



T2S CORPORATE ACTIONS STANDARDS

GAP ANALYSIS REPORT

This update reflects the status of T2S markets as of 27 October 2016

Table of contents

Introduction	2
1. Compliance results	4
1.1 T2S markets overall compliance status	6
1.2 T2S markets current compliance	9
Annex 1: List of CASG contact persons	14
Annex 2: Methodology	15
Annex 3: T2S National User Group responses	16

Introduction

In September 2009, the T2S Advisory Group (AG) approved the T2S standards for processing corporate actions (CA) on flows (i.e. market claims, transformations and buyer protection) which had been prepared by the T2S CASG¹.

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 testing procedure deadlines (i.e. the so called synchronisation points in the T2S Programme Plan). This is in line with the mandatory nature of all T2S harmonisation standards and their compliance framework as reflected in the view of the T2S Board.²

The AG, via the CASG, is monitoring the progress of the T2S markets in implementing these standards. 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 and the content of their national market response to the gap analysis.

Procedures and methodology

This gap analysis update covers market developments during the period January – November 2016. Its main focus are wave 3 (12 September 2016) and wave 4 markets (6 February 2017). The survey was issued by the CASG in beginning of August 2016. T2S NUGs were invited to indicate the level of compliance with all T2S CA standards. In addition, the T2S markets have been asked to provide detailed information on the nature of the implementation gap (i.e. whether full compliance requires a legislative or regulatory change, a major system change, a change in market practices, etc.). The T2S NUGs are asked to provide their national and detailed implementation plans, including concrete milestones. By mid-September 2016, the CASG had received all responses (i.e. 21 T2S markets covering the 23 T2S CSDs).³ Based on this information, the CASG prepared a draft assessment of the compliance status of each T2S market, which was subsequently approved by the HSG on 8-9 November 2016.

In addition to measuring the number of T2S CA standards a T2S market currently complies with,⁴ the CASG has provided **an overall market compliance status** for each market (BLUE, GREEN, YELLOW or RED) in accordance with the general AG methodology (see annex 2). In order to assign the overall market compliance status, the CASG members did not restrict their

¹ 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/subcompact/index.en.html).

² https://www.ecb.europa.eu/paym/t2s/pdf/View_of_the_T2S_Board_on_the_T2S_harmonisation_standards_compliance_framework.pdf?28a03b0eb7e991a25f05a610bbc37bbe

³ See T2S NUG responses to the CASG survey in Annex 3

⁴ For each standard the option is implemented/not implemented. Statistical compliance per market is also provided.

analysis on the current level of a T2S market's compliance with the standards. Additional elements were taken into account, such as the progress achieved since the previous survey, the severity of the barriers preventing full implementation as well as the agreed, detailed and public action plans for achieving full implementation before the market's migration to T2S.

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

- With regards to compliance with the transformations standards, 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.

Future work

The CASG will continue its work to support the T2S markets in their full 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](#), following approval by the T2S Harmonisation Steering Group (HSG).

1. Compliance results

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

Table 1: Summary of compliance results of the latest gap analyses (Status: 27 October 2016)

T2S Markets' Status	May 2016 Gap Analysis	Nov 2016 Gap Analysis	Of which by migration wave				
			I	II	III	IV	Final
Blue	4	5	3	1	1	0	0
Green	11	6	0	0	0	2	4
Yellow	0	2	0	0	0	1	1
Red	8	10	2	1	4	3	0

Overall, the compliance statuses of T2S markets remain stable: five markets have changed statuses compared to the previous gap analysis in May 2016:

- i) VP Lux is assessed as Blue (from Green) following the migration of wave 3;
- ii) DK is assessed as Red (from Green) following the migration of wave 3, as cases of non-compliance with two Market Claims standards had been identified;
- iii) HU is assessed as Red (from Green);
- iv) Lux CSD is assessed as Yellow (from Green);
- v) FI, also assessed as Yellow (from Green).

With respect to the statistical measures of compliance with the standards, many of the markets showed major jumps in the degree of current compliance with the standards while other markets maintained their current compliance; in practice, no market reduced its degree of current compliance as evidenced by Table 9 below.

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

The Swiss, the Maltese and the Greek (BOGS) markets maintain their blue statuses as they operate fully in compliance with the T2S CA standards in T2S. At the same time the Romanian market maintains its red status, which is to be resolved by February 2017 with the implementation of the T2S CA standards as Issuer CSD. Similarly, the Italian market maintains its red status, which is planned to be resolved by end 2016.

Wave 2 T2S markets

Table 3: Summary status for wave 2 markets

Wave 2 Compliance	
NBB	PT
B	R

Regarding the migration wave 2 markets (28 March 2016), BE (NBB-SSS) maintains its blue status, while the status of the PT market remains red, as it is not yet fully compliant with the T2S CA Standards for one rarely occurring corporate action event, which is planned to be resolved by 14 November 2016.

Wave 3 T2S markets

Table 4: Summary status for wave 3 markets

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

Following migration of wave 3 markets to T2S on 12 September 2016, VP Lux’s status has become blue (previously green) reflecting the full compliance status after migration to T2S.

The status of DK’s VP Securities has been changed from green to red following the identification of cases of non-compliance with two Market Claim standards. These are Standard 10 on the types of market claim instructions to be generated and Standard 14 on the tax status of the receiving/or delivering account affecting the amount of cash/securities to be transferred. A plan for full compliance is under discussion within the Danish market.

The ESES (BE, FR and NL) markets maintain their red statuses even if they achieved compliance with most market claims CA standards following their migration to T2S in September 2016. However, full compliance with three market claims standards (10, 11 and 13) – related to management of securities fractions and generation of MCs on cross-CSD instructions – was not achieved. In addition, the ESES markets are not fully compliant with the transformations standards (non-generation of the transformed instructions) and buyer protection standards. Compliance with the standards having a high impact on the T2S Community (non-generation of market claims on cross-CSD instructions and the transformed instructions in

almost all transformations) will be achieved for the three markets in Q1 2017, when the NL market will become in addition fully compliant also with the buyer protection standards. Full compliance with all T2S CA Standards for the three markets, is planned for Q1 2018.

Wave 4 T2S markets

Table 5: Summary status for wave 4 markets

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

The Hungarian market is assessed as green (from red) as it will not be able to have the required legislation changed on time for its migration to T2S. The German and the Austrian markets maintain their red statuses. Lux CSD is assessed as yellow (from green) as the Lux NUG still needs to decide on the body to publish BP Key data. The other “wave 4” markets preserve their green statuses.

Final wave T2S markets

Table 6: Summary status for the final wave markets

Final Wave Compliance				
ES	FI	EE	LT	LV
G	Y	G	G	G

The Finnish market is assessed as yellow (from green) as it still needs to provide the implementation deadlines for the intermediary changes in view of full compliance before its migration to T2S. The compliance statuses of the other T2S markets which are migrating in the final wave remain unchanged.

1.1 T2S markets overall compliance status

This section provides a summary information table regarding the overall 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 8) with a green overall compliance status (in Table 7) 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 post migration.

For further details regarding the methodology used for compiling Table 7 see in Annex 2 an excerpt of the methodology used for the purposes of assigning compliance statuses in the T2S Harmonisation Progress Report.

Table 7. T2S markets' compliance status

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
AT – Austria (W4)	R	<p>The Austrian market will not comply with three market claims standards by the time of its migration to T2S: a) standards 6 and 7 – due to risk of tax fraud, the AT market decided not to take into account the “opt-out”, “ex” and “cum” flags when generating market claims; b) standard 23 – it is understood that the AT CSD will not provide a user friendly facility to control the interdependence of the settlement of the market claim and the underlying transaction. Instead the CSD participants will be provided with an optional facility to put automatically on hold (at securities account level) the market claims generated by the AT CSD.</p> <p>In addition, uncertainty remains whether the change needed regarding the information flow between the issuer/issuer agents and the AT CSD will be introduced on time (market claim standard 13).</p>
BE - Belgium (EoC) (W3)	R	<p>Euroclear Belgium achieved compliance with most market claims CA standards following its migration to T2S in September 2016. However, full compliance with three market claims standards (10, 11 and 13) – related to management of securities fractions and generation of MCs on cross-CSD instructions – was not achieved. In addition, Euroclear Belgium is not fully compliant with the transformations standards (non-generation of the transformed instructions) and buyer protection standards.</p> <p>Compliance with the standards having a high impact on the T2S Community (non-generation of market claims on cross-CSD instructions and the transformed instructions in almost all transformations) will be achieved in Q1 2017. Full compliance with all T2S CA Standards, which will also require change in Belgian securities law in order to achieve full compliance with the BP standards, is planned for Q1 2018.</p>
BE – Belgium (NBB) (W2)	B	NBB-SSS has achieved full compliance with the T2S CA standards at the time of its migration to T2S. Even if it has reported non-compliance with some MC standards, these are not relevant for this assessment as it settles only debt securities.
CH – Switzerland (W1)	B	Since its migration to T2S, the Swiss market has achieved full compliance with the T2S CA standards.
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, 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 scheduled within six months of Clearstream's migration to T2S by August 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.

