in France was based on a bottom up method implying the send back to the issuer of all the fractions for a global sale and compensation in return based on equal treatment of each investors (i.e. no market claims applied using the top down method).</p> <p>This kind of evolution was part of the implementation plan of CA standards in France and has technically occurred with the ESES Custody Evolution stream 5 delivery in March 2015. French Market has mentioned in its previous reporting that it will be only offered when T2S will go live which still be the case.</p> <p>The technical gap has been removed and the market practice gap is adapted in order to comply with this standard by March 2016</p>	<p>The functionality has been delivered in the scope of the "ESES stream 5" (March 2015)</p> <p>It will be fully applied in March 2016 (wave II)</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	<p>Currently not applicable in ESES (no use of such ISO transaction type codes).</p> <p>The use of ""CLAI"" ISO transaction type code will be implemented in the frame of T2S project. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Other	<p>Presumption is that same amount should be used by both CSDs in case of Cross CSD market claim.</p> <p>Assuming that this standard will be fulfilled, it would imply having all other standards fulfilled by all the T2S markets...</p> <p>Hence colour of the report would depend not only on a given market willing to implement the standard.</p> <p>We plan to be compliant by the T2S but this compliancy also depends on the other countries compliancy for this standard.</p> <p>Presumption is that same amount should be used by both CSDs in case of cross-CSD market claim. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>Functionalities will be part of the T2S adaptation plan :</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live <p>Dependency with other countries adaptation plan to be noticed</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p>NOT IMPLEMENTED</p>	Other	<p>Currently not compliant as the rate applied for the market claim are not derived automatically from the Issuer CSD. Solution to be implemented in ESES within T2S scope : tax rate should be derived from the Issuer CSD national practice. Pending issue with regards to securities not primarily issued in T2S (maximum rate of the country of issuance could be applied). The French community raise the point that CASG should define a T2S Market Practices to harmonise the way of applying rates to the Market Claim. The "simplest" approach could recommend a Gross rate (define by the issuer) and then act to local administration for being paid back accordingly. At upper level a certain need for harmonisation is needed to correctly interpret what is the tax status of a Market Claim (capital gain? indemnity?...) cause of difference from countries to others. it is suggested that this specific issue should be raised by the CASG to the HSG. Further more an harmonisation of delay to have the pay back from national authorities should also be suggested in order to avoid long delays (provided the provision of all the elements needed). The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>Functionalities will be part of the T2S adaptation plan:</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A		
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A		
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Major Technical Change	<p>Currently the TD is the same as the one of the underlying transaction, while the ISD of the MKC is the current Business Day if detected after the PD.</p> <p>To be implemented in the frame of T2S.</p> <p>The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	<p>Considered as not implemented as such (On hold/Released) concepts do not exist in ESES.</p> <p>Standard to be implement in the frame of T2S.</p> <p>Manual procedure for bilateral cancellation currently being rolled out.</p> <p>The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	<p>Considered as not implemented as such concepts do not exist in ESES. Standard to be implemented in the frame of T2S: either IOCs or parties to amend their instructions.</p> <p>Manual procedure for bilateral cancellation currently being rolled out. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Considered as not implemented as such concepts do not exist in ESES. Standard T2S rules for amending to apply in the frame of T2S. Manual procedure for bilateral cancellation currently being rolled out. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Considered as not implemented as such concepts do not exist in ESES. Standard to be implement in the frame of T2S. Manual procedure for bilateral cancellation currently being rolled out. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	<p>ESES comply with the first part of this standard (the settlement of the market claim transaction is independent from settlement of the underlying transaction).</p> <p>Currently, the user friendly facility as required by the standard is not available. The user friendly facility will be this that will be used for any settlement instruction.</p> <p>The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	There is currently no partial settlement on market claim in ESES. Standard to be implemented in the frame of T2S, including replication of the partial settlement indicator from the underlying instruction. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Major Technical Change	ESES recycling period for market claims is limited to 45 business days. Standard T2S recycling period to apply in the frame of T2S. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Major Technical Change	<p>Currently considered as not implement in ESES (not applicable due to architectural considerations).</p> <p>T2S to report 20022 settlement format instruction only, while ESES will provide custody reporting</p> <p>Issue with regards to the choice of the format for reporting of market claims to be investigated further (ISO Custody - or Transaction Management - vs. ISO Settlement). Alignment of all various CSDs to be agreed on the usage of such messaging. See SMPG. See SMPG summer 2015 meetings.</p> <p>The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p>	<p>NOT IMPLEMENTED</p>	Major Technical Change	<p>Currently the 'cancel and replace' principle is applied within ESES, but only related to intra CSD transactions. However some specifics exist in ESES, hence considered as not fully implemented: far leg of repo is subject to transformation instead of 'cancel and replace', - mandatory reorganisation against cash where a movement in the opposite direction is generated to complement the underlying instruction,- reorganisation with options where no new instruction is created. In the frame of T2S, for intraCSD transactions, cancellation and creation will be instructed by the ESES CSDs, while for XCSD transactions this will require matching (both for cancellation and creation). Regarding elective events the non compliancy has already been documented to the T2S CASG in details. This non compliancy results from the use of inappropriate qualifiers in the announcement of the C.A. that leads to an inappropriate application of the per default option. - Between March and September 2016, CCP ("cash business") will deal with failes trades on Record Date (end of day) for mandatory reorganisations with a cancel and replace process. French government bonds will be handled via Euroclear process.</p> <p>The adaptation regards the CA on stock processing that will be enhanced with the so called "Euroclear stream 6" delivery in september 2016. The status will automatically change to "implemented" when this delivery of september 2016 will be achieved. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan for mandatory reorganisations without options events, and few elective events</p> <p>- October 2015 : testing</p> <p>- March 2016 : go live</p> <p>This is planned to be implemented in the frame of CSE Stream 6 adaptation plan for the other elective events. (for this standard the concern is limited in fact to 2 CAEV potentially).</p> <p>- June 2016 : testing</p> <p>- September 2016 : go live</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	<p>ESES period for creating transformations is limited to 45 business days following the record date/market deadline.</p> <p>This will be changed to 20 BD in the frame of T2S.</p> <p>The transformation process itself will be ready as part of the T2S adaptation plan. However it will not be seen as such as far as the first standard is not fulfilled. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015</p>	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Major Technical Change	Opt out is currently not facilitated by ESES. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <p>- October 2015: testing</p> <p>- March 2016: go live</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	<p>NOT IMPLEMENTED</p>	Major Technical Change	As of today, this piece of information is not available In current messages. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	This is a new T2S functionality. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>NOT IMPLEMENTED</p>	Major Technical Change	Currently ESES process is only to cancel underlying instruction in case of multiple outturns. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	<p>This is planned to be implemented in the frame of T2S adaptation plan.</p> <ul style="list-style-type: none"> - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Major Technical Change	There is no cancel and replace mechanism for transformation into cash in ESES (related to mandatory reorganisation against cash without option). Standard to be implemented in the frame of T2S. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	Major Technical Change	<p>This standard has been technically implemented in the frame of the custody evolutions CSE5 of March 2015. However the evolution will be only be offered in T2S (March 2016)</p> <p>A parallel comment of this of standard 11 on market claim can be added. The former process in France was bases on bottom up method. The evolution to top down method has been achieved technically in last March 2015 but the application (PFOD generated by IOC) is linked to T2S wave II.</p>	<p>The functionality has been delivered in the scope of the "ESES stream 5" (March 2015)</p> <p>It will be fully applied in March 2016 (wave II)</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Currently, in case of fractions, only the underlying transaction is cancelled and no new instruction is created. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Technical Change	The indicators are currently not available in the relevant messages. The implementation Plan column has been updated of the decisions made on July the 29th to postpone the start of Wave II testing in October 2015	This is planned to be implemented in the frame of T2S adaptation plan. - October 2015: testing - March 2016: go live

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>NOT IMPLEMENTED</p>	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">15</p>	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	<p>To be implemented by 09/2016</p>

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented Technical gap only, and associated market practice	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: FRANCE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Practice Change	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Due to delay in the implementation of stream 6 (key dates shall be available to fulfil the Buyer Protection requirements), buyer protection cannot be fully implemented</p> <p>Technical gap only, and associated market practice</p>	To be implemented by 09/2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BOGS GREECE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	Straightforward to Implement		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A		
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A	This standard is characterised as Implemented, since it is not applicable to BOGS, which manages securities in FAMT only.	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BOGS GREECE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	N/A	BOGS manages Greek Government securities for which the only applicable MC is coupon payment, i.e. cash distribution.	
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A		
Market Claims	15	<p>The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.</p>	IMPLEMENTED	N/A		
Market Claims	16	<p>Matching is required for all market claims settlement instructions.</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A		
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A		
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	N/A		
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	IMPLEMENTED	N/A		
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A		
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	Other	The processes implemented for T2S are aligned with this standard's requirements. In addition, market participants will follow this standard, when they process transformation instructions in the case of CAs events, where BP is applicable ¹	The required adaptations are part of the implementations for T2S
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	Other	The processes implemented for T2S are aligned with this standard's requirements. In addition, market participants will follow this standard, when they process transformation instructions in the case of CAs events, where BP is applicable ¹	The required adaptations are part of the implementations for T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A		
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	N/A		
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A		
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A		
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A		
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A		
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED	N/A		
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A		