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
DK – Denmark (W3)	R	Cases of non-compliance with Market Claim Standard 10 (i.e. market claims are not generated for transactions in Danish krona exchanged in T2S) and Standard 14 (i.e. only Danish taxation rates can be applied) after VP's migration to T2S in September 2016 ⁵ . VP's status has been downgraded from Green to Red.
EE – Estonia (FW)	G	No changes in primary legislation have been identified and only amendments to the CSD rules will be needed – draft has been published in April 2016. 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 the migration to T2S in Q3 2017.
ES – Spain (FW)	G	Changes in level II legislation are needed to fully comply with the standards from legislative perspective. Implementation with some other standards has taken place at the time of go live of the Spanish reform in May 2016. The remaining standards will only be implemented as from migration of Iberclear to T2S in September 2017.
FI – Finland (FW)	Y	A detailed plan to meet the standards by the time of migration to T2S in September 2017 will be communicated by the end of 2016. Full compliance for domestic transactions well before the Finnish market's migration to T2S and full compliance for all transactions by migration to T2S have been foreseen.
FR – France (W3)	R	Euroclear France achieved compliance with most market claims CA standards following its migration to T2S in September 2016; full compliance with three market claims standards (10, 11 and 13) – related to management of securities fractions and generation of MCs on cross-CSD instructions – was not achieved. In addition, Euroclear France is not compliant with the transformations standards (non-generation of the transformed instructions) and buyer protection standards. Compliance with the standards having a high impact on the T2S Community (non-generation of market claims on cross-CSD instructions and the transformed instructions in almost all transformations) will be achieved in Q1 2017. Full compliance with all T2S CA Standards is planned for Q1 2018.
GR – Greece (BOGS) (W1)	B	As of end October 2015, BOGS has achieved full compliance with the T2S CA standards.
HU – Hungary (W4)	R	The Hungarian market will not become fully compliant with the T2S market claim standards for equities by the time of its migration in February 2017 due to the need for some legal changes which will not be implemented by that time. Full compliance is nevertheless planned to be achieved by the end of 2017. Therefore, the status of the HU market was changed from green to red.
IT – Italy (W1)	R	The Italian market has already migrated to T2S and complies with most of the T2S standards on CA processing. The exceptions are market claim standard 6 (non-generation of market claims) and transformations standard 3 (transformations for OTC transactions). There is a commitment to comply with all the standards by the end of 2016.
LT – Lithuania (FW)	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 (September 2017).
LU – Luxembourg (LUX CSD) (W4)	Y	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 plan is for the standards to be adopted fully with the migration of LuxCSD in T2S (February 2017). The body to publish BP Key data is still to be decided by the Lux NUG.

⁵ In the interim period, between T2S migration and till Danish krona is on T2S (expected on 29 October 2018), the cash CAs on flow will not be raised by VP in its legacy system for ISINs with CA proceeds in Danish krona.

Market/CSD (Migration Wave)	Compliance status	Main rationale for risk assessment
LU – Luxembourg (VP Lux) (W3)	B	VP LUX achieved full compliance with the T2S CA standards with its migration to T2S in September 2016.
LV – Latvia (FW)	G	Full compliance with the standards is planned to be finalised at the time of migration to T2S in September 2017.
MT – Malta (W1)	B	As of 16 December 2015, the Maltese market has achieved full compliance with the T2S CA standards.
NL – Netherlands (W3)	R	Euroclear Netherland achieved compliance with most market claims CA standards following its migration to T2S in September 2016; full compliance with three market claims standards (10, 11 and 13) – related to management of securities fractions and generation of MCs on cross-CSD instructions - -- was not achieved. In addition, Euroclear Netherland is not fully compliant with the transformations standards (non-generation of the transformed instructions) and buyer protection standards (only for centrally cleared transactions). Compliance with the standards having a high impact on the T2S Community (non-generation of market claims on cross-CSD instructions and the transformed instructions in almost all transformations) as well as full compliance with all BP standards (where the CCP will provide a procedure enabling implementation for centrally cleared transactions) will be achieved in Q1 2017. Full compliance with all T2S CA Standards is planned for Q1 2018.
PT – Portugal (W2)	R	The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one rarely occurring corporate action event. However, full compliance by the market will be reached on 14 November 2016.
RO – Romania (W1)	R	The Romanian market was not fully compliant with the T2S CA standards by its migration to T2S in 2015. The current plan for full compliance is for 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 the draft updated Rules of Operation become available – expected by end 2016.

1.2 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 8 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 2016.

Table 8. Current compliance of T2S markets with T2S CA standards as of October 2016

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
AT – Austria (W4)	7%	0%	100%
BE - Belgium (EoC) (W3)	89%	0%	0%
BE – Belgium (NBB) ⁶ (W2)	89%	100%	100%
CH – Switzerland (W1)	100%	100%	100%
DE – Germany (W4)	46%	0%	94%
DK – Denmark (W3)	93%	100%	97%
EE – Estonia (W4)	43%	15%	0%
ES – Spain (WF)	89%	77%	61%
FI – Finland (WF)	0%	0%	0%
FR – France (W3)	89%	0%	0%
GR – Greece (BOGS) (W1)	100%	100%	100%
HU – Hungary (W4)	11%	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)	100%	100%	100%
LV – Latvia (W4)	0%	0%	0%
MT – Malta (W1)	100%	100%	100%
NL – Netherlands (W3)	89%	0%	0%
PT – Portugal ⁷ (W2)	100%	100%	100%
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

⁶ Even if NBBSSS has reported non-compliance with some MC standards, these are not relevant as it settles only debt securities

⁷ The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one type of rarely occurring corporate action event

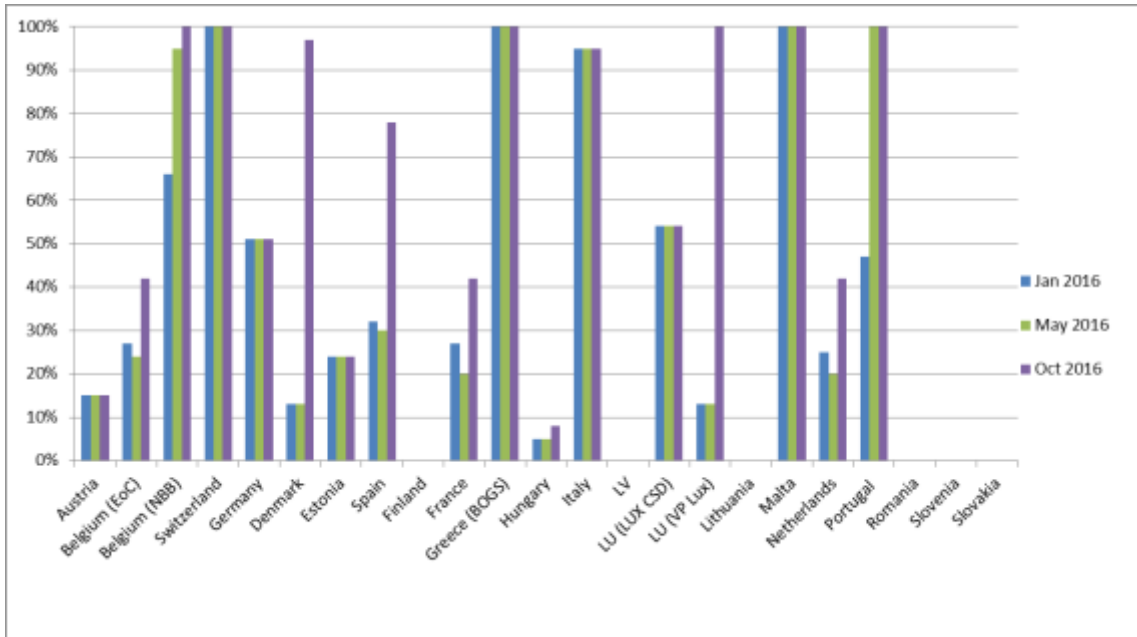
Table 9. Comparative statistics of current compliance across T2S markets (January – October 2016)

	Market claims			Transformations			Buyer protection			Total			Trend
	Jan-16	May-16	Nov-16	Jan-16	May-16	Nov-16	Jan-16	May-16	Nov-16	Jan-16	May-16	Nov-16	
Austria	7%	7%	7%	0%	0%	0%	39%	39%	39%	15%	15%	15%	→
Belgium (EoC)	46%	50%	89%	23%	0%	0%	0%	0%	0%	27%	24%	42%	↗
Belgium (NBB)	93%	89%	100%	100%	100%	100%	0%	100%	100%	66%	95%	100%	↗
Switzerland	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Germany	46%	46%	46%	0%	0%	0%	94%	94%	94%	51%	51%	51%	→
Denmark	21%	21%	93%	15%	15%	100%	0%	0%	100%	13%	13%	97%	↗
Estonia	43%	43%	43%	15%	15%	15%	0%	0%	0%	24%	24%	24%	→
Spain	46%	46%	89%	46%	39%	77%	0%	0%	61%	32%	30%	78%	↗
Finland	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
France	43%	43%	89%	31%	0%	0%	0%	0%	0%	27%	20%	42%	↗
Greece (BOGS)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Hungary	4%	4%	11%	8%	8%	8%	6%	6%	6%	5%	5%	8%	↗
Italy	93%	93%	93%	92%	92%	92%	100%	100%	100%	95%	95%	95%	→
LV	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
LU (LUX CSD)	54%	54%	54%	0%	0%	0%	94%	94%	94%	54%	54%	54%	→
LU (VP Lux)	21%	21%	100%	15%	15%	100%	0%	0%	100%	13%	13%	100%	↗
Lithuania	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
Malta	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Netherlands	43%	43%	89%	23%	0%	0%	0%	0%	0%	25%	20%	42%	↗
Portugal	75%	100%	100%	54%	100%	100%	0%	100%	100%	47%	100%	100%	→
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

Note: The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one rarely occurring corporate action event

Figure 1. Development of current compliance with T2S CA standards (Jan - October 2016)