2015 (2) - T2S Corporate Actions Standards Gap Analysis: BOGS GREECE

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	IMPLEMENTED	N/A		
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED	N/A		
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A		
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">IMPLEMENTED</p>	<p align="center">N/A</p>		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	IMPLEMENTED	N/A		
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	IMPLEMENTED	N/A		
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	IMPLEMENTED	N/A		
Buyer Protection	18	<p>Settlement of BP instructions should take place as specified in the T2S transformations standards.</p>	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Straight forward to implement	Lack of market practice of central MC management though currently custodians of the buyer and seller having pending transactions between each other monitor trades being subject of market claim and make necessary compensations based on bilateral agreements (typically SLAs).	The market participants have been prepared for the introduction of the centralized market claim. Upon agreement of all stakeholders the new process will be launched in the market in 2016. KELER's new CSD software will contain the MC as a process already from the go-live of the system (Q1 2015), however it will be introduced in the market in 2016 based on agreement with the market.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	NOT IMPLEMENTED	Straight forward to implement	Based on the Article 4 under 34§ in the Capital Market Act KELER is not an official announcement source therefore listed companies are not legally forced to announce corporate events through KELER.	KELER submitted its proposal to the Ministry of Economics to change the law. On 7 September 2015 we had a discussion ended with a positive outcome that is to include KELER as official CA announcement source in the codification process.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straight forward to implement	The claim detection period and the recycling period is currently unlimited but will be adjusted in line with the standard	The new CSD software was specified to fulfil this standard.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Straight forward to implement	For the time being market claim management is provided non-centrally and rather on a bilateral basis in the market. With introducing centralized MC KELER will provide claim detection minimum once a day during the claim detection period.	The new CSD software was specified to be able to detect market claims min. once a day. Based on market volatility this parameter might be subject to change.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Straight forward to implement	Currently custodians of the buyer and seller having pending transactions between each other monitor trades being subject of market claim. The frequency is normally regulated by SLAs and the process is rather manual. With T2S KELER will provide claim detection min. once a day during the claim detection period.	The new CSD software was specified to be able to detect market claims min. once a day. Based on market volatility this parameter might be subject to change.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Straight forward to implement	There might be transactions being opt-out of the claim management even today, however due to the fact that the claim process is separated from the settlement process this information is not part of the settlement instruction details for the time being.	The "opt-out" indicator will be a new element in the instruction that will be subject of matching and will be considered in the claim detection as well. The new software was specified accordingly.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Straight forward to implement	There might be transactions traded ex-cum in the market even today, however due to the fact that the claim process is separated from the settlement process this information is not part of the settlement instruction details for the time being.	The "ex-cum" indicator will be a new element in the instruction that will be subject of matching and will be considered in the claim detection as well. The new software was specified accordingly.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Straight forward to implement	Market claim detection for only matched transactions is an existed market practise but handled outside KELER. With T2S it will be centralized.	The new software has been specified in accordance with the standard.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Straight forward to implement	With T2S KELER will provide centralized MC management to the extent of parties with both direct and indirect connectivity to T2S.	The new software has been specified in accordance with the standard and with no respect of the type of connectivity market claim will be detected and processed.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	NOT IMPLEMENTED	Straight forward to implement	Currently there is no instruction based process existed throughout the whole MC procedure in the market (mainly manual - no central - treatment of MC's is in place). With T2S KELER will implement MC instructions and provide claim management in the same currency as the currency of the CA announcement.	The mapping between CA events and T2S settlement instruction was done during specification of the new software. Routing table will be built in the product that will route MC instructions to T2S for T2S currencies, and claims in non-T2S currencies will be settled in the RTGS system.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	N/A	The rounding is performed according to the standard already.	The rounding method is already in line with the standard and the new software was parameterized accordingly.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straight forward to implement	Currently there is no instruction based process existed throughout the whole MC procedure in the market (mainly manual - no central - treatment of MC's is in place), however some of the market participants already use the ISO code "CLAI" in their operation which will have to be made a market practice in the communication between KELER and its participants.	The "CLAI" transaction type code will be built in the new product and used in the message communication.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Straight forward to implement	Here we see mainly a legislative gap, because based on the current legislation (Article (1) under 3:262.§ in the Act V. of 2013 on the Civil Code) pre-condition of being entitled to dividend is to get registered to the extent of the record date position. Positions being subject of a MC are registered in the name of the party who has it on its account on record date. Based on the current regulation precondition for the contractually entitled party being compensated is to get entered in the share book for the unsettled position on record date. KELER is about to have the legislation changed to enable registration is not a pre-condition of a dividend payment and compensation originating from the unsettled transactions at record date.	KELER submitted its proposal to the Ministry of Economics to change the law. Last discussion we had on 7 September 2015 and concluded that there is no need for regulatory changes in this respect since the applicable regulation is permissive meaning that parties have the right to deviate.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>	NOT IMPLEMENTED	Market practice change	As per current market practice the tax status of the beneficial owners does have a direct effect on the amounts to be transferred, i.e. proper tax rates can be applied as part of the relief at source process to avoid a tax refund procedure.	There have been different views in the NUG how to consider and process tax applicability on market claims. Discussions related the tax topic are ongoing in the NUG and talks are planned with the Taxation Office this year as well.
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Straight forward to implement	The process in which KELER will identify corresponding T2S DCA's to use for claim generations, the supporting infrastructure, communication methods, message types and client documentations have been elaborated with the solution provider.	There will be a mapping table in the product with which we will route instructions impacting T2S DCA's based on a routing logic.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Straight forward to implement	No instruction and matching obligation of MCs is existed at present.	The market agreed on implementing the T2S matching concept in the domestic context from 2016.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Straight forward to implement	No instruction obligation is existed to manage market claims currently, in addition there is no central event database is existed, either, and no central reference (market reference) is assigned to the settlement instructions.	The new software will provide the CA and trade reference in the claim instruction.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Straight forward to implement	1) Currently there is no settlement cycle of market claims defined 2) Back valuation is not performed by KELER 3) MC compensation is carried out with actual value date at present	These are parameters that were factored in the new product during specification.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Straight forward to implement	No instruction obligation is existed to manage market claims currently, however the hold/release mechanism is already existed in KELER.	This has been factored in the new product to be in line with the standard.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement	There is no market practise to amend instructions (at present cancellation and re-instruction is necessary).	The instruction maintenance concept used in T2S was factored in during specification of the new system, and will be launched in the domestic context in 2016.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement	There is no market practise to amend instructions (at present cancellation and re-instruction is necessary).	The instruction maintenance concept used in T2S was factored in during specification of the new system, and will be launched in the domestic context in 2016.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement	KELER participants are allowed to cancel instructions depending the type and status of the instructions at present. In addition, unilateral cancellations are allowed prior and post matching as well.	The instruction cancellation concept used in T2S was factored in during specification of the new system, and will be launched in the domestic context in 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Straight forward to implement	Currently market claims are dependent from the settlement of the underlying transaction. With T2S a new market practice and corresponding technical functionalities should be implemented.	This was specified according to the standard and the new product will comply with it.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available).	NOT IMPLEMENTED	Straight forward to implement	Monitoring of payment date being reached and cash resources are available is currently the duty of the two custodians being in charge of claim management.	This requirement was considered during specification and the system will have the feature to comply with this standard.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Straight forward to implement	Partial settlement is not a market practice in Hungary (neither for settlement instruction nor for market claims).	Partial settlement for claims was not in the scope during specification of the new system.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Straight forward to implement	Recycling rules (20 days) at KELER are T2S compliant yet. Same rules will apply for MCs in future.	The T2S recycling rules will be harmonized by KELER and it was factored in the new system.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Straight forward to implement	Currently the custodians of the counterparts report towards the clients and between each other, KELER is not involved in the process	Internal and external reports on market claims will be provided by our new software.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Straight forward to implement	Reports on pending/settled transactions are already sent to participants	There will be a number of reports provided to the participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p>At the CCP level: When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S): The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	NOT IMPLEMENTED	Straight forward to implement	Transformation process is currently not recognized in the market but will be launched in 2016.	<p>The market participants have been prepared for the introduction of the transformation process. Upon agreement of all stakeholders the new process will be launched in the market in 2016.</p> <p>KELER's new CSD software will contain transformation as a process already from the go-live of the system (Q1 2015) however it will be activated only in 2016 based on agreement with the market.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straight forward to implement	Currently not an existed process in the market.	The new CSD software was specified to be able to detect transformations min. once a day. Based on market volatility this parameter might be subject to change.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Straight forward to implement	Since transformation is not existed in the market currently, opt-out of instructions from the standard transformation is not applied for the time being.	The opt-out indicator was declared as mandatory settlement instruction element during the design of the new solution. It will be taken into consideration during matching and detection of transactions subject of transformation.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Straight forward to implement	This is identified as a technical gap since KELER currently use ISO15022 standards (the ISO code "TRAN" is not used either).	The adaptation of the ISO20022 standards has been on track and expected to be implemented by end of 2015.
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Straight forward to implement	As per current market practice transactions are not transformed consequently no matching is existed in this respect.	The T2S matching concept will be implemented in the market from 2016 as agreed with the market participants. .

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Straight forward to implement	As per current market practice transactions are not transformed consequently no matching is existed in this respect.	Routing table will be built in the product that will route transformation instructions to T2S for matching.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Straight forward to implement	Currently no functionalities at CSD level existed in this context	This is a parameter setup that was factored in in the new product during specification.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Straight forward to implement	Currently no functionalities at CSD level existed in this context	This was factored in in the new product during specification.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	NOT IMPLEMENTED	Straight forward to implement	Currently no functionalities at CSD level existed in this context	All this was factored in in the new product during specification.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Straight forward to implement	Currently no functionalities at CSD level existed in this context	All this was factored in in the new product during specification.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	N/A	The rounding is performed according to the standard already.	The rounding method is already in line with the standard.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Straight forward to implement	Unknown business process with lack of functionalities at system level currently.	This was factored in in the new product during specification.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Straight forward to implement	These indicators are currently not part of the settlement instructions.	These indicators will be new elements in the instruction that will be subject of matching and will be considered in the detection of instructions subject of transformation.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Straight forward to implement	Transformation process is currently not recognized in the market but will be launched in 2016.	The market participants have been prepared for the introduction of the buyer protection process. Upon agreement of all stakeholders the new process will be launched in the market in 2016. KELER has decided for the manual BP to launch in 2016. Its new CSD software will contain buyer protection that will be activated in 2016 based on agreement with the market.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A	In case of elective events no BP can be invoked currently but in case of non-participation default election rules are applied.	The applicability of the default rules in the market is already in line with the standard.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Other	No market practice is existed in this context. Please note that mandatory corporate actions with choice or voluntary events are not common in the market.	The market participants have been aware of the requirements of monitoring open transactions (this is already met) and establishing the framework of the manual BP as a new service offering.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Straight forward to implement	Partially met since KELER and market participants have their own records already to monitor pending transactions. KELER is working on establishing the central event database that consults with the pending transaction database in order to identify transactions being subject of BP.	The CSD software will have a CA database that fulfils the requirements of being able to consult with the pending transactions database.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market practice change	Lack of market practice existed for confirmation of receipt BP instructions (since such instruction types are not existed in the market at all).	Market participants to work out the way of acknowledging receipt of BP instruction
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market practice change	Because of lack of a central event database there is no central event reference is available at present.	The whole instruction process and communication method of the BP flow to work out in the market.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market practice change	No regulatory (SLA/KELRs GTC) guidelines exist in this respect and lack of bilateral agreements between market participants, too. The market practice of bilateral BP is also missing at present in the market.	Market participants to elaborate their service level related BP.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other	Lack of instruction types and functionality for BP currently. Moreover, only banks are SWIFT capable in the market, other participants (e.g. broker dealers) are not.	To implement the new ISO20022 standards and the new BP instruction type.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Other	No market practice existed and lack of guidelines on regulatory level (SLA/KELERs GTC).	The market participants to work out the framework of the <u>manual BP</u> . Automated BP mechanism will not be offered in the market.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Straight forward to implement	No market practice and lack of guidelines on regulatory level (SLA/KELERs GTC).	Deadlines to harmonize in the T2S environment.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	No market practice existed and lack of guidelines on regulatory level (SLA/KELERs GTC).	Market participants to include the conditions of BP instruction modification in the framework of BP.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other	No market practice existed and lack of guidelines on regulatory level (SLA/KELERs GTC).	Market participants to include the conditions of BP instruction modification in the framework of BP.
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Other	Lack of functionalities in the current system and no business process exists at present currently.	Market participants to adopt the standards in the operation between each other.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: HUNGARY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	NOT IMPLEMENTED	Other	Lack of market practice and functionalities at present.	The framework of the manual BP to establish in the market.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: HUNGARY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Other	Lack of market practice and functionalities at present.	The framework of the manual BP to establish in the market.
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Other	Lack of market practice and functionalities at present	The framework of the manual BP to establish in the market.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Market practice change	Lack of market practice and functionalities at present.	The framework of the manual BP to establish in the market.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: HUNGARY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Straight forward to implement	Currently no functionalities existed at CSD level in this context.	The process of manual BP to introduce in the market with the supporting regulatory and technical background.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED		MT is, and will continue to be, the party in charge for detecting Market Claims	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED		MT is, and will continue to be, the entity deputed to detect Market Claims	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED		The software has been implemented for repeating Market Claims detection in the 20 days following Record Date	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED		The software has been implemented for repeating Market Claims detection in the 20 days following Record Date, starting at close of business on Record Date	
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED		Monte Titoli will detect Market Claims once a day, after close of business and prior to the start of the next settlement day	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	Not Implemented	Minor IT changes.	The new software dealing with the OPT-OUT indicator was released but functionality is not applied for OTC transactions due to descoping of market claim generation for these trades.	Market claims on OTC will be "in scope" within June 2016
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED		The new software dealing with the EX/CUM indicators is being released	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED		Only matched trades are, and will continue to be, eligible for Market Claims	
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED		Monte Titoli will generate Market Claims on behalf of its participants, regardless the way they connect to T2S	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p>	IMPLEMENTED	Minor IT change	<p>The new software managing a new settlement instruction (the Market Claim) alongside with the underlying failed trades is being deployed. Before T2S, Market Claims management at Monte Titoli included the cancellation of the underlying failed trade and the creation of a new settlement instruction with adjusted counter-value.</p> <p>Cash Market Claims when denominated in non T2S currency will be managed by the counterparties to the failed underlying trades</p>	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.				

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED		If the issuer compensates fractions, MT creates, and will continue to create, payment instructions	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED		The new software dealing with the CLAI transaction type code is being released	
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED		MT receives information directly from issuers, or from issuer-CSDs. This will continue to be the same after migration to T2S	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (The claim could be an indemnity at, for example, 100% of the gross dividend, or could	IMPLEMENTED		Market Claims are considered cash compensations and not CA income. The gross amount will be distributed, regardless the fiscal status of recipients. For securities admitted at Monte Titoli as a Issuer-CSD, it might be the market decides to add a penalty to be added to the Market Claim cash amount. The decision will be taken in due course	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.				
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED		In line with the standards Market Claims in cash will settle in the participants DCAs in T2S	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED		In line with the standards, intra-CSD settlement instructions will be sent to T2S as already matched; in cross-CSD settlement, matching will occur in T2S	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED		The new software that is being deployed will include at least the minimum details as suggested by the standards.	
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction.	IMPLEMENTED		We are prepared to generate market claims according to the standards.	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED		Market Claims will have the same on-hold/released status as per the underlying fail trade, independently on the nature of the trade. This represents a change in the current practice, where hold/released statuses are only used for OTC trades and where the default option is released.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	Minor IT change	Permissions will be granted to CSD participants	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED		Permissions will be granted to CSD participants within the limits imposed by T2S rules	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED		Permissions will be granted to CSD participants within the limits imposed by T2S rules	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	IT change	Monte Titoli will make available the user friendly facility to participants as suggested by CAJWG during their meeting on 26 June 2014 As it regards the above user friendly facility, there has been some misunderstanding on the perimeter of such facility. Indeed, once we received the clarification from CASG on May 26th, there was no more room to plan T2S adaptation, so that we had to postpone it and it has yet to be scheduled.	To be scheduled
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available).	IMPLEMENTED		T2S is not changing conditions under which settlement can be achieved	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED		The software that is going to be deployed will manage partial settlement as per the standards	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED		The software that is going to be deployed will manage recycling of failed trades according to T2S rules	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED		Additional messages have been built to meet CSD participants requirements	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED		We are prepared to provide additional information to both D/ICPs	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p>At the CCP level: When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; When the transaction is cross-border (one CSD is in T2S and the other is outside T2S): The T2S connected</p>	IMPLEMENTED		Both the CCPs and MT are in line with the standards, with no exceptions	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		(ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.				
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED		Upon the decision taken by the CASG Group to limit detection at Market Deadline, there is no need for Monte Titoli to expand detection to the 20 days after (this was the gap in respect of the previous wording of the standards)	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED		The new software dealing with the OPT-OUT indicator was released but functionality is not applied for OTC transactions due to descoping of market claim generation for these trades.	Market claims on OTC will be “in scope” within June 2016

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants)</p>	IMPLEMENTED	Minor IT change	The new software that is being deployed will include at least the minimum details as suggested by the standards.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		as these references do not trigger any specific functionality in T2S (other than standard settlement processing).				
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED			
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED		The new software that has been deployed in the test environment is ready to send settlement instructions to T2S	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED		The new software that has been deployed in the test environment is ready to manage all of these dates	
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED			

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities 	IMPLEMENTED		The new software that has been deployed in the test environment is ready to create transformed instructions fully in line with the criteria specified in the standard	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<ul style="list-style-type: none"> • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 				

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	Minor IT change	The new software that has been deployed in the test environment is ready to create transformed instructions fully in line with the criteria specified in the standard	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED		If the issuer compensates fractions, MT creates, and will continue to create, payment instructions	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED		The new software that has been deployed in the test environment is ready to create transformed instructions with the same status as the one of underlying transactions	
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED		The new software that has been deployed in the test environment is ready to manage all of these indicators	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED		<p>The Italian community has opted for a manual processing. Italian community agreed for a market practice that is part of the documentation available through the CSD website.</p> <p>Stock exchange and CCP review contractual documentation and rules applicable to their participants including provision for buyer protection application in line with standards.</p>	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED		Market default rules are included in Issuer to CSD announcement . As per process flows description is available in CCP and Stock exchange by law as well as domestic market practice. See standard n. 1	
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED		MT will supply of the pieces of information needed to ICP for monitoring their pending trades, both on the seller and on the buyer side	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED			
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED			

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED		Those details have been included in the spread-sheet hat is to be used between buyer and settler at the time a BP is instructed	
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED		This is part of the content of the market practice	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED		When the Italian community automates the communication flow between buyer and seller ISO 20022 protocols will be used	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day</p> <p>Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	IMPLEMENTED		<p>Italian community decide to implement manual buyer protection.</p> <p>The new field dedicated to the Buyer Protection instruction deadline has been implemented in the CA announcements</p>	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED		Monte Titoli, and the financial community, including issuers, will endorse the standard without deviations	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED		This is part of the content of the market practice	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED		This is part of the content of the market practice	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	IMPLEMENTED		This is part of the content of the market practice	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p>	IMPLEMENTED		This is part of the content of the market practice	

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation				

2015 (2) - T2S Corporate Actions Standards Gap Analysis: Italy

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	IMPLEMENTED			
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	IMPLEMENTED		This is part of the content of the market practice	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED		This is part of the content of the market practice	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED		The standard is fully applied	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	Not implemented	N/A	Detection of a market claim requires: additional information (ex-cum, opt put indicators) in the settlement instructions passed from the CSD participant to the CSD; market claims detection functionality in the CSD system; CSD operational rules for detecting of market claims; market participants' internal adaptations. Planned technological changes on CSD level will cover the required functionality.	Full standard technical implementation time: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. CSD rules will take effect as of migration to the new system and as of migration date to the T2S (Feb 2017).
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	Not implemented	Other	In order Lithuanian CSD can detect market claims it requires: additional information (ex-cum, opt put indicators) in the settlement instructions passed from the CSD participant to the CSD; market claims detection functionality in the CSD system. Planned technological changes on CSD level will cover the required functionality.	The mechanism of detecting market claims will be implemented when new CSD system is launched in Feb 2017.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	Not implemented	Other	In order to meet the standard the Lithuanian CSD must foresee maximum time period for claim detection in the CSD operational rules and technically implement it in the CSD system. Planned technological changes on CSD level will cover the required functionality.	Lithuanian CSD will comply with the standard in the Feb 2017 when the new CSD system is launched.
Market	4	Market claims should be detected	Not	Other	In order to meet the standard the Lithuanian	Lithuanian CSD will comply with the