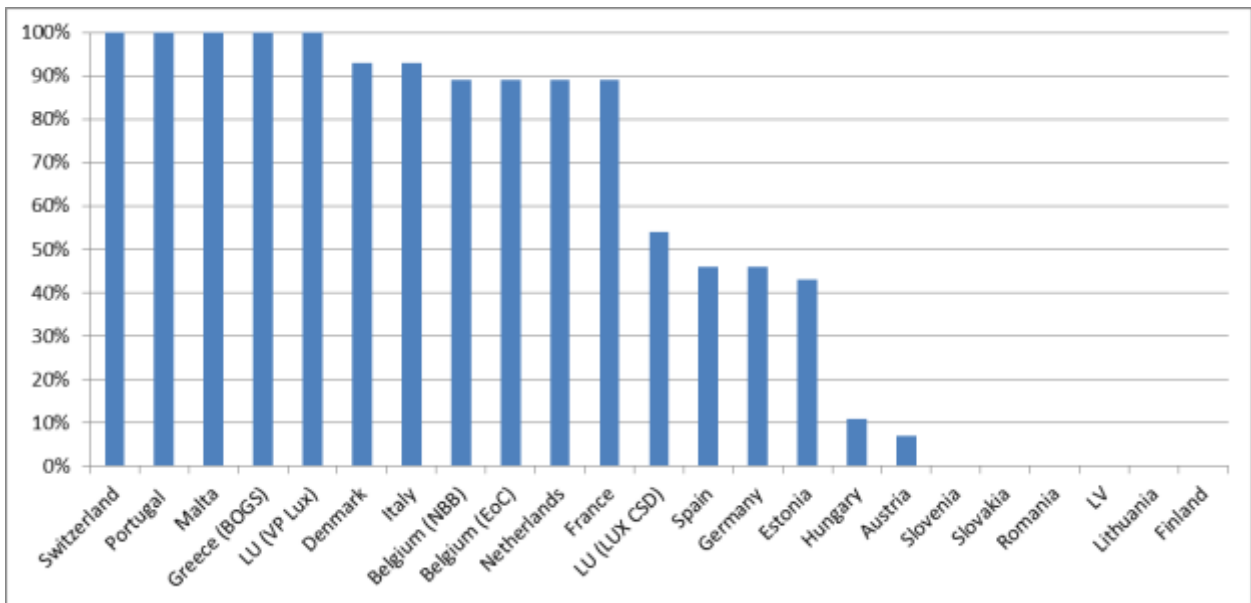


Source: Latest Gap analyses surveys of T2S markets/CSDs

Notes: i) Even if NBBSSS has reported non-compliance with some MC standards, these are not considered relevant for its overall compliance assessment as it settles only debt securities; iii) The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one type of rarely occurring corporate action event

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

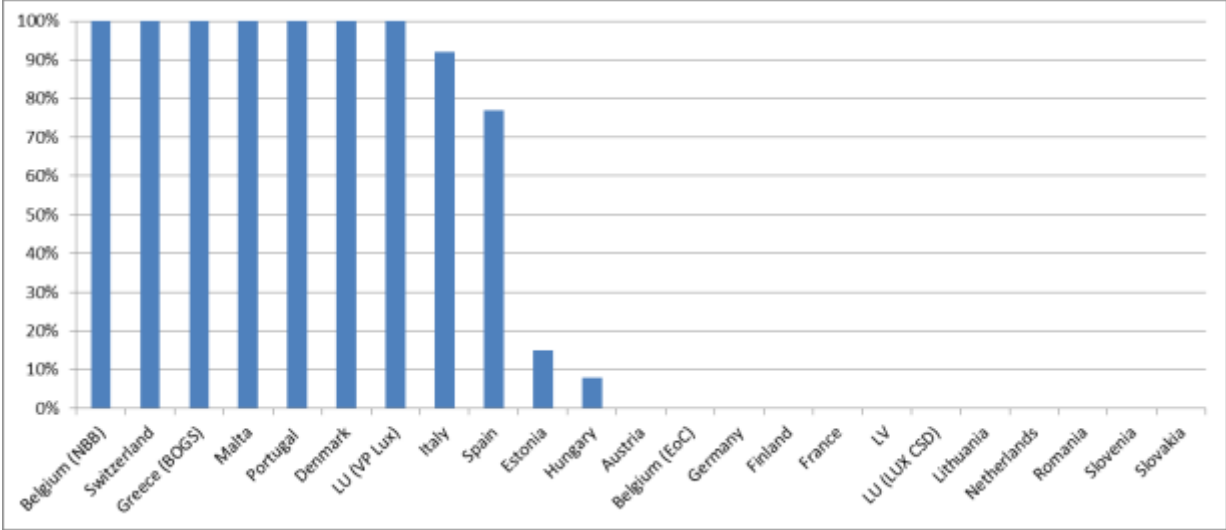
Figure 2. Market Claims (% current compliance for each market/systems as of Oct 2016)



Source: Latest gap analysis surveys of T2S markets/CSDs

Notes: i) Even if NBBSSS has reported non-compliance with some MC standards, these are not considered relevant for its overall compliance assessment as it settles only debt securities; ii) The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one rarely occurring corporate action event

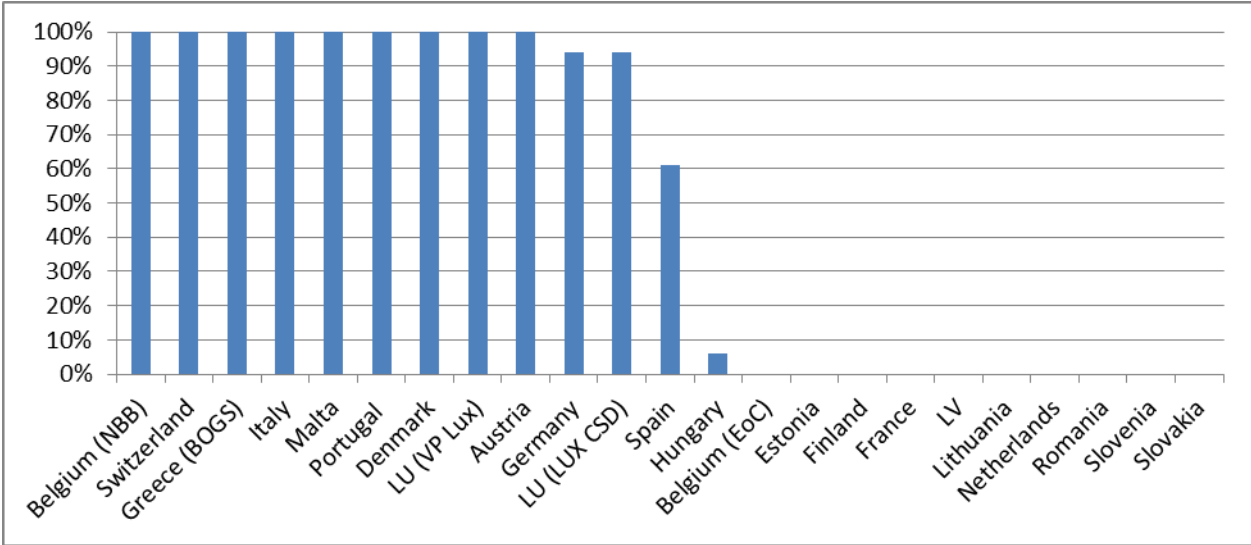
Figure 3. Transformations (% current compliance for each market/system as of Oct 2016)



Source: Latest gap analysis surveys of T2S markets/CSDs

Notes: i) The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one rarely occurring corporate action event

Figure 4. Buyer protection (% current compliance for each market/system as of Oct 2016)



Source: Latest gap analysis surveys of T2S markets/CSDs

Notes: i) The PT market has already achieved full compliance with the T2S CA standards except for the non-generation of market claims and transformations for one rarely occurring corporate action event

Annex 1: List of CASG contact persons

Market/ CSD	CASG Member
CH	Florentin Soliva (SIX Securities Services Ltd)
DE	Thomas Rockstroh (Clearstream) and Michael Collier (Deutsche Bank)
ES	Mikel Picallo (Iberclear)
DK	Nikolaj Hesselholt Munck (VP Securities)
FR	Christophe Delbrouck (Euroclear Group) and Helena Bastos (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 Robert Prielcel (CDCP)
SI	Ben van der Velpen (ING)
BE (NBBSSS and Euroclear BE)/NL	Christophe Delbrouck (Euroclear Group) and Ben Van der Velpen (ING)

Annex 2: Methodology

Overall compliance status assessment

A specific colour, based on a four-colour scheme, is displayed in the status update to reflect the overall compliance status of all markets. These colours/statuses are agreed at the AG level, based on the proposals of the HSG (and the input of the T2S NUGs, CSDs and other reporting actors).

Table 10: Colour status definition

Colour	Description
Blue	<p>Compliance</p> <p>The market has achieved full compliance with the harmonisation standard.</p> <p>a. For technical standards (e.g. T2S ISO 20022 messages), this means that the T2S market is already operating according to the standard.</p> <p>b. For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place.</p> <p>Further monitoring of the T2S market is no longer required.</p>
Green	<p>Compliance</p> <p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard, but no obstacles have been identified to achieving full compliance by the deadline.</p> <p><i>and</i></p> <p>2) The market has established a clear/detailed plan to implement the harmonisation standard and has publicly announced deadlines for full implementation.</p> <p>Further monitoring of the T2S market is required.</p>
Yellow	<p>Compliance</p> <p>1) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the given harmonisation standard, but obstacles have been identified which may threaten achievement of full compliance by the deadline.</p> <p><i>or</i></p> <p>2) The T2S market has issued a statement that it will implement the standard, but has not committed to concrete and publicly announced dates for implementation.</p> <p>Further monitoring of the T2S market is required.</p>
Red	<p>Compliance</p> <p>1) The T2S market has not provided any information on its level of compliance with the standard.</p> <p><i>or</i></p> <p>2) The T2S market has decided not to (fully) comply with the standard.</p> <p><i>or</i></p> <p>3) There are changes still pending (technical, regulatory or legal) before the T2S market can achieve full compliance with the harmonisation standard and obstacles have been identified that have stopped the implementation plan of the market and/or will prevent its full implementation by the deadline.</p> <p>Further monitoring of the T2S market is required</p>

ANNEX 3: Surveys of individual markets/CSDs

September 2016 - 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	With the introduction of T2S For the Austrian market Market Claims will be generated by the IOC.
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.	Will be IMPLEMENTED as of Migration to T2S	Market Practice Change	See also Transaction Management Handbook of OeKB CSD	With the introduction of T2S The Record date was introduced in the Austrian Market in Nov. 2015.