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Claims		after the close of business on record date and during the rest of the claims detection period.	implemented		CSD must foresee maximum time period for claim detection in the CSD operational rules and technically implement it in the CSD system. Planned technological changes on CSD level will cover the required functionality.	standard in Feb 2017 when the new CSD system is launched.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	Not implemented	Other	In order to meet the standard the Lithuanian CSD must foresee maximum time period for claim detection in the CSD operational rules and technically implement it in the CSD system. Planned technological changes on CSD level will cover the required functionality.	Lithuanian CSD will adjust the schedule of detecting market claim according to the T2S schedule when migrating to T2S.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	Not implemented	Other	Market claims are detected for all transactions. The implementation of the opt-out indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules.	Opt-out indicator will be implemented in the new CSD system together with the settlement functionality of claims. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	Not implemented	Other	The implementation of the ex/cum indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules.	Ex/cum indicator will be implemented in the new CSD system together with the settlement functionality of claims. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	Not implemented	Other	In order to meet the standard the Lithuanian CSD must foresee maximum time period for claim detection in the CSD operational rules and technically implement it in the CSD system. Planned technological changes on CSD level will cover the required functionality.	Lithuanian CSD will comply with the standard in the Feb 2017 when the new CSD system is launched.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	Not implemented	Other	Market claims generation by the CSD to be implemented, requiring a technical and market practice change. Change of the CSD rules is also required.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	Not implemented	Other	The prescribed types of market claim instructions to be implemented. Change of CSD rules is necessary.	<p>Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>Amendments to the CSD rules to take effect by the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	Not implemented	Other	A requirement to apply the rounding down principle to the number of outturn securities fractions will be added to the new rules of the CSD effective after migration to T2S. The compensation handling mechanism is straightforward to implement.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	Not implemented	Other	A specific ISO transaction type code "CLAI" to be used in the settlement instructions in order to identify market claims, requiring technical change.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such	Not implemented	Legislative Change	Current legislation does not impose a direct requirement for local issuers to specify the market claim rules to the level required by	Lithuanian CSD will comply with the standard in the Feb 2017 when the new CSD system is launched.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.			the standard. Also, current legislation does not impose a clear obligation to local issuers to inform local CSD about all corporate actions in a proper and standardized form.	
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (<i>The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount</i>). Subsequent, or in parallel, to the market claim, a withholding agent could process	Not implemented	Taxation Change	Technical and operational compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of the market claims. There is identified income tax issue from the capital gain which must be addressed by the Lithuanian market participants to the authorities. Current taxation regulation imposes a requirement for the issuer to withhold the taxes on the moment of cash distribution based on recipient's legal status and country of residence, or in accordance with appropriate tax reclaim forms submitted.	Lithuanian CSD will comply with the standard in the Feb 2017 when the new CSD system is launched.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<i>tax adjustments.</i>				
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	Not implemented	Market Practice Change	Technical compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of the market claims. Market claim processing currently is handled directly between involved parties without CSD involvement.	Lithuanian CSD will comply with the standard in the Feb 2017 when the new CSD system is launched.
Market Claims	16	Matching is required for all market claims settlement instructions.	Not implemented	Market Practice Change	The matching functionality of market claims to be implemented.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Not implemented	Other	Appropriate references for the market claim instruction to be negotiated with the Participants of the CSD.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	Not implemented	Other	The trade date of the claim to be set the same as the trade date of the underlying transaction. The settlement date of the claim to be set the same as the payment date of the underlying corporate action.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	Not implemented	Other	Market claim processing currently is handled directly between involved parties and does not have proper regulation implemented in local market neither on technological level, nor on legal level. Planned technological changes on CSD level will cover the required functionality.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Not implemented	Other	Standard T2S rules for amending settlement instructions to be applied in the context of market claims amending rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Not implemented	Other	Standard T2S rules for amending settlement instructions to be applied in the context of market claims amending rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing,

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Not implemented	Other	Standard T2S rules for cancelling settlement instructions to be applied in the context of market claims cancellation.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	Not implemented	Other	A market claim to be treated independently from the settlement of the respective underlying transaction. The CSD system provides a user friendly facility for management of transfers.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	Not implemented	Other	The T2S settlement conditions to be applied.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	Not implemented	Other	Currently no partial settlement is practiced in the market, thus requiring market practice change and technical changes in the system, as well as change of the CSD rules.	Generation of market claims to be implemented in the second phase of developments. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Market Claims	26	The standard T2S rules for the recycling period should apply.	Not implemented	Market Practice Change	Technical compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of the market claims.	Lithuanian CSD will comply with the standard in Feb 2017 when migrating to the T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	Not implemented	N/A	ISO15022 based proprietary XML messages are currently used for providing all settlement related information to participants. Messaging system will be changed to ISO20022 standard. Technical compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of the market claims. In addition, the link agreements will be amended foreseeing the processing of the market claims.	Lithuanian CSD will comply with the standard in Feb 2017 when migrating to the T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	Not implemented	Other	ISO15022 based proprietary XML messages are currently used for providing all settlement related information to participants. Messaging system will be changed to ISO20022 standard. Technical compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of the market claims. In addition, the link agreements will be amended foreseeing the processing of the market claims.	Lithuanian CSD will comply with the standard in Feb 2017 when migrating to the T2S.
Transformations	1	<u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms. <u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD	Not implemented	Straightforward to Implement	Technical compliance with this standard Lithuanian CSD will achieve in Feb 2017 when it will offer full processing of transformations. In addition: CSD operational rules must foresee the process of the transformations; the link agreements will be amended foreseeing the processing of the transformations. Planned technological changes on CSD level will cover the required functionality.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>				
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Not implemented	Straightforward to Implement	In order to meet the standard the Lithuanian CSD must foresee maximum time period for transformation detection in the CSD operational rules and technically implement it in the CSD system. Planned technological changes on CSD level will cover the required functionality.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	Not implemented	Straightforward to Implement	In order to meet the standard the Transformations are applicable for all transactions. The implementation of the opt-out indicator requires technical changes in the system, as well as change of market practice and change of the CSD rules.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						by the migration to T2S.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	Not implemented	Straightforward to Implement	Relevant ISO20022 format for managing the transformation, the ISO transaction type code "TRAN" and appropriate references to be implemented. Planned technological changes on CSD level will cover the required functionality.	Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching	Not implemented	Straightforward to Implement	T2S matching rules to be followed for handling transformation instructions matching.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		in T2S.				project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Not implemented	Straightforward to Implement	T2S matching rules to be followed for handling transformation instructions matching.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	Not implemented	Straightforward to Implement	The settlement date of the new transformed instructions to be defined according to the proposed T2S principles.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The	Not implemented	Other	Transformation into new security with a single outturn to be implemented according to the proposed T2S rules.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		ISIN; (iii) The settlement date (SD).				by the migration to T2S.
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	Not implemented	Straightforward to Implement	Transformation into two or more new securities to be implemented according to the proposed T2S rules.	<p>The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.</p>
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying	Not implemented	Straightforward to Implement	Transformation into cash to be implemented according to the proposed T2S rules.	<p>The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.				by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	Not implemented	Other	A requirement to apply the rounding down principle to the number of outturn securities fractions will be added to the new rules of the CSD effective from the migration to T2S. The compensation handling mechanism is straightforward to implement.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	Not implemented	Straightforward to Implement	The instructing of the transformed transaction with the same status as the underlying transaction to be implemented.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	Not implemented	Straightforward to Implement	In order to replicate the indicators (partialling, ex/cum, opt-out) of the underlying transaction in the new outturn transaction(s), the relevant fields need to be implemented in the system thus requiring technical changes to the system.	The processing of transformations according to the T2S standards will be implemented in the second phase of developments and introduced to the new CSD system. Implementation time in the test system: Q3 2015 start of internal testing, to be followed by the T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. Amendments to the CSD rules to take effect by the migration to T2S.
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	Not implemented	Other	Market practice must be implemented for passing buyer election to the CSD. The CSD will via manual procedures mediate the instructions in cases involving cross-CSD settlement requiring the amendments to the link agreements. BP deadline must be set by CSD in the CSD operation rules. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	Not implemented	Other	CSD as CA processing entity will ensure that the standard is met. Legal requirements will have to be changed to accommodate a new market practice. Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						to T2S.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	Not implemented	Other	Market practice must be implemented for passing buyer election to the CSD. Legal requirements will have to be changed to accommodate a new market practice. Manual procedures to be implemented requiring market practice change.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer	6	The buyer should include in BP	Not	Other	Manual procedures to be implemented.	The management of buyer protection

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Protection		instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	implemented		Legal requirements will have to be changed to accommodate a new market practice.	instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	Not implemented	Other	Whether later BP instructions should be accepted is to be established on the basis of bilateral agreement between the buyer and the seller. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	9	BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle: • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour				via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed	The management of buyer protection instructions by market participants or the

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
n		the BP deadline.			to accommodate a new market practice.	CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	14	Process for pending transactions on BP deadline: In case of Automated BP mechanism	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>				<p>Implementation time: The practice will be launched together with the migration to T2S.</p> <p>Implementation time: The practice will be launched together with the migration to T2S.</p>
Buyer Protection	15	<p>Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend</p>	Not implemented	Other	<p>Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.</p>	<p>The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		the underlying transaction (as per current practice: cancel and re-instruct).				
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	Not implemented	Other	Manual procedures to be implemented. Legal requirements will have to be changed to accommodate a new market practice.	The management of buyer protection instructions by market participants or the CSD in cross-CSD cases will be offered via manual procedures. Implementation time: The practice will be launched together with the migration to T2S. Implementation time: The practice will be launched together with the migration to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						to T2S.

LUX CSD:

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	LuxCSD already detects Market Claims for majority of transaction types for both counterparties.	Functionality is already implemented, the standard will only be migrated for all kind of transactions in September 2016 with the participation of LuxCSD on T2S.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	By following the CAJWG standards regarding the definition of Market Claims, LuxCSD already follows this standard regarding the detection solely.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	The current recovery period is fixed at 30 days after the payment date. Luxembourg CSDs rules and operational procedures will be adapted to the CAJWG best practice and the T2S standard	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S. Period of 20 BD will be reduced with wave 3.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	Legislative Change	Already today LuxCSD detects Market Claims at Record Date and for the following period.	Detection of market claims and automated processing already implemented

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A	Currently LuxCSD detects market claim relevant transactions for Income events once a day. For Non-Income events the detection takes place during the LuxCSD settlement cycles several times a day.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Straightforward to Implement	At present LuxCSD don't support opt-out flag to exclude the respective transaction from the Market Claiming process.	The standard (OPT-OUT) will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	N/A	At present LuxCSD don't provide Ex-CUM flag processing	The standard (Ex-Cum Flag) will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	At present LuxCSD detect MC for mached instructions	Functionality is already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	OTHER	Straightforward to implement	To be implemented in September 2016 with the participation of LuxCSD on T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	<p>NOT IMPLEMENTED</p>	OTHER	Straightforward to implement	To be implemented in September 2016 with the participation of LuxCSD on T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	Not IMPLEMENTED	Market Practice Change	<p>Straightforward to implement</p> <p>No existing market practise</p>	To be implemented in September 2016 with the participation of LuxCSD on T2S
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A	At present LuxCSD provides the CLAI-Flag in ISO15022 to customers in order to identify Market Claims.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A.	Detailed information e.g. exchange ratios or dividends are received by the CSD from the issuer.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>	IMPLEMENTED	Other	LuxCSD already process with fixed rates etc.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Other	Straightforward to implement	To be implemented in September 2016 with the participation of LuxCSD on T2S

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A.	already implemented	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A.	already implemented	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Market Practice Change	Straightforward to implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	Not IMPLEMENTED	N/A.	Straightforward to Implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A.	The current processing considers these rules to the payment date and any kind of required resources (cash or securities).	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	Not IMPLEMENTED	Market Practice Change	Straightforward to implement	The standard will be implemented by September 2016 with the participation of LuxCSD on T2S.
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A.	Today LuxCSD recycles open transactions. This rule will be migrated to T2S.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A.	LuxCSD provides comprehensive reporting regarding market claims.	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A.	already implemented	As already implemented, the standard will only be migrated in September 2016 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>Not IMPLEMENTED</p>	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: LUX CSD

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

2015 (2) - T2S Corporate Actions Standards Gap Analysis: LUX CSD

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	Not IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Straightforward to Implement	Straightforward to Implement	The standard will be adopted, initially as a manual process, by September 2016, with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	N/A	<p>Buyer protection is handled bilaterally in Luxembourg:</p> <p>In this case, only the market participants need to comply with the T2S CA standards on manual buyer protection. The CSD would not need to make any system changes in relation to buyer protection since the exchange of BP instructions takes place bilaterally between the counterparts, outside the LuxCSD environment.</p> <p>Lux NUG must decide and agree who will be the body to publish BP Key data e.g. BPD</p>	<p>Luxemburg market decided to do not introduced an automated BP infrastructure.</p> <p>Manual BP requirements on counterparty level will be implemented before participating on T2S.</p> <p>LuxCSD will publish on its website the final version of the Buyer Protection Instruction (BPI) template agreed by CAJWG and T2S CASG</p> <p>Lux NUG must fund central body to publish BP Key data e.g. BPD</p>
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	N/A	See comment on BP standard 01	No central body exists in Luxemburg to publish BP Key data e.g. BPD
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	IMPLEMENTED	N/A	market participants will have to adapt to the CAJWG standard	adjustment and timetable tbd with CSDs

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">IMPLEMENTED</p>	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	18	<p>Settlement of BP instructions should take place as specified in the T2S transformations standards.</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	IMPLEMENTED	N/A		<p>Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.</p>
Market Claims	12	<p>In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.</p>	IMPLEMENTED	N/A		<p>Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A		Implemented as part of the ongoing VP LUX adaptation to T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A.		Implemented as part of the ongoing VP LUX adaptation to T2S.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	N/A		<p>Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	IMPLEMENTED	N/A		<p>Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.</p>
Transformations	12	<p>The transformed transaction should be instructed with the same status as the underlying transaction.</p>	IMPLEMENTED	N/A		<p>Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A		Part of the VP LUX adaptation to T2S. VP LUX will offer an automated CA on flow solution ready for community testing prior to the migration in September 2016, thereby ensuring a compliant solution by the migration of VP LUX.
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Straightforward to implement.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	Market practice change.		<p>Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market practice change.		Based on a common decision by the market participants, a compliant manual BP handling will be implemented at the same time as the VP LUX automated CA on flow solution, i.e. by the migration in September 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Other	<p>General comment on all T2S CA standards: there are no pending transactions in Latvia, therefore market claims, transformations and buyer protection will be introduced as of Latvian market migration to T2S.</p> <p>Detection of a market claim requires:</p> <ol style="list-style-type: none"> 1) technical changes (additional information in the settlement instructions), affected parties - CSD, stock exchange, linked CSDs, CSD participants; 2) drafting of respective CSD rules; 3) market practice change. 	<p>The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016. Technically the standard will be implemented prior to the start of T2S user testing.</p>
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard.	<p>The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard.	<p>The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard.	The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard.	The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The detection of the market claims will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Other	CSD market claims detection solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	NOT IMPLEMENTED	Other	<p>CSD market claims processing solution and CSD rules should be developed to support the standard.</p> <p>Market practice change, since there are no market claims used as common transactions at national market level.</p>	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>	NOT IMPLEMENTED	Other	<p>Market claims processing solution and CSD rules should be developed to support the standard.</p> <p>No direct impact on CSD settlement processing in T2S, since CSD is not anyhow involved in tax withholding.</p> <p>Market practice change, since there are no market claims used as common transactions at national market level – discussible issue with CSD participants on changes foreseen at level of CSD participant-customer.</p>	<p>The settlement of the market claims subject to CSD participants' discussions will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules subject to CSD participants' discussions are planned to be approved by I quarter of 2016.</p>
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Other	CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Other	CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Other	CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available).	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard. Market practice change, since there are no market claims used as common transactions at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Other	CSD market claims processing solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the <u>transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	<p>NOT IMPLEMENTED</p>	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard. Market practice change, since there are no pending transactions envisaged at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard. Market practice change, since there are no pending transactions envisaged at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard. Market practice change, since there are no pending transactions envisaged at national market level.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>NOT IMPLEMENTED</p>	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard.	<p>The respective functionality will be available in the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Other	<p>CSD transformations management solution and CSD rules should be developed to support the standard.</p> <p>Market practice change, since there are no pending transactions envisaged at national market level.</p>	<p>The respective requirements will be supported by the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017).</p> <p>The CSD rules are planned to be approved by I quarter of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Other	CSD transformations management solution and CSD rules should be developed to support the standard. Market practice change, since there are no pending transactions envisaged at national market level.	The respective requirements will be supported by the new CSD system (to be operational as of Latvian market migration to T2S on February 6, 2017). The CSD rules are planned to be approved by I quarter of 2016.
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Other	General comment on all buyer protection standards: Latvian Central Depository plans to implement manual procedures for execution of buyer protection transactions. CSD rules should be developed to support the execution of these transactions and respective buyer protection standards. CSD participants should develop their internal regulations providing services to their customers in line with deadlines of buyer protection invocation and other T2S related timelines. Latvian NUG will agree on implementation plan of buyer protection standards in 2015 in order to implement the standards as of Latvian market migration to T2S on February 6, 2017.	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Other		
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Other		
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Other		
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Other		
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other		
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Other		
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other		
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Other		
Buyer Protection	16	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	NOT IMPLEMENTED	Other		
Buyer Protection	17	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	NOT IMPLEMENTED	Other		
Buyer Protection	18	<p>Settlement of BP instructions should take place as specified in the T2S transformations standards.</p>	NOT IMPLEMENTED	Other		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims		For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	The CSD system operated in our market handles corporate actions and pending transaction and would have available all information necessary to detect pending market claims	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	The CSD can identify any corporate event/transaction that meet the relevant criteria	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	Existing time-frame is in line with the required standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A	Market claims may be identified throughout the whole detection period	
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	Other	Market claim mechanism implemented to operate at least once a day	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	Other	Market claims will be identified for all transactions. Opt-out also available.	
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	Other	Ex/cum indicator may be used if deviating from standard	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	Market claims identified by the CSd.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A	Market Claims are identified in the CSD.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	<p align="center">IMPLEMENTED</p>	Other	<p>Market claims are effected in the same currency as the original corporate action</p> <p>FOP transfers already handled by CSD</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	<p align="center">IMPLEMENTED</p>	Other	Rounding up standard included in new rules	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	Technical change	New ISO code implemented	
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A	The CSD acts upon instructions from the Issuer	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p align="center">IMPLEMENTED</p>	N/A	<p>In the CSD entitlement is dependent only on the number/volume of securities held</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	Technical change	Dedicated cash account identification has been implemented	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	CSD requires matching	
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	Market claims are identified by CA reference or trade date reference as applicable.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A	Trade – trade date used Company Announcement – payment date used	
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either ‘on hold’ or ‘released’) as the underlying transaction.	IMPLEMENTED	N/A	Direct Holding Market	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	Settlement instruction may be amended in line with T2S criteria	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	Settlement instruction may be amended in line with T2S criteria	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	Settlement instruction may be amended in line with T2S criteria	
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	Market Claim can be settled prior to settlement of underlying transaction	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A	Market claim cannot be settled prior to payment date and/or if resources are not available	
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	Other	No partial settlement for market claims in cash but only for securities.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	Other	Standard T2S rules implemented.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	CSD reports on market claims	
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A	CSD reports on pending /settled transactions	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> <u>The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is</u></p>	<p align="center">IMPLEMENTED</p>	Other	<p>CCP not available in Maltese market</p> <p>At CSD Level :</p> <p>Implemented in accordance with T2S criteria</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	Other	Implemented in line with T2S Criteria	
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	IMPLEMENTED	Other	Implemented in line with T2S criteria	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	<p align="center">IMPLEMENTED</p>	<p>Other</p>	<p>No CCP available in Maltese market.</p> <p>At CSD level : implemented in line with T2S criteria</p>	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	Other	No CCP available in Maltese market At CSD level implemented in line with T2S criteria	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	Other	New instructions to be sent for matching purposes	
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	Other	Settlement date implemented in terms of criteria	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	Other	Same characteristics retained in transformed instructions	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p align="center">IMPLEMENTED</p>	Other	Settlement amount in transformed instructions proportional to the ratio of each outturn.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	Other	Same characteristics retained as per underlying transaction	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	<p align="center">IMPLEMENTED</p>	Other	Number of securities rounded down.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	<p align="center">IMPLEMENTED</p>	Other	Transformed transaction instructed with the same status as the underlying transaction	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	Other	Transformed transaction indicators are replicated as per criteria	
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	<p>NOT IMPLEMENTED</p>	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	<p>NOT IMPLEMENTED</p>	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>NOT IMPLEMENTED</p>	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Other	Rules and processes being concluded. To be submitted for approval	Implemented by 31.10.15