September 2016 - 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	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	See 3 As of Migration to T2S detection will be implemented for EOD processing.
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).	Will be IMPLEMENTED as of Migration to T2S	Straightforward to Implement	See also Transaction Management Handbook of OeKB CSD	See 3 As of Migration to T2S detection will be performed once a day during EOD 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	Due to deviating Market Practice (decision by CANIG Austria)	As of Migration to T2S Opt-out indicator will be matched in T2S, but will be disregarded by Market Claim detection process due to common understanding in Austrian Market concerning mitigating actions for tax fraud risk

September 2016 - 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	Due to deviating Market Practice (decision by CANIG Austria)	As of Migration to T2S Cum-ex indicator will be matched in T2S, but will be disregarded by Market Claim detection process due to common understanding in Austrian Market concerning mitigating actions for tax fraud risk.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	Will be IMPLEMENTED as of Migration to T2S	Market Practice Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S detection will be performed for matched instructions
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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S Market Claims will be generated in the role of IOC on behalf of all DCP and ICP connected clients, including CCP.

September 2016 - 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 style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	<p>Major Technical Change</p>	<p>See also Transaction Management Handbook of OeKB CSD</p>	<p>As of Migration to T2S</p>

September 2016 - 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. 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 style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	<p>Major Technical Change</p>	<p>See also Transaction Management Handbook of OeKB CSD</p>	<p>As of Migration to T2S</p>

September 2016 - 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to 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.	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.	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). The handling of CCP instructions will be managed by OeKB CSD.

September 2016 - 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	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	Tax adjustments, if necessary, should be processed by the relevant withholding agent.	
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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	16	Matching is required for all market claims settlement instructions.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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	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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	<p>As of Migration to T2S</p> <p>A user friendly facility is being implemented in form of an optional flag on the securities account level, which can be set separately for cash and securities sides, indicating whether a market claim generated by the CSD should be automatically put on hold.</p> <p>FAQs on this topic suggest that clients put all underlying instructions on hold before claims are generated by the CSD. Our solution has the advantage that underlying instructions are not affected in addition to the market claims and that participants do not have to implement a detection of possible market claims, but only the release of the respective holds.</p>

September 2016 - 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Market Claims	26	The standard T2S rules for the recycling period should apply.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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>	<p style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	<p>Major Technical Change</p>	<p>See also Transaction Management Handbook of OeKB CSD</p>	<p>As of Migration to T2S</p>

September 2016 - 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
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).	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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>	<p style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	<p>Major Technical Change</p>	<p>See also Transaction Management Handbook of OeKB CSD</p>	<p>As of Migration to T2S</p>

September 2016 - 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
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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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).	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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 style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	<p>Major Technical Change</p>	<p>See also Transaction Management Handbook of OeKB CSD</p>	<p>As of Migration to T2S</p>

September 2016 - 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
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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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 style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	<p style="text-align: center;">Will be IMPLEMENTED as of Migration to T2S</p>	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of Migration to T2S

September 2016 - 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
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.	Will be IMPLEMENTED as of Migration to T2S	Major Technical Change	See also Transaction Management Handbook of OeKB CSD	As of 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).	IMPLEMENTED	N/A	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.	
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		

September 2016 - 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
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		
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		

September 2016 - 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
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	Market Practice Change	See also Transaction Management Handbook of OeKB CSD	OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards are established as market practice by CANIG and are described in the Transaction Management Handbook.

September 2016 - 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
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	Market Practice Change		
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED	Market Practice Change		
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	Market Practice Change		

September 2016 - 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
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	Market Practice Change		
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	Market Practice Change		

September 2016 - 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
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">IMPLEMENTED</p>	<p>Market Practice Change</p>		<p>OeKB does not and will not implement an automated BP service. BP is carried out bilaterally between the buyer and seller. The standards are established as market practice by CANIG and are described in the Transaction Management Handbook.</p>

September 2016 - 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
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	Market Practice Change		See above
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	Market Practice Change		See above

September 2016 - 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
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	Market Practice Change		See above
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	Market Practice Change		See above

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	The time period to detect market claims is 20 BD.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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 detected expect for few ISO transaction codes (COLI/COLO/NETT/AUTO/CORP/ISSU/PLACTRPO/INSP/TURN). Opt out available to participants	
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	Cum/Ex usage offered to participants	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	In case of multiple outturn, several events are created (one per outturn). The market claim generation follows the standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>Implemented but production defect to be fixed: processing of fractional part compensation related to stock distribution does not currently work.</p> <p>Once the defect is fixed, the process will be compliant with the standard</p>	<p>Production defect to be fixed post-T2S migration: Planning under definition</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	CLAI ISO transaction type is used to identify market claims	
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	Implemented but defect remaining on ESES side to detect and generate market claims on XCSD instruction only	Fix to be delivered post T2S launch. Planning still under definition

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>	<p align="center">N/A</p>		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Rule implemented, except for stock distributions with proceed being equal to underlying security (for which we set TD of the claim equal to RD+1 in order to avoid loops of market claim generation in case of strict application of 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.	IMPLEMENTED	N/A	Implemented but defect remaining on market claims in cash for which the wrong leg is set on hold.	Implemented but defect remaining on market claims in cash for which the wrong leg is set on hold.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	The facility chosen is the Hold and Release mechanism	

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>Detection period for cancellation is set to 20 BD</p> <p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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 Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>
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>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>	<p>Major Technical Change</p>	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</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 Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at ESES level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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.</p> <p>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	<p>Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.</p> <p>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - T2S Corporate Actions Standards Gap Analysis: BELGIUM - EUROCLEAR

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>Linked to the implementation of CSE6, (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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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	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		Detection by CSD, implemented with release of the new software platform RAMSES. On request by market parameter NOMC added until start T2S wave 2.	
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			
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED			

September 2016 - 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	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED			
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			

September 2016 - 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			
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			

September 2016 - 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	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			

September 2016 - 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>	<p align="center">IMPLEMENTED</p>			

September 2016 - 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.	

September 2016 - 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	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	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.	N/A	N/A	Until now unclear what rules/terms can be defined for fixed income securities besides the standard rules.	

September 2016 - 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	<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>			

September 2016 - 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	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED			
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED			
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			

September 2016 - 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	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			
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	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED			

September 2016 - 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	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED			
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED			
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			

September 2016 - 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	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			
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED			

September 2016 - 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	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED			
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED			

September 2016 - 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):</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>	IMPLEMENTED			

September 2016 - 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	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	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. So no detection period needed in this case.	
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			

September 2016 - 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	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>	<p align="center">IMPLEMENTED</p>			

September 2016 - 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			
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED			
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			

September 2016 - 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	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			

September 2016 - 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.	

September 2016 - 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			

September 2016 - 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			

September 2016 - 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	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			
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			
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED			

September 2016 - 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	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			
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			

September 2016 - 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	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			
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.		T&C		

September 2016 - 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>	IMPLEMENTED			

September 2016 - 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	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.			NBB SSS cannot judge status of all (I)CSDs	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED			
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED			
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			

September 2016 - 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	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>			

September 2016 - 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>	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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. 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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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		

September 2016 - 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	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		
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		

September 2016 - 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	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		
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>	IMPLEMENTED	N/A		

September 2016 - 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
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	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). 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.	
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		

September 2016 - 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
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>	IMPLEMENTED	N/A		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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	Fraction Price should be announced by ISSUER before / at the latest Record Date 16:00 CET.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		

September 2016 - 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
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		

September 2016 - 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
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 that describes the procedures in the market for Market Claims, Transformations Buyer Protection (incl. samples for SWIFT messages, timelines/key dates in the market, handling of indicators etc.).
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		

September 2016 - 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
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		
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		

September 2016 - 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
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	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 and is also an integrated part of the CSD's published Transaction Management Handbook that also describes the BP procedures in the market.	

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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>	IMPLEMENTED	N/A		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 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 February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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><i>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:</i></p> <p>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</p> <p>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.</p> <p>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. German parliament passed the law for changing the stock corporation law in November 2015 but coming into effect 01.01.2017 (respective changes of ESTG already approved by upper house of the German parliament mid-October 2015). Regarding the agreement reached at CSG-level on a new migration plan following the ESES delay, whereby the German market would migrate in February 2017; the implementation on 1 January 2017 is expected to come into force right in time before DE migration to T2S.</p> <p>Market Practice Change</p> <p>Depending on the ratification, new Market Practice will be agreed and implemented right after. In order to further ensure a consistent execution of Corporate Actions in the German market, the German Market Practice Committee decided to introduce the record date for non-income events only on 1 January 2017. Regulator ("BaFin") has been contacted regarding processing on non-income CA e.g. mandatory reorg especially concerning timing of booking and reporting on end-investor level.</p> <p>Technical implementation occurred with the CBF-November release 2015 but RD processing with sequence Ex-RD-PD will be effective by 1st January 2017.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 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. With November-Release 2015 CBF introduced the OPT-OUT flag and XCPN/CCPN	The standard will be implemented with CBF release in November 2015 and will be migrated in February 2017 with the participation of CBF on T2S	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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.	<p>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.</p> <p>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.</p> <p>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 discussions with MoF again to implement the "CUM" flag some month after wave 4</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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. Claims on open instructions caused several problems (late trades, Rec-Date) when this processing was standard in the German market.</p> <p>CAJWG and CASG Standards apply on „irrevocable transactions“ which would not be fulfilled by „matched transactions“ solely as said as definition/example of irrevocableness. There the underlying OTC transaction could be set „on hold“(without settlement) in T2S while the MC settles. Based on that fact German MPC doesn't treat a matched underlying transaction as irrevocable.</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 February 2017 with the participation of CBF on T2S.</p> <p>Already compliant by Reverse Market Claims (reverse claims can only be processed after settlement) and SE/CCP transactions.</p> <p>German MPC decided to be fully compliant with the standard to observe and monitor the behaviour of the counterparts and after adaptation phase of RD implementation to switch timing of processing MC from settled to matched on OTC transactions.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **GERMANY**