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	N/A	Current maximum period is 45 days; will be set to 20 BD in the frame of the T2S project.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A	Implemented as per 17 Mar 2014 Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Major Technical Change	Opt-out is currently not facilitated by ESES.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Major Technical Change	Currently, ESES does not provide ex/cum indicator in the ISO message.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	<p>NOT IMPLEMENTED</p>	Other	<p>Since Mar 2015 (implementation of ESES Stream 5) this standard is met in many cases.</p> <p>However, if the reference price is not known before the end of Record Date, the IOC will not generate the required PFOD transaction (compensation should be dealt with bilaterally). This is the case when:</p> <ul style="list-style-type: none"> - the reference price is determined after close of business on Record Date; - the reference price is based on multiple trading prices after Record Date (often used for optional dividends). 	<p>Conceptually, remaining situations can be solved:</p> <ul style="list-style-type: none"> - by IOC generating the PFOD transaction in these cases as well; - by Issuers/Agents discontinuing corporate actions of these types. <p>A commitment or plan does not exist for any of these solutions.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	Currently not applicable in ESES (no use of such ISO transaction type codes). The use of "CLAI" ISO transaction type code will be implemented in the frame of T2S project.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Other	There are currently no tax services in ESES. No additional information is currently available on what is foreseen in the frame of the T2S project. Presumption is that same amount should be used by both CSDs in case of cross-CSD market claim.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p>NOT IMPLEMENTED</p>	N/A	<p>Currently not complied with, as the rates applied for the market claim are not derived automatically from the Issuer CSD.</p> <p>Solution to be implemented in ESES within T2S scope : tax rate should be derived from the Issuer CSD's national practice.</p> <p>Pending issue with regard to securities not primarily issued in T2S (maximum rate of the country of issuance could be applied).</p>	<p>To be implemented as part of ESES adaptation to T2S.</p> <p>Testing Oct2015, Live Mar2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	N/A	Currently the TD is the same as the one of the underlying transaction, while the ISD of the MKC is the current Business Day if detected after the PD. To be implemented in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Considered as not implemented as such (On hold/Released) concepts do not exist in ESES. To be implemented in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Considered as not implemented as such concepts do not exist in ESES. Standard to be implemented in the frame of T2S: either IOCs or parties to amend their instructions.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Considered as not implemented as such concepts do not exist in ESES. Standard T2S rules for amending to apply in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Considered as not implemented as such concepts do not exist in ESES. Standard T2S rules for amending to apply in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	The first part - independent settlement - is fulfilled, but the second part - the user friendly facility - is not yet available.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	There is currently no partial settlement on market claim in ESES. Standard to be implemented in the frame of T2S, including replication of the partial settlement indicator from the underlying instruction.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Major Technical Change	ESES recycling period for market claims is limited to 45 business days. Standard T2S recycling period to apply in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Major Technical Change	<p>Currently considered as not implemented in ESES (not applicable due to architectural considerations).</p> <p>T2S to report 20022 settlement format instruction only, while ESES will provide custody reporting.</p> <p>Issue with regard to the choice of format for reporting of market claims is to be investigated further (ISO Custody - or Transaction Management - vs. ISO Settlement). Alignment of all various CSDs to be agreed on the usage of such messaging. See SMPG.</p>	<p>To be implemented as part of ESES adaptation to T2S.</p> <p>Testing Oct2015, Live Mar2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u></p> <p><u>The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is</u></p>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Currently the 'cancel and replace' principle is applied within ESES, but only related to intra-CSD transactions. Although some specifics exist in ESES, the standard is considered as not fully implemented:</p> <ul style="list-style-type: none"> - far leg of repo is subject to transformation instead of 'cancel and replace', - mandatory reorganisation against cash where a movement in the opposite direction is generated to complement the underlying instruction, - reorganisation with options where no new instruction is created. <p>In the frame of T2S, for intra-CSD transactions, cancellation and creation will be instructed by the ESES CSDs, while for cross-CSD transactions this will require matching (both for cancellation and creation).</p>	<p>To be implemented:</p> <ul style="list-style-type: none"> - for mandatory reorganisations without options, and for a few elective events: as part of ESES adaptation to T2S. <p>Testing Oct2015, Live Mar2016.</p> <ul style="list-style-type: none"> - for other elective events: within ESES Stream 6. <p>Testing Jun2016, live Sep2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	ESES period for creating transformations is limited to 45 business days following the record date/market deadline. This will be changed to 20 BD in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, live Mar2016.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Major Technical Change	Opt out is currently not facilitated by ESES.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement</p>	<p>NOT IMPLEMENTED</p>	Major Technical Change	In current messages this information is not available	<p>To be implemented as part of ESES adaptation to T2S.</p> <p>Testing Oct2015, Live Mar2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	This is a new T2S functionality	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A	Standard will remain fulfilled when T2S is in place.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	<p>NOT IMPLEMENTED</p>	Major Technical Change	Currently ESES process is only to cancel underlying instruction in case of multiple outturns.	<p>To be implemented as part of ESES adaptation to T2S.</p> <p>Testing Oct2015, Live Mar2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Major Technical Change	There is no cancel and replace mechanism for transformations into cash in ESES (related to mandatory reorganisation against cash without option). Standard to be implemented in the frame of T2S.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	Major Technical Change	<p>Since Mar 2015 (implementation of ESES Stream 5) this standard is met in many cases.</p> <p>However, if the reference price is not known before the end of Record Date, the IOC will not generate the required PFOD transaction (compensation should be dealt with bilaterally). This is the case when:</p> <ul style="list-style-type: none"> - the reference price is determined after close of business on Record Date; - the reference price is based on multiple trading prices after Record Date (often used for optional dividends). 	<p>Conceptually, remaining situations can be solved:</p> <ul style="list-style-type: none"> - by IOC generating the PFOD transaction in these cases as well; - by Issuers/Agents discontinuing corporate actions of these types. <p>A commitment or plan does not exist for any of these solutions.</p>
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Currently, in case of fractions, only the underlying transaction is cancelled and no new instruction is created.	<p>To be implemented as part of ESES adaptation to T2S.</p> <p>Testing Oct2015, Live Mar2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Technical Change	The indicators are currently not available in the relevant messages.	To be implemented as part of ESES adaptation to T2S. Testing Oct2015, Live Mar2016.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market Practice Change	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">2</p>	<p>When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">3</p>	<p>The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">4</p>	<p>As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">5</p>	<p>No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">6</p>	<p>The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">7</p>	<p>Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">8</p>	<p>It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">9</p>	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Practice Change	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">11</p>	<p>The BP instruction itself can only be amended by the buyer, before the BP deadline.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">12</p>	<p>Only the BP election (i.e. corporate action option) can be amended in the BP instruction.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>13</p>	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">14</p>	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct in accordance with the BP</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">15</p>	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">16</p>	<p>If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">17</p>	<p>The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.</p>	<p align="center">NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p align="center">Buyer Protection</p>	<p align="center">18</p>	<p>Settlement of BP instructions should take place as specified in the T2S transformations standards.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently, there is no agreed BP mechanism in the NL market.</p> <p>The CSD will not provide an automated BP service in the foreseeable future.</p> <p>Market parties should provide manual buyer protection by developing and implementing manual procedures</p>	<p>The NL market is committed to fulfil the standards for manual BP: key dates for BP are to be included in the CA announcement (by issuers/agents) and passed to participants by the CSD.</p> <p>Collectively, custodians are to develop and describe procedures and practices for the exchange of BP instructions.</p> <p>Individually, custodians are to prepare internal procedures/programs to comply with the market practice.</p> <p>Deadline for readiness: start of 2016.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A	<p>Market claims are detected by:</p> <ul style="list-style-type: none"> - Interbolsa, for bilaterally entered transactions in the RTGS system; - LCH.Clearnet, while acting as CCP for the Portuguese market (Note: LCH.Clearnet does not generate claims transactions but directly adjust the net settlement instruction) <p>Today there is no cross-border settlement in the RTGS system.</p>	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the detection mechanism will be adapted to support cross-CSD transactions.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	<ul style="list-style-type: none"> - Interbolsa generates market claims at the end of Record Date (RD) for all matched transactions that are pending of settlement and which Intended Settlement Date (ISD) is on or before Record Date. - LCH.Clearnet detects and adjusts pending guaranteed trades at the end of Record Date based on the corporate action information it receives from an information provider. 	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	Market claims are detected and generated after RD for those transactions which ISD is on or before RD up to 20 days after RD. Currently the market claims are not generated after 15th of the month following the income payment. This limit was requested by Interbolsa's members due to their tax reporting obligations. This limit is applicable only to income payments.	The limitation of the claim detection until 15th of the month following the income payment will be removed and the 20 days detection period will be applicable to all claims before T2S comes alive.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A	Market claims are detected and generated after the close of business on RD and on subsequent days, for 20 days after RD, in real time at the moment of matching for those transactions that satisfy the detection criteria. Currently the market claims are not generated after 15th of the month following the income payment. This limit was requested by Interbolsa's members due to their tax reporting obligations. This limit is applicable only to income payments.	The detection of market claims in T2S will be carried out by Interbolsa based on the intraday information on matching received from T2S. The limitation of the claim detection until 15th of the month following the income payment will be removed and the 20 days detection period will be applicable to all claims before T2S comes alive.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Straightforward to Implement	Market claims are detected in real time in the matching process for RTGS operations by consulting active corporate event database. A new market claim detection process has to be developed to detect claims as close to real time as possible by using the information on matched instructions received from T2S.	Planned to be concluded during the first half of 2015.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Straightforward to Implement	All transactions are included in the market claims detection. "Opt-out" currently is not possible. Before the settlement of the claim takes place the counterparties may cancel only the claims transaction leaving the original in the system waiting for settlement.	A field for opt-out indicator has been included in the settlement instructions for the use of the participants. Will be available for the multilateral testing in 2015.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Straightforward to Implement	Currently ISO ex/cum indicator is not available in the system and, therefore, cannot be used.	A field for ex/cum indicator has been included in the settlement instructions for the use of the participants. Will be available for the multilateral testing in 2015.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	Market claims are detected during the matching process of RTGS instructions and, therefore, only for successfully matched instructions.	The market claim detection will be based on the matching information received from T2S, so only matched transactions are subject to claim detection. Planned to be concluded during the first half of 2015.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A	Market claims are detected by Interbolsa for RTGS and by LCH.Clearent, acting as a CCP, for guaranteed trades.	Only Interbolsa and CCP (LCH Clearent) will be allowed to send market claim instruction into T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	IMPLEMENTED	N/A	Interbolsa generates separate FOP or PFOD settlement instructions for market claims.	Interbolsa will continue to generate separate FOP and PFOD instructions for market claims. The detection mechanism will be adapted to support T2S and non-T2S currencies. The non-T2S currencies will be settled in the foreign currency payment system currently used in the PT market.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	NOT IMPLEMENTED	Market Practice Change	Currently no compensation of fractions is in place.	In the adaptation of the market claim detection to the T2S environment that will be carried out during the first half of 2015 the generation of additional PFOD instructions for compensation of fraction will be supported.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A	Claims transactions in the RTGS system are identified as such with a dedicated transaction code	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the identification of market claims will make use of the proper ISO transaction code.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	IMPLEMENTED	N/A	Interbolsa calculates the entitlement according to the corporate action event. Currently there are no direct links with Issuer CSDs.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the harmonised rules for market claim generation will be implemented.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	IMPLEMENTED	N/A	Interbolsa does not calculate taxes. The amounts calculated and settled are gross amounts.	
Market Claims	15	<p>The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.</p>	IMPLEMENTED	N/A	Interbolsa will use the same dedicated cash accounts of the original settlement instruction for the settlement of claims.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	Currently, as there is no cross-border activity, only Interbolsa instructs market claims as already matched instructions. In a cross-CSD scenario in T2S where two IOCs detect and insert claims instructions Interbolsa will send the instructions for matching in T2S. Domestic market claims will be sent to T2S already matched.	Planned to be concluded during the first half of 2015.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	Interbolsa already uses the underlying transaction identification and corporate action identification (COAF) in market claim instructions.	Proper T2S format settlement instructions will be prepared with the adaptation of the systems to T2S. Conclusion is planned for the first half of 2015.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A	Interbolsa already uses the dates as proposed by the standard.	
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	N/A	Interbolsa instructs the transformed instruction in a held status in order to provide a tool to the members to manage the interdependency between the Market Claim and the Underlying Transaction.	The implementation of this standard is under analysis. The availability is planned for the end of first half of 2015.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	Interbolsa already uses standard rules for the amendment of market claims, which will be adjusted to comply with the T2S rules before testing starts.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 Interbolsa will apply the T2S rules for amendments.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	Interbolsa already uses standard rules for the amendment of market claims, which will be adjusted to comply with the T2S rules before testing starts.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 Interbolsa will apply the T2S rules for amendments.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	Interbolsa already uses standard rules for the cancellation of market claims, which will be adjusted to comply with the T2S rules before testing starts.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 Interbolsa will apply the T2S rules for cancellation.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	The market claims today are instructed in a situation that does allow the members to control their settlement independently of the original transaction.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	IMPLEMENTED	N/A	Interbolsa is in line with T2S standards	
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Partial settlement in RTGS is currently not implemented. Partial settlement of cash will not be possible but will be implemented for securities.	Planned to be concluded during the first half of 2015.
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	Interbolsa recycles the unsettled market claims until the settlement occurs or the transaction is bilaterally cancelled or until the instructions are cancelled on the 15th day of the month after payment date.	The limitation of the 15 th day will be abandoned before migration to T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	Interbolsa already creates reports to its own participants concerning the generated market claims.	
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A	Interbolsa will create reports to its own participants concerning the settlement of market claims.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	IMPLEMENTED	N/A	Today transactions are cancelled and replaced for transformations due to corporate actions.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the detection mechanism will be adapted to support cross-CSD transactions.
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A	Interbolsa generates transformations at the end of Record Date (RD) for all matched transactions that are pending of settlement and which Intended Settlement Date (ISD) is on or before Record Date.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the detection mechanism will be adapted to support detection after close of business.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	N/A	All transactions are included in the transformation detection. "Opt-out" currently is not possible. Before the settlement of the claim takes place the counterparties may cancel only the claims transaction leaving the original in the system waiting for settlement.	A field for opt-out indicator has been included in the settlement instructions for the use of the participants. Will be available for the multilateral testing in 2015.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A	Transformations are generated by querying corporate action database using data from the transactions. Proper references are used for linking the transformed transaction to the original transactions.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A	Interbolsa will generate locally transformed transactions as already matched transactions.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Straightforward to Implement	Transformed instructions will be sent to T2S for matching for cross-CSD trades	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the sending of transformed instruction for matching will be included.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Interbolsa will follow T2S rules.	This is being implemented in the local system. In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the T2S rules will be followed.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	Straightforward to Implement	This is implemented in the current system.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the T2S rules will be followed.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	IMPLEMENTED	Straightforward to Implement	This is implemented in the current system.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the T2S rules will be followed.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	Straightforward to Implement	This is implemented in the current system.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the T2S rules will be followed.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	NOT IMPLEMENTED	Market Practice Change	No compensation of fractions is in place today.	In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the generation of additional PFOD instructions for compensation of fractions will be implemented. Planned for conclusion during first half of 2015.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	N/A	Interbolsa instructs the transformed instruction in a held status in order to provide a tool to manage the interdependency between the Transformed operation and the Underlying Transaction..	The implementation of this standard is under analysis. The availability is planned for the end of first half of 2015.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Straightforward to Implement	Interbolsa will follow T2S rules.	None of these indicators exists today in the settlement instructions. In the adaptation of internal systems to the T2S environment that will be carried out during 2014-2015 the T2S rules will be followed.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Practice Change	Automatic buyer protection functionality is not implemented in Portugal - no need has been shown by the local market	Implementation of manual buyer protection between the counterparties in a transaction is under evaluation