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><u>security outcome:</u> <i>Straightforward to implement</i></p> <p><u>cash outcome:</u> <i>Taxation Change/Regulatory Change</i> By introducing IOC the process to withhold taxes in case of Cross-Border transactions (for DE-ISIN) needs to be re-designed.</p> <p><u>Legislative Change</u> 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, number 3b).</p> <p><u>Market Practice Change</u> 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><u>security outcome:</u> to be implemented in February 2017 with the participation of CBF on T2S</p> <p><u>cash outcome (Domestic):</u> Implementation at the latest 6 months after CBF's migration to T2S.</p> <p><u>cash outcome (X-Border):</u> to be implemented in February 2017 with the participation of CBF on T2S</p> <p>German market developed a functional model to generate PFODs and integrated tax calculation to fulfil the tax obligations for last paying agents by generating market claims on dividends. CASG approved the model as standard complaint.</p> <p>Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 4).</p> <p>With participation on T2S (wave 4) interim solution of CBF Corporate Action event processing on stocks and flows described in CBF T2S Implementation Project Detailed Functional Description Custody will be valid up to implementation of above mentioned PFOD model.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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> In case of a security distribution already today CBF instructs FoPs on each underlying transaction</p> <p><u>cash outcome:</u> <i>Market Practice, Taxation, Regulatory & Legislative Change</i> Please refer also to CASG standard no. 09 for Market Claims. The settlement of Non-T2S-Currencies will be handled as before, therefore the requirement is fulfilled.</p>	<p><u>security outcome:</u> As already implemented, the standard will only be migrated in February 2017 with the participation of CBF on T2S</p> <p><u>cash outcome (Domestic):</u> Implementation at the latest 6 months after CBF's migration to T2S.</p> <p><u>cash outcome (X-Border):</u> to be implemented in February 2017 with the participation of CBF on T2S Dependencies on "CASH" regarding functional model to generate PFODs (see comment CASG standard no. 09 for Market Claims)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **GERMANY**

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.</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>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 accept them on the DCAs at T2S.</p>	<p><u>fraction compensation (Domestic):</u> Implementation from cash point of view will be feasible at the latest six months after CBF will participate on T2S (wave 4) by implementation of "PFOD-Model"</p> <p><u>fraction compensation (X-Border):</u> to be implemented in February 2017 with the participation of CBF on T2S German market decided to use fraction shares (Teilrechte) on DE ISINs. Based on the fact that such Teilrechte will have the smallest technical possible MSU no rounding will be necessary. Technically CBF is in the position to Round Down.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	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 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. Please refer also to CASG standard no. 09 for Market Claims.</p>	<p>German market developed a functional model to generate PFODs and integrated tax calculation to fulfil the tax obligations for last paying agents by generating market claims on dividends.</p> <p>CASG approved the model as standard complaint.</p> <p>Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 4).</p> <p>Please see comment CASG standard no. 09 for Market Claims</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 fulfil the tax obligations for last paying agents by generating market claims on dividends. CASG approved the model as standard complaint. Implementation of that market rule will be feasible at the latest six months after CBF will participate on T2S (wave 4). Please see comment CASG standard no. 09 for Market Claims	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **GERMANY**

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> 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> With T2S X-Border Clearstream will enter only one leg (matching required). Though, this feature is: <i>Straightforward to implement Domestic & X-Border (Income):</i></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 standard no. 09 for Market Claims regarding PFOD functional model.</p>	<p>The standard will be implemented by February 2017 with the participation of CBF on T2S.</p> <p>Dependencies on "CASH" regarding functional model to generate PFODs (see comment CASG standard no. 09 for Market Claims)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **GERMANY**

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.	Only referencing in MT54x must be completed. The standard will be implemented by February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 comments on CASG standards no. 1 & 8 for Market Claims.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straightforward to Implement	At present and following the understanding of CAJWG standards by German market, market claims are not modifiable in the content at all. Clearstream considers this 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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	At present and following the understanding of CAJWG standards by German market market claims are not modifiable in the content at all. Clearstream considers this 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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	At present and following the understanding of CAJWG standards by German market, market claims are not modifiable in the content at all. Clearstream considers this 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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 for CCP/SE and reverse market claims, the standard will only be migrated in February 2017 with the participation of CBF on T2S. As mentioned in standard 8 German market is already compliant by Reverse Market Claims and SE/CCP transactions. German MPC decided to observe and monitor the behaviour of the counterparts and after adaptation phase of RD implementation to switch timing of processing MC from settled to matched on OTC transactions. At that time German market will 100% compliant with the standard	Yellow
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 February 2017 with the participation of CBF on T2S.	Blue

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	<p>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 (four times for fifteen minutes 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.</p> <p>Regarding "irrevocable transactions", please also refer to CASG standard no. 8 for Market Claims</p> <p>Regarding "market claims in cash", please also refer to CASG standard no. 1 for Market Claims</p> <p>Regarding "cash payment - PFOD" please refer to CASG standard no. 9 for Market Claims</p>	<p>Implementation at the latest 6 months after CBF's migration to T2S (regarding PFOD model).</p> <p>Please see comment CASG standard no. 09 for Market Claims</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 outside T2S):</u> The T2S connected IOCs/CCP will manage the transformation. CSDs which are not connected</p>	NOT IMPLEMENTED	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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 with the participation of CBF on T2S. Please see comment CASG standard no. 09 for Market Claims regarding implementation of RD	
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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour status of markets compliant
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</p>	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<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 • <SttImParams><SttImTxCond><Cd><TRAN> • <TradDtIs><SttImInstrPrcgAddtIDtIs> 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 February 2017 with the participation of CBF on T2S.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
		specific functionality in T2S (other than standard settlement processing).			<ul style="list-style-type: none"> Clearstream provides a new T2S-Actors reference being unique The latter will be provided in the 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. 		
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 February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	colour compliant status of markets
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>Info: Record Date for Reorg Events where transformation is applicable is on payment date - 1 BD.</p> <p>In Future: New instruction has to contain intended settlement date at least with current business date.</p>	The standard will be implemented by February 2017 with the participation of CBF on T2S.	Compliant
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 standard no.4 Transformations".	The standard will be implemented by February 2017 with the participation of CBF on T2S.	Compliant

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	<p>In case of multiple outturns (stock/stock and stock/cash) settlement will not be linked. Even if German market practice does not fore see this constellation of multiple outturns in stocks. Instead one or more tender lines will be used. Therefore this requirement will be fulfilled.</p>	<p>The standard will be implemented by February 2017 with the participation of CBF on T2S.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 then be migrated to T2S.	The standard will be implemented by November 2014.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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>	<p>NOT IMPLEMENTED</p>	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. Furthermore the German market does not see the necessity to change the current processing.</p>	Please refer to answer CASG standard 11 for Market Claim	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 February 2017 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 February 2017 with the participation of CBF on T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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 counterparts, 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. Indeed, if the investor CSD would be servicing only a few ISINs issued in the issuer CSD, implementing automated BP functionality would not be economically viable. Rather the investor CSD would only need to provide service levels for BP complying with the T2S standards, which could also be done in a non-automated manner.</p>	<p>German market decided to do not introduce an automated BP infrastructure.</p> <p>Manual BP requirements on counterparty level will be implemented before participating on T2S.</p> <p>According to the DE NUG, Clearstream 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.</p> <p>Link: http://clearstream.com/clearstream-en/products-and-services/d15019/75090</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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. With the participation of CBF on T2S BP Deadline information shall be incorporated in SWIFT MT56X. Filling depends when central data vendor will provide this information.	
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	
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	See comment on BP standard 01	See comment on BP standard 01	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.</p>	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	
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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: GERMANY

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	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	

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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.</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		<p>As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.</p>

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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>As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.</p>

September 2016 - 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	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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.		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A.		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A.		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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.

September 2016 - 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	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.

September 2016 - 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):</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>	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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 CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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>	IMPLEMENTED	N/A		<p>As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.</p>

September 2016 - 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.		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A.		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.
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		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards and the rulings of the CAJWG.

September 2016 - 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	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	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
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	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 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)	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - 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	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	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - 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	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	<p>BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	The procedure entered into force on 12 September 2016.

September 2016 - 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	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - 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	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	<p>BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	<p>The procedure entered into force on 12 September 2016.</p>

September 2016 - 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>	IMPLEMENTED	N/A	<p>BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	The procedure entered into force on 12 September 2016.

September 2016 - 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
N/A	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		<p>BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	<p>The procedure entered into force on 12 September 2016.</p>

September 2016 - 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
N/A	16	If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.	IMPLEMENTED		BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
N/A	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED		BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	BP instructions are dealt with manually in the Danish market. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	<p>Market claims are detected 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 settlement functionality of claims.</p>	<p>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.</p> <p>Opt-out indicator will be implemented in the new CSD system together with the settlement functionality of claims. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S. As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>	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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>	<p>Market Practice Change</p>	<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.</p> <p>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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	<p>Implementation of the calculation of the entitled proceeds based on the terms of the CA event.</p> <p>The CA notification procedure (Issuer->Issuer CSD->clients including Investor CSDs) is already followed as market practice.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with 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	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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>
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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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 is by the time of 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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with 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	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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.	<p>Generation of market claims to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.	
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).	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>	IMPLEMENTED	N/A	The detection of transactions subject to transformations was implemented together with the implementation of the market claims detection.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	Relevant ISO20022 format for managing the transformation, the ISO transaction type code "TRAN" and appropriate references to be implemented. ISO20022 format messaging has already been implemented in the market since 2011.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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 is by the time of 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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with 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.	Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	<p>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:</p> <p>(i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).</p>	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<p>Transformation into new security with a single outturn to be implemented according to the proposed T2S rules.</p>	<p>Processing of transformations to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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 is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	<p>Processing of transformations to be implemented in the second phase of developments.</p> <p>Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<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.</p> <p>The compensation handling mechanism is straightforward to implement.</p>	<p>Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.	<p>Processing of transformations to be implemented in the second phase of developments. Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</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	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.	<p>Processing of transformations to be implemented in the second phase of developments Implementation time in the test system is by the time of T2S testing according to the T2S project plan. The functionality will be launched together with the migration to T2S.</p> <p>As part of CSD rules Nasdaq CSD Corporate Action Service Description describes the requirement. The draft of the document has been published in April 2016 and will take effect by the migration to T2S in Q3 2017.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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. Buyer protection manual solution is described in the Nasdaq CSD Corporate Action Service Description.	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.
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.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.
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.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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>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. Implementation time: The practice will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	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	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.

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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. Implementation time: The practice will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</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. Implementation time: The practice will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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	<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. Implementation time: The practice will be launched together with the migration to T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ESTONIA

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.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	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 Corporate Action Events Database in order to identify instructions that meet the date criteria for market claim generation.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	The market claim detection period for a corporate action covers the 20 T2S opening days after the Record-Date.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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 after the close of business day on record date and during the 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	N/A	Market claims are detected once a day after the "End of Day" and before the start of the next settlement day, during the market claim detection period.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	There is no opt-out indicator in IBERCLEAR. The indicator could be chosen by the migration to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented by 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	Major Technical Change	There is no ex/cum indicator in IBERCLEAR. The indicator could be chosen by the migration to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented 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).	IMPLEMENTED	N/A	Market claims are detected for irrevocable transactions.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	In the cases in which IBERCLEAR is the IOC of the instructions, it generates market claims on behalf of their participants irrespective of their indirect or direct connection to T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	PFOD and FOP are used for market claim generation.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBERCLEAR generates market claims in securities distribution CA events in line with this standard.	-

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBERCLEAR uses ISO transaction type code "CLAI" in market claim instructions.	
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 market claim generation will be done according to the information sent by the issuer that will be exchanged using CA SWIFT messaging.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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 doesn't have direct effect on the amount to transfer.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBERCLEAR identifies the cash account to be used in the settlement of the market claims.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Nowadays the Spanish CSD generates matched market claims as the underlying instructions are between participants of IBERCLEAR. The process will require matching 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.	IMPLEMENTED	N/A	The appropriate references are included in market claim instructions (CSD CORP reference, reference of the underlying instruction) in order to identify easily the market claim.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	Nowadays the settlement date of the MC is the latest between the payment date of the CA and the ISD of the underlying instruction. The settlement date of the claim will be the payment date of the CA by the migration to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented 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.	IMPLEMENTED	N/A	Market claims are instructed with the same status as the underlying transaction.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	The standard T2S rules for who can amend and cancel are applied.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	The standard T2S rules for amending are applied. There is no priority and linked instruction indicator in ARCO system, however the modifications of hold/release and partial settlement are possible at the moment. All the attributes detailed in the standard will be modifiable by the migration to T2S	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	The standard T2S rules for cancelling are applied.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	N/A	The settlement of the market claim is independent from 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.	IMPLEMENTED	N/A	Market claims settles if the payment date has reached and there are resources available.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	There is no partial settlement for claims in cash. Partial settlement indicator in market claims replicates the indicator of the underlying instruction.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	The standard T2S rules for recycling are applied.	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	CSD/CCPs reports the market claims to its own participant entities.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	Nowadays IBERCLEAR informs about all pending/settled transactions. The information from T2S will be reported as well by the migration to T2S.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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>	IMPLEMENTED	N/A	Nowadays IBERCLEAR manages the transformations of its participant as the CSD is not connected to T2S, after the migration it will manage the transformation of the transactions where IBRC is the IOC.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBERCLEAR manages pending transactions at the end of the Record-Date in order to transform them according to the terms of the reorganisations. The Spanish CSD will be ready to implement the proposed workaround in order to comply with the standard while CR515 is not implemented.	
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	There is no opt-out indicator in IBERCLEAR. The indicator could be chosen by the migration to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented by the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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>	IMPLEMENTED	N/A	Transformed instructions are identified with the required references (TRAN indicator, CSD CORP reference and the reference of the underlying transaction).	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	Nowadays IBERCLEAR generates matched instructions as the CSD is not connected to T2S; the matching of the transformed instructions in T2S will be ready by the migration to that system.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	Nowadays IBERCLEAR generates matched instructions as the CSD is not connected to T2S; the matching of the transformed instructions in T2S will be ready by the migration to that system.	-
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 transformation is the latest between the SD of the underlying transaction and the PD of the corporate action.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	<p>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:</p> <p>(i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).</p>	IMPLEMENTED	N/A	IBERCLEAR retains the same characteristics as those of the underlying transactions with the possible exceptions detailed in the standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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 technical change	IBERCLEAR doesn't generate transformations in two or more securities at the same time. The functionality will be developed for the migration of SPAIN to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented by the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	Cash transfers settlement instructions generated as a result of a transformation retain the same characteristics as those of the underlying transaction and they are created as it is specified in the standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBERCLEAR manages the transformation process in outturn securities fractions in line with the standard 11.	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	There is no ex/cum, opt-out indicators in IBERCLEAR. The indicators will be replicated to the transformed instructions by the migration to T2S.	<ul style="list-style-type: none"> - ARCO II preliminary procedure published in March 2016. - The standard will be implemented 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).	IMPLEMENTED	N/A	Buyer will invoke the BP instructions prior to the buyer protection deadline. IBRC will comply with the standard providing the required key dates.	<ul style="list-style-type: none"> - Annex M1 (Market practices) information will be widely explained by the end of 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	This standard is not implemented in every elective event; in the specific case of EXRI events, IBERCLEAR is not following the market default rules.	<ul style="list-style-type: none"> - Annex M1 (Market practices) information will be widely explained by the end of 2016. - The standard will be implemented <u>before</u> the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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.	IMPLEMENTED	N/A	Buyer will track open transaction in order to decide if he wants to invoke a Buyer Protection Instruction.	
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	All matched transactions still pending on BP deadline in securities related to a voluntary/mandatory reorganisation with options are subject to a BP mechanism.	
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	IBRC provides the required key dates in order to comply with this standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	N/A	IBRC provides a BPI template in order to comply with this standard.	- Annex M1 (Market practices) information will be widely explained by the end of 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.	IMPLEMENTED	N/A	The acceptance of a late BP Instruction will depend on the basis of each bilateral agreement.	
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 doesn't have implemented ISO20022 SWIFT messages yet.	- Annex M1 (Market practices) information will be widely explained by the end of 2016. - The standard will be implemented with the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBRC provides the required key dates in order to comply with this standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBRC provides the required key dates in order to comply with this standard.	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Straightforward to implement	The standard will be implemented as soon as the information of the Annex M1 provided by IBERCLEAR is much more precise.	- Annex M1 (Market practices) information will be widely explained by the end of 2016.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Straightforward to implement	The standard will be implemented as soon as the information of the Annex M1 provided by IBERCLEAR is much more precise.	- Annex M1 (Market practices) information will be widely explained by the end of 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	Straightforward to implement	The standard will be implemented as soon as the information of the Annex M1 provided by IBERCLEAR is much more precise.	- Annex M1 (Market practices) information will be widely explained by the end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">NOT IMPLEMENTED</p>	<p>Straightforward to implement</p>	<p>This standard is not implemented in every elective event; in the specific case of EXRI events, IBERCLEAR is not following the market default rules.</p>	<ul style="list-style-type: none"> - Annex M1 (Market practices) information will be widely explained by the end of 2016. - The standard will be implemented before the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBRC provides a BPI template in order to comply with this standard.	
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	IBRC provides a BPI template in order to comply with this standard.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: SPAIN