Romania: -

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Other	<p>Secondary legislation/regulatory framework and market practice changes: Generally, according to Romanian regulatory framework and market practice applicable to Romanian Issuers, Depozitarul Central performs the distributions based only on settled positions at record date. At this time, market claims are not processed in Romanian market as the failed settlement rate is 0% and the percentage of settlement instructions with variable settlement cycle is very low. The latest legislative and regulatory changes have led to a good evolution of the Romanian market towards the compliance with the standards. Therefore, from August 2014 to January 2015, following the amendments of the Capital Market Law and the regulations of Financial Supervisory Authority (FSA), provisions related to the mandatory distribution of cash dividends and other amounts related to cash distributions through the CSD and its participants, definitions of key dates like ex-date and payment date, and the obligation of the Issuers to disseminate the events details to the CSD simultaneously with their submitting to the regulated market operator and the FSA were approved. Therefore, starting from this year, the cash distributions for Romanian Issuers are performed through Depozitarul Central, in a centralized manner. Moreover, a draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards was published by Financial Supervisory Authority on its website, for public debate purposes, in two different period of time in May and July 2015. Also, Depozitarul Central will issue rules and procedures for processing the corporate events according to the standards, including the market claims.</p> <p>Major technical changes: Depozitarul Central will adapt its system in order for market claims to be processed according to T2S corporate actions standards, the main changes being: - the implementation of mechanisms able to detect the underlying transactions eligible for market claims, to compute the outturns, to generate, settle and confirm the related market claims; - the implementation of the other relevant facilities that should ensure the processing of market claims in accordance with the standards (e.g. the implementation of the relevant matching fields at the level of the underlying transaction).</p>	<p>The draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD is expected to be approved within the following period of time. Afterwards, by the end of October 2015, Depozitarul Central together with the regulators and market participants will revise the implementation plan for full compliance with Corporate Actions Standards.</p> <p>In any case, the committed deadline for implementing the standards will remain unchanged i.e. by latest February 2017.</p> <p>For the issues for which Depozitarul Central acts as Investor CSD, Depozitarul Central complies with the respective Issuer CSD market practice.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	<p>NOT IMPLEMENTED</p>	Other	<p>See Q1 - further comments</p> <p>Others:</p> <p>For non-T2S settlement currencies, market claims will be processed and settled outside T2S framework, respectively through the National Bank of Romania's RTGS system as any other regular settlement operations.</p>	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	<p>NOT IMPLEMENTED</p>	Other	<p>See Q1 - further comments Others: Currently, the amount of cash to be paid depends on the withholding tax applicable to the respective end-investor. In this respect, the end-investors have the possibility to send to the issuer the appropriate documents in order for the issuer to be able to apply the proper withholding tax.</p>	<p>See Q1 - implementation plan.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments Others: According to the current Romanian market practice, the transactions can't be partially settled.	See Q1 - implementation plan.
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	NOT IMPLEMENTED	Other	<p>Secondary legislation/regulatory framework and market practice changes: Generally, according to Romanian regulatory framework and market practice applicable to Romanian Issuers, Depozitarul Central performs the reorganizations taking into consideration the record date. At this time, there is no need for transformations to be processed in Romanian market as there are no eligible pending transactions due to the fact that currently the ISIN is suspended from trading at least one settlement cycle before record date and the failed settlement rate is 0%.</p> <p>It should be mentioned that, a draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards (e.g. the mechanism of replacing the pending transactions, guaranteed participation date, last trading date) was published by Financial Supervisory Authority on its website, for public debate purposes, in two different periods of time in May and July 2015.</p> <p>Also, Depozitarul Central will issue rules and procedures for processing the corporate events according to the standards, including the transformations.</p> <p>Major technical changes: Depozitarul Central will adapt its system in order for transformations to be processed according to T2S corporate actions standards, the main changes being:</p> <ul style="list-style-type: none"> - the implementation of mechanisms able to detect the underlying transactions eligible for transformations; - to cancel the underlying transactions, to generate, settle and confirm the related transformations; - the implementation of the other relevant facilities that should ensure the processing of transformations in accordance with the standards (e.g. the implementation of the relevant matching fields at the level of the underlying transaction). 	<p>The draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD is expected to be approved within the following period of time. Afterwards, by the end of October 2015, Depozitarul Central together with the regulators and market participants will revise the implementation plan for full compliance with Corporate Actions Standards.</p> <p>In any case, the committed deadline for implementing the standards will remain unchanged i.e. by latest February 2017.</p> <p>For the issues for which Depozitarul Central acts as Investor CSD, Depozitarul Central complies with the respective Issuer CSD market practice.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	<p>IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).</p>	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Other	See Q1 - further comments Others: If the case, when during the transformation process results a non-T2S currency cash outturn, it will be processed and settled outside T2S framework, respectively through the National Bank of Romania's RTGS system as any other regular settlement operations.	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	NOT IMPLEMENTED	Other	See Q1 - further comments Others: For the fractions paid in non-T2S currencies, the payment will be processed and settled outside T2S framework, respectively through the National Bank of Romania's RTGS system as any other regular settlement operations.	See Q1 - implementation plan.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	NOT IMPLEMENTED	Other	<p>Secondary legislation/regulatory framework and market practice changes:</p> <p>The BP is not implemented, regulated or used in practice in Romanian market.</p> <p>In the same context, it is also worth to mention that the vast majority of the transactions settled into our local system are performed on the stock exchange, using a mechanism through which the counterparties are not disclosed to each other, and also considering that no fails are registered into our market, now there is no market request for implementing buyer protection. It should be mentioned that, a draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards (e.g. the concept of "buyer protection", guaranteed participation date) was published by Financial Supervisory Authority on its website, for public debate purposes, in two different period of time in May and July 2015.</p> <p>Also, Depozitarul Central will issue rules and procedures for processing the manual buyer protection. It will be up to participants too to comply with the relevant BP standards.</p>	<p>The draft FSA's Regulation on amendments needed in order to create the necessary framework for implementing both "on stock" and "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD is expected to be approved within the following period of time. Afterwards, by the end of October 2015, Depozitarul Central together with the regulators and market participants will revise the implementation plan for full compliance with Corporate Actions Standards.</p> <p>In any case, the committed deadline for implementing the standards will remain unchanged i.e. by latest February 2017.</p> <p>For the issues for which Depozitarul Central acts as Investor CSD, Depozitarul Central complies with the respective Issuer CSD market practice.</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline: In case of Automated BP mechanism Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation. In case of Manual BP mechanism If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Other	See Q1 - further comments	See Q1 - implementation plan.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	NOT IMPLEMENTED	Other	Major technical/legislative/market practice changes are required to adhere to standards for Market claims processing. Major shortcomings are as follows: (a) National legislation does not recognise cascade (x-mas tree) principle of handling corporate actions; hence CSD is in practice not able to intervene and instruct Market Claims among its members (even if CSD could theoretically detect transactions eligible for instructing Market Claims). Legislation suggests fulfilment of rights from securities (e.g. dividend payments) directly from Issuer to Investor, which clearly contradicts with best practices suggested by standards serving cross-border ownership, nominee ownership and Issuer CSD functions; (b) key dates definitions should be harmonised as suggested by standards (Ex-date, payment date, record date). Enabling detection and processing mechanism at CSD level requires technical changes. Above all, major market practice change is	Changes of Book Entry Securities Act and Companies Act are required. Book Entry Securities Act including all amendments (ZNVP-1) has been approved by Government of Republic of Slovenia in June 2015 and is pending final approval by Parliament. Enforcement is expected for October 2015. Amendments to Companies Act are already enforced. Changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level) will be released in more phases till end 2016 - after entire package of necessary legislative changes is enforced. Market practice and complete CSD support will be changed in 2017 when KDD