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	IBRC provides a BPI template in order to comply with this standard.	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	N/A	As soon as IBERCLEAR comply with all the transformation standards, this standard will be fulfilled.	- The standard will be implemented by the migration to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 the new CSD system which will be launched before the Finnish market joins T2S in the final wave in September 2017. The exact launch date will be decided by the market participants latest in October 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 when the new CSD system is launched i.e. before the Finnish market joins T2S in the final wave.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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. For other instruments market claims will be available when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	<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.</p> <p>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. For other instruments market claims will be available when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 standards. After the Record Date the CSD system will detect market claims based on pending matched settlement instructions daily after the close of business EOD. Detection will be done once a day after the end of daytime settlement.</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. For other instruments market claims will be available when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	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. Opt-out indicator will be available in settlement instructions when the mechanism for detecting market claims is implemented on the Finnish market. Counterparties may choose to use it in the underlying transaction if they don't want to any market claims to be generated.	Part of the implementation of standards 1 and 2. Market claims are already available for money market instruments as of 2 February 2015. For other instruments market claims will be available when the new CSD system is launched.
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.	Ex/cum indicator will be notified in market claim detection as a part of the implementation of standards 1 and 2 for other instruments than debt instruments when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	<p>Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system.</p> <p>Along with the market claim mechanism, the CSD system will create market claims only for matched settlement instructions.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments 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	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> <p>Outside the market claim detection period until the end of the payment year, participants can create bilateral market claims settlement instructions for tax management purposes. Euroclear Finland will route these settlement instructions to T2S settlement.</p>	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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>	<p>NOT IMPLEMENTED</p>	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. The automatic generation of market claim instructions will be developed according to standard 2.</p> <p>For non-EUR payments EFi has a mechanism for paying the cash outside T2S. EFi will not create market claims for non-EUR cash payments.</p> <p>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) which was implemented on 2 February 2015 for money market instrument and will be implemented in for other instruments when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 a separate market claim for cash covering fractions is generated once the issuer has announced the reference price.</p>	<p>Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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>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) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.
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 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) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 and the requirement of net payments, EFi will process market claims with maximum tax percentage which is currently 30 %. Different tax statuses of the delivering and receiving participants will result in tax corrections which are processed in the CSD system after the market claims are settled.</p> <p>There will be changes to market practice regarding processing market claims and related taxes.</p>	<p>The market claim mechanism for money market instruments was implemented on 2 February 2015. For other instruments market claims will be available when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.
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) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	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) which was implemented on 2 February 2015 for money market instrument and will be implemented for other instruments when the new CSD system is launched.
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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	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. For other instruments market claims will be available when the new CSD system is launched.
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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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. For other instruments market claims will be available when the new CSD system is launched.
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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	Currently no market claim instructions are generated by the CSD. Efi as the CSD will create market claims with the same status as the underlying settlement instructions. Settlement instructions for market claims will be settled independently from the underlying instructions. Participant can put the market claim on party hold.	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. For other instruments market claims will be available when the new CSD system is launched.
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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	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. For other instruments market claims will be available when the new CSD system is launched.
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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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	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. Efi as the CSD will create market claims and report created market claims to its participants.	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. For other instruments market claims will be available when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	<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. For other instruments market claims will be available when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<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>	<p>Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched which will happen before the Finnish market joins T2S in the final wave in September 2017. The exact launch date will be decided by the market participants latest in October 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	Currently there are no automated transformations. EFi as the CSD will process transformations only on the record date situation. The detection period of 20 opening days from the record date will be implemented once T2S supports it.	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 when the new CSD system is launched.
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 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Currently there are no automated transformations. EFi as a CSD will process transformations for the eligible transactions. Transformed settlement instructions will include the reference of the original transaction, TRAN as settlement transaction condition code and CA event reference.</p>	<p>Part of implementation of standards 1 and 3. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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. Transformed 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 when the new CSD system is launched.
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 when the new CSD system is launched.
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 when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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) 	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<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>	<p>Part of implementation of standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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	Currently there are no automated transformations. 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.	Part of implementation of standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as 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. Status of the transformation settlement instructions will be the same as the status of underlying transactions.	Part of implementation of standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the new CSD system is launched.
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 when the new CSD system is launched.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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 Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S in the final wave.
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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: **FINLAND**

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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins 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	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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>	Market Practice Change	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	<p>Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 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	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	<p>Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Currently Buyer Protection is based on bilateral agreement between trading parties case by case.</p> <p>The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	<p>Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

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 discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.</p>	<p>Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: FINLAND

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	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	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins 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	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The discussion on implementing manual Buyer Protection in the Finnish Market is ongoing with Depository Participants and CCPs. Implementation requires changes to Market Practice.	Manual Buyer Protection process will be implemented by September 2017 when the Finnish market joins T2S.

September 2016 - 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	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	The time period to detect market claims is 20 BD.	Implemented since go live in September 2016

September 2016 - 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	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		

September 2016 - 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	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 detected expect for few ISO transaction codes (COLI/COLO/NETT/AUTO/CORP/ISSU/PLACTRPO/INSP/TURN). Opt out available to participants	
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	Cum/Ex usage offered to participants	Implemented since go live in September 2016
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		

September 2016 - 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		

September 2016 - 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	In case of multiple outturn, several events are created (one per outturn). The market claim generation follows the standard.	

September 2016 - 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. 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>Production defect to be fixed post-T2S migration:</p> <p>processing of fractional part compensation related to stock distribution does not currently work.</p> <p>Once the defect is fixed, the process will be compliant with the standard</p>	

September 2016 - 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.	IMPLEMENTED	N/A	CLAI ISO transaction type is used to identify market claims	Implemented since go live in September 2016
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	Defect remaining on ESES side to detect and generate market claims on XCSD instruction (hence standard remains red)	Fix to be delivered post T2S launch. Planning still under definition

September 2016 - 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 align="center">IMPLEMENTED</p>	Other		

September 2016 - 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		

September 2016 - 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.	IMPLEMENTED	N/A	Rule implemented, except for stock distributions with proceed being equal to underlying security (for which we set TD of the claim equal to RD+1 in order to avoid loops of market claim generation).	Implemented since go live in September 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.	IMPLEMENTED	N/A	Implemented. Defect remaining on market claims in cash for which the wrong leg is set on hold. Fix to be delivered post T2S launch.	Implemented since go live in September 2016
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		Implemented since go live in September 2016

September 2016 - 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.	IMPLEMENTED	N/A		Implemented since go live in September 2016
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		Implemented since go live in September 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.	IMPLEMENTED	N/A	The facility chosen is the Hold and Release mechanism	Implemented since go live in September 2016

September 2016 - 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	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		Implemented since go live in September 2016
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A		Implemented since go live in September 2016

September 2016 - 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.	IMPLEMENTED	N/A		Implemented since go live in September 2016

September 2016 - 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><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>	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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>Detection period for cancellation is set to 20 BD</p> <p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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 processing).</p>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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.	NOT IMPLEMENTED	N/A	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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	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	N/A	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>
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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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>	NOT IMPLEMENTED	N/A	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</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 Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>On top of the technical implementation foreseen at EF level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018)</p>	<p>The functionality to replace the instructions will be implemented in February 2017.</p> <p>A limited number of elective events will only be transformed as of Q1 2018.</p>

September 2016 - 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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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	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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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	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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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> <p>A manual BP mechanism will be implemented.</p>	<p>To be implemented alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - 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	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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	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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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 instruction, at the market deadline / record date of the voluntary reorganisation.</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> <p>A manual BP mechanism will be implemented</p>	<p>To be implemented alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - 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	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>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>A manual BP mechanism will be implemented</p>	<p>To be implemented alongside with the launch of ESES Stream 6 (implementation date Q1 2018)</p>

September 2016 - 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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)
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	<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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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 alongside with the launch of ESES Stream 6 (implementation date Q1 2018)

September 2016 - 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		

September 2016 - 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	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		

September 2016 - 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	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		
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		

September 2016 - 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	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		

September 2016 - 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	N/A		

September 2016 - 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	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.	

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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
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>	IMPLEMENTED	N/A		

September 2016 - 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
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		
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		

September 2016 - 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
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>	IMPLEMENTED	N/A		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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
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		

September 2016 - 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	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		
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		

September 2016 - 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	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		

September 2016 - 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		

September 2016 - 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	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		

September 2016 - 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	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>	IMPLEMENTED	N/A		

September 2016 - 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	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		

September 2016 - 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	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		

September 2016 - 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
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 for bonds	<p>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).</p> <p>A dedicated Task-force is established within the NUG CA Working Group in order to reach a consensus on the solutions and steps to be taken to remove the gaps in market practices - with the involvement of issuers, custodians, brokerages, the Budapest Stock Exchange, the Ministry for National Economy, the National Tax Authority and KELER. Corporate action management and taxation for fixed income securities and equities follow a different model in Hungary. For bonds there are no legal constraints so for fixed income the market is straightforward to implement the CASG standards and to introduce the new practices from T2S migration date.</p> <p>The Task-force concluded that 3 laws (Civil code, Capital market act, Act on the rules of taxation) need to be amended in Hungary to fully comply with the CAJWG/CASG standards for equities. All necessary legal amendments have been elaborated and there are still ongoing discussions with regards to the implementation date of the renewed legal background. This foreseeably will not take place before February 2017. That is why KELER reports partial compliance for HU market with regards to the MC standards. (Will be implemented for bonds but not for equities as of T2S migration.)</p>	<p>The market participants have been prepared for the introduction of the centralized market claim management. Upon agreement of all stakeholders the new process will be launched for fixed income securities in the market in line with T2S connection.</p> <p>KELER's new CSD software contains the MC as a process already from the go-live of the system (Q4 2016) however it will be introduced in the market in line with T2S connection based on agreement with the market.</p> <p>Once legal background becomes supportive for MC management for equities as well, in agreement with the market KELER can switch it on in its CSD system and so detection of MC will also take place for equities.</p> <p>KELER is ready to present this partial compliance at the next AG meeting with an impact analysis and an action plan. According to its new action plan compliance for MC for equities can be reached by the end of 2017.</p>

September 2016 - 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
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 for bonds	Based on the Article 6 under 9§ in the Capital Market Act KELER is an official announcement source, but the processes are not yet in Production.	By law, KELER became one of the official CA announcement sources. A template was created for the reporting of the CAs by Issuers. This is to become part of KELER's General Business Rules by KELER migration to T2S.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Straight forward to implement for bonds	The claim detection period and the recycling period is currently unlimited but will be adjusted in line with the standard	The new CSD software that is being tested now was specified to fulfil this standard.
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 bonds	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 that is being tested now was specified to be able to detect market claims min. once a day. Based on market volatility this parameter might be subject to change.

September 2016 - 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
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 for bonds	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 that is being tested now 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 for bonds	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 to go live in Q4 2016 will implement the opt-out indicator.

September 2016 - 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
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 for bonds	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 to go live in Q4 2016 will implement the opt-out indicator.
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 for bonds	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 and being tested in accordance with the standard.

September 2016 - 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
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 for bonds	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.

September 2016 - 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
<p>Market Claims</p>	<p>10</p>	<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>	<p>Straight forward to implement for bonds</p>	<p>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.</p>	<p>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.</p>

September 2016 - 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
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	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.

September 2016 - 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
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 for bonds	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.
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 for bonds	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 for National Economy to change the law. See Standard no.1.

September 2016 - 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
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>	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.	KELER submitted its proposal to the Ministry for National Economy to change the law. See Standard no.1.

September 2016 - 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
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 for bonds	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 new CSD software with which we will route instructions impacting T2S DCA's based on a routing logic.
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Straight forward to implement for bonds	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 T2S migration date.
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 for bonds	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 CSD software will provide the CA and trade reference in the claim instruction.

September 2016 - 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
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 for bonds	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 CSD system during specification and being tested now.
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 for bonds	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.

September 2016 - 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
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement for bonds	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 from T2S migration date.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement for bonds	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 from T2S migration date.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Straight forward to implement for bonds	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 maintenance concept used in T2S was factored in during specification of the new system, and will be launched from T2S migration date.

September 2016 - 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
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 for bonds	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.	The instruction maintenance concept used in T2S was factored in during specification of the new system, and will be launched from T2S migration date.
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 for bonds	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.

September 2016 - 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
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	Partial settlement is not a market practice in Hungary (neither for settlement instruction nor for market claims) and we do not plan this market practice from T2S go-live. As no further action required we consider KELER as compliant.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Straight forward to implement for bonds	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 for bonds	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 CSD software.

September 2016 - 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
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	Reports on pending/settled transactions are already sent to participants	

September 2016 - 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
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 2017 with T2S.	<p>Upon agreement of all stakeholders the new process will be launched at least for fixed income securities in the market in line with T2S connection.</p> <p>KELER's new CSD software contains the transformation as a process already from the go-live of the system (Q4 2016) however it will be introduced in the market in line with T2S connection based on agreement with the market.</p>

September 2016 - 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
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.

September 2016 - 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
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>	<p>NOT IMPLEMENTED</p>	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 the introduction of the new CSD system in Q4 2016.

September 2016 - 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
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 Q4 as agreed with the market participants. .
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 implemented in the new CSD system and being tested.

September 2016 - 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
Transformations	8	<p>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:</p> <p>(i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).</p>	<p>NOT IMPLEMENTED</p>	<p>Straight forward to implement</p>	<p>Currently no functionalities at CSD level existed in this context</p>	<p>This was also factored in in the CSD system and being tested.</p>

September 2016 - 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
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>	Straight forward to implement	Currently no functionalities at CSD level existed in this context	This was also factored in in the CSD system and being tested.

September 2016 - 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
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	This was also factored in in the CSD system and being tested.

September 2016 - 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
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 also factored in in the CSD system and being tested.

September 2016 - 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
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.

September 2016 - 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	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	BP process is currently not recognized in the market but will be launched in 2017 in T2S.	<p>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 line with T2S connection.</p> <p>KELER has decided for the manual BP to launch in agreement with the market.</p> <p>BP rules and procedures and a template for BP instruction will be published before T2S go-live.</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	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.

September 2016 - 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	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). KELER will publish a template for the BP instruction that the market participants can fill out and submit to KELER.
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).	Upon receipt of the BP instruction from the buyer KELER will share it with the seller.

September 2016 - 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	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.	Will be part of the BP instruction template.
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.	KELER rules and procedures will establish such details.
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.	Not planned at time of migration because of manual procedures but international best practices will be incorporated in to the BPI template.

September 2016 - 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	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).	KELER rules and procedures will establish such details.

September 2016 - 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	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).	KELER rules and procedures will establish such details.
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).	KELER rules and procedures will establish such details.
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.

September 2016 - 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>	<p>NOT IMPLEMENTED</p>	Other	Lack of market practice and functionalities at present.	KELER rules and procedures will establish such details.

September 2016 - 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.	KELER rules and procedures will establish such details.
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	KELER rules and procedures will establish such details.

September 2016 - 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	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.	KELER rules and procedures will establish such details.
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.	KELER rules and procedures will establish such details.

September 2016 - 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	N/A	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	N/A	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	N/A	The software has been implemented for repeating Market Claims detection in the 20 days following Record Date	
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 software has been implemented for repeating Market Claims detection in the 20 days following Record Date, starting at close of business on Record Date	

September 2016 - 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	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	Monte Titoli will detect Market Claims once a day, after close of business and prior to the start of the next settlement day	
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. Functionality for OTC transactions is ready to be tested and implemented.	Functionality for OTC trades will be implemented within 2016. Tentative date: 12 December 2016. There is the possibility to anticipate the go live date on 21 November 2016, upon confirmation of participants and positive test results.

September 2016 - 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	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	The new software dealing with the EX/CUM indicators is being released	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	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	N/A	Monte Titoli will generate Market Claims on behalf of its participants, regardless the way they connect to T2S	

September 2016 - 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
<p>Market Claims</p>	<p>10</p>	<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>	<p>Minor IT change</p>	<p>The new software managing a new settlement instruction (the Market Claim) alongside with the underlying failed trades has being deployed.</p> <p>Non Euro currency market claims are not supported at this stage independently from the transaction type including on exchange trades.</p> <p>Cash Market Claims when denominated in non T2S currency will be managed by the counterparties to the failed underlying trades</p>	

September 2016 - 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	N/A	If the issuer compensates fractions, MT creates, and will continue to create, payment instructions	

September 2016 - 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	N/A	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	N/A	<p>MT receives information directly from issuers, or from issuer-CSDs. This will continue to be the same after migration to T2S.</p> <p>The inter-associative working group including issuer , market participants and CSD that represents Italian MIG is following the CAJWG standard including all relevant element to be passed in the communication flow from Issuer to CSD participants and down in the chain</p>	

September 2016 - 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 be a gross or net dividend amount). Subsequent, or in parallel, to the market claim, a withholding agent could process tax adjustments.	IMPLEMENTED	N/A	Market Claims are considered cash compensations (price adjustment). The gross amount will be distributed, regardless the fiscal status of recipients. This rule is applicable for securities eligible in Monte Titoli where Monte Titoli is acting as Issuer-CSD.	
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A	In line with the standards Market Claims in cash will settle n T2S in the participants DCAs	

September 2016 - 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	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	In line with the standards, intra-CSD settlement instructions are sent to T2S to be matched; in cross-CSD settlement matching occurs in T2S and managed by the two CSD	
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	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	N/A	We are prepared to generate market claims according to the standards.	

September 2016 - 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	N/A	Market Claims will have the same on-hold/released status as per the underlying fail trade, independently on the nature of the trade.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	Permissions will be granted to CSD participants	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	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	N/A	Permissions will be granted to CSD participants within the limits imposed by T2S rules	

September 2016 - 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	<p>To be compliant with the standard, Monte Titoli will allow modification by the CSD participants of the CLAI instructions, (generated in a release mode based on the underlying on-exchange or CCP transactions), at the end of business day before NTS cycle, from release to hold mode as well as changes of the other processing indicators such as priority.</p> <p>Item under consultation through 'fact finding questionnaire' to define the terms of the compliance</p>	Functionality will be implemented within 2016. Tentative date: 12 December 2016. There is the possibility to anticipate the go live date on 21 November 2016, upon confirmation of participants and positive test results.
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	We will follow T2S rules. On that we need to highlight (see discussion in previous CASG meeting) that market claims will settle the night before payment occur.	

September 2016 - 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	N/A	The market claims transaction input is done as NPAR	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	Recycling of failed trades is managed according to T2S rules	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	Additional messages have been deployed to meet CSD participants requirements	
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	We are prepared to provide additional information to both D/ICPs (7B2)	

September 2016 - 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; (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>	IMPLEMENTED	N/A	Both the CCPs and MT are in line with the standards, with no exceptions	

September 2016 - 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	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	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)	
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	Minor IT changes	The new software dealing with the OPT-OUT indicator was released. Functionality for OTC transactions is ready to be implemented.	Functionality for OTC trades will be implemented within 2016. Tentative date: 12 December 2016. There is the possibility to anticipate the go live date on 21 November 2016, upon confirmation of participants and positive test results.

September 2016 - 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) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).</p>	IMPLEMENTED	N/A	The new software that is being deployed will include at least the minimum details as suggested by the standards.	

September 2016 - 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	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	The new software that has been deployed in the test environment is ready to send settlement instructions 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	The new software that has been delivered is in line with all preconsolidation following the standards	

September 2016 - 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	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	The new software that has been delivered is in line with all preconsolidation following the standards	

September 2016 - 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 • 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	The new software that has been delivered is in line with all standards preconisation	

September 2016 - 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	N/A	The new software that has been delivered is in line with all preconsolidation following the standards	

September 2016 - 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	N/A	If the issuer compensates fractions, MT creates, and will continue to create, payment instructions	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A	The new software that has been delivered is in line with all preconsolidation following the standards	

September 2016 - 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	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	The new software that has been delivered is in line with all preconisation following the standards	
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	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. Stock exchange and CCP review contractual documentation and rules applicable to their participants including provision for buyer protection application in line with standards.	
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	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	

September 2016 - 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	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	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	
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		
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		

September 2016 - 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	N/A	Those details have been included in the spread-sheet that has to be used between buyer and seller 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	N/A	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	N/A	When the Italian community automates the communication flow between buyer and seller ISO 20022 protocols will be used	

September 2016 - 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 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	<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>	

September 2016 - 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	N/A	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	N/A	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	N/A	This is part of the content of the market practice	
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	This is part of the content of the market practice	

September 2016 - 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> <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>	<p>This is part of the content of the market practice</p>	

September 2016 - 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</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	This is part of the content of the market practice	
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	This is part of the content of the market practice	

September 2016 - 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	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A	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	N/A	The standard is fully applied	

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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 Technical Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>Technically the standard will be implemented prior to the start of T2S user testing to enable testing of market claims process.</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	Major Technical Change	<p>CSD market claims detection solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>
Market	3	Maximum time period for claim	NOT	Major	CSD market claims detection solution should be	Legal framework on handling market claims by the

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Claims		detection: 20 T2S opening days from record date.	IMPLEMENTED	Technical Change	<p>developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</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	Major Technical Change	<p>CSD market claims detection solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>
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	NOT IMPLEMENTED	Major