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					required. Enabling detection and processing mechanism at CSD level requires technical changes. Above all, major market practice change is required.	infrastructure connects to T2S.
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		claim procedure, as described in the CAJWG standards.				
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	10	For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions: (i) FOP transfer of securities (receipt	NOT IMPLEMENTED		Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>		Other		
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim	NOT IMPLEMENTED		Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>instruction should be rounded down to the nearest whole number.</p> <p>Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>		Other		
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities	NOT IMPLEMENTED		Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.</p>		Other		
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a</p>	<p>NOT IMPLEMENTED</p>	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i>				
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	17	Each CSD/CCP will include in the	NOT			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		that the market claim is not settled prior to the settlement of the underlying transaction.				
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Straightforward to	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
				Implement		
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i)</p>	NOT IMPLEMENTED	Other	Major technical/legislative/market practice changes are required to adhere to standards for Transformations processing. Major shortcomings are as follows: (a) National legislation does not recognise cascade (x-mas tree) principle of handling corporate actions, hence CSD is in practice not able to intervene and instruct all types of transformations among its members as suggested by standards (even if CSD could theoretically detect any transaction eligible for transformation). CSD currently does not intervene and transform	<p>Changes of Book Entry Securities Act is required.</p> <p>Book Entry Securities Act including all amendments (ZNVP-1) has been approved by Government of Republic of Slovenia in June 2015 and is pending final approval by Parliament. Enforcement is expected for October 2015.</p> <p>Changes/amendments to CSD Rules and</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u></p> <p>The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>			<p>pending transactions (pending transactions are automatically deleted in case of reorganizational event); (b) key dates definitions should be harmonised as suggested by standards (last trading day, payment date, record date). Enabling detection and processing mechanism at CSD level requires technical changes. Above all, major market practice change is required.</p>	<p>Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level) will be released in more phases till end 2016 - after entire package of necessary legislative changes is enforced. Market practice and complete CSD support will be changed in 2017 when KDD infrastructure connects to T2S.</p>
Transformations	2	<p>The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record</p>	<p>NOT IMPLEMENTED</p>	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		date/market deadline).				
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to “opt-out” if they want to deviate from the standard transformation procedures.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		transaction, the “TRAN” ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).				
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching	NOT IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		purposes.		Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each	NOT IMPLEMENTED		Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 		Other		
Transformations	10	The cash transfer(s) settlement instructions should retain the same	NOT			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.</p>	IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the</p>	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>				
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
Buyer	1	For a given transaction and prior to	NOT			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Protection		the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	Other	Introduction of Buyer Protection functionality on CSD level is not planned. Please note, that Buyer Protection functionality will still be possible bilaterally between counterparties (i.e. not involving CSD).	Introduction of automated Buyer Protection functionality on CSD level is not planned. Please note, that Buyer Protection functionality will still be possible bilaterally between counterparties (i.e. not involving CSD). KDD Rules and Regulations will be amended in order to accommodate requirements of Buyer Protection standards for CSD members. Discussion about the preparation activities (who, what, when...) and timing of publication of market practice with regard to the implementation of manual Buyer Protection (guidelines, procedures, deadlines, etc.) will be taken during the next Slovenian T2S NUG meeting in November 2015. All documentation will be public available in parallel with

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						connection to T2S at the latest.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		instruction.				
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	9	BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where	NOT IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>		Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	<p>If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service.</p> <p>When BP is handled bilaterally, the BP is void.</p>	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying</p>	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>				
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying</p>	NOT IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>		Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Other	Please see answer 1 above.	Please see answer 1 above.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	Not Implemented	Market Practice Change	It is not problem to ensure that CDCP detects information needed to generate Market Claims (MC) from its system. Condition to meet this standards is major market practice change, i.e. the issuers must be interested to pay the securities yields via CDCP.	<p>Operational processes:</p> <p>Implemented standard is being tested. - proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	Not Implemented	Straightforward to Implement	Certain technological amendments/changes of the system are required, what will allow CDCP to detect the pending transactions.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	Not Implemented	Straightforward to Implement	Transactions will be excluded from the Market Claim detection only if the members will indicate opt-out option. Option will be applied in the CDCP in accordance with ISO 20022.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	Not Implemented	Straightforward to Implement	There will be possibility to mark ex/cum indicator for the participants. Option will be applied in the CDCP in accordance with ISO 20022.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	Not Implemented	Other	Implementation gaps: - Straightforward to Implement - Major market practice change Moreover, CDCP may provide information on pending transactions from one omnibus account of one member.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	<p>For each outturn (result of CA entitlement), there should be the generation of a separate market claim instruction. Types of market claim instructions:</p> <p>(i) FOP transfer of securities (receipt and delivery)</p> <p>(ii) Payment free of delivery (PFOD) transfer of cash;</p> <p>The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.</p> <p>In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.</p>	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	<p>When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.</p>	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	Not Implemented	Straightforward to Implement	Option will be applied in CDCP in accordance with ISO <u>20022</u>	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	Not Implemented	Other	<p>Implementation gaps:</p> <ul style="list-style-type: none"> - Straightforward to Implement - Market practice change <p>To be able to implement this standard, basic condition must be met, i.e. the issuer distributes via CDCP and CDCP provides information needed for claim calculation.</p>	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 <p>Technological changes:</p> <p>Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	<p>For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. <i>(The claim could be an indemnity at, for example, 100% of the gross dividend, or could be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.</i></p>	Not Implemented	Straightforward to Implement	In case of distribution of yields, CDCP will transfer the claim to authorised party - the same amount as obtained from the issuer. Tax issues will be solved out of T2S.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Not Implemented	Other	Implementation gaps: - Straightforward to Implement CDCP must build complete system for collection and distribution of information on corporate actions and system for generating of MC instructions.	Operational processes: Implemented standard is being tested. - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	Not Implemented	Straightforward to Implement	CDCP has to build a system for collection and distribution of information on corporate actions and system for generating of MC instructions.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	Not Implemented	Straightforward to Implement	CDCP will set the market claim instruction to the same status as the underlying instruction.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Not Implemented	Straightforward to Implement	CDCP will allow the same instruction maintenance for MC as for settlement instructions.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Not Implemented	Straightforward to Implement	CDCP will allow the same instruction maintenance for MC as for settlement instructions.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Not Implemented	Straightforward to Implement	CDCP will allow the same instruction maintenance for MC as for settlement instructions.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	Not Implemented	Straightforward to Implement	CDCP will enable to set an instruction to HOLD and later to RELEASE status.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	Not Implemented	Straightforward to Implement	CDCP must build complete system for collection and distribution of information on corporate actions and system for generating of MC instructions..	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	Not Implemented	Straightforward to Implement	CDCP will not use the possibility of partial settlement in its system.	<p>Operational processes:</p> <p>Standard is met since partial settlement will not be provided.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	Not Implemented	Straightforward to Implement	CDCP will use the recycling the same way as in T2S.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	Not Implemented	Straightforward to Implement	CDCP will use the reporting process the same way as in T2S.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	<p><u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.</p> <p><u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): The IOCs will manage the transformation:</u> (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.</p> <p><u>When the transaction is cross-border (one CSD is in T2S and the other is outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected to T2S cannot instruct T2S.</p>	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Not Implemented	Straightforward to Implement	Adjustment of technical system and operational processes will be required.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	Not Implemented	Straightforward to Implement	Choice will be applied in the CDCP in accordance with ISO 20022. It is necessary to define, e.g.. in the Rules of Operation, processes for marking opt-out indicator, if counterparties decide to use it.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	Not Implemented	Straightforward to Implement	CDCP after the introduction of ISO 20022 in communication with T2S will indicate transformation instructions with ISO code "TRAN"	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	Not Implemented	Straightforward to Implement	It is assumed that in case of transaction between CDCP participants (intra-CSD settlement), transformation instruction will be sent to T2S as matched, as CDCP will have own matching mechanism.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Not Implemented	Straightforward to Implement	CDCP will send to T2S an instruction of counterparty for matching in case of cross-CSD transactions.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	<p>The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities.</p> <p>In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S.</p> <p>The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation:</p> <ul style="list-style-type: none"> • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD) 	Not Implemented	Straightforward to Implement	CDCP will generate the transformation instruction in compliance with this standard in case of change of one ISIN into multiple ISINs.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	Not Implemented	Straightforward to Implement	CDCP will generate the transformation instruction in compliance with this standard in case of final redemption of an ISIN.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	<p>When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:</p> <p>a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs</p> <p>b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs</p>	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <ul style="list-style-type: none"> - proposal for change of the Rules of Operation will be prepared by 31 December 2015 - Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	Not Implemented	Straightforward to Implement	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	Not Implemented	Market Practice Change	To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP. (CDCP does not envisage possibility of partial settlement of internal transactions).	<p>Operational processes:</p> <p>Implemented standard is being tested.</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 December 2015</p> <p>- Technological changes: Implementation of technological changes into information systems will be finalised, together with other changes in IS: by CDCP deadline for SP8</p>
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	<p>BP deadlines for Automated BP mechanism. For trade date T (which is the guaranteed participation date/last trade date of the underlying CA), the BP deadline should be on T+n (where n = settlement cycle) and the market deadline on T+n+1 day Taking as working assumption a T+3 settlement cycle:</p> <ul style="list-style-type: none"> • business day 1 = T; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline <p>BP deadlines for Manual BP mechanism</p> <p>For BP instructions from actors other than CCPs, the BP deadline is T+n.</p> <p>For BP instructions from CCPs the BP deadline is T+n+1 hour</p>	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	<p>Process for pending transactions on BP deadline:</p> <p>In case of Automated BP mechanism</p> <p>Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.</p> <p>In case of Manual BP mechanism</p> <p>If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	<p>Conditions for settlement of protected entitlement</p> <p>In case of Automated BP mechanism</p> <p>The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p> <p>The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).</p>	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>
Buyer Protection	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	<p>Operational processes:</p> <p>- proposal for change of the Rules of Operation will be prepared by 31 March 2016</p>

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	Not Implemented	Market Practice Change	As market standards for CA processing permit also other tools than automated service in case of Buyer Protection, CDCP will provide for manual Buyer Protection on bilateral basis. CDCP will provide for list of pending instructions if such business case would occur. Procedures and recommendations related to manual BP will be specified and set in the Rules of Operation.	Operational processes: - proposal for change of the Rules of Operation will be prepared by 31 March 2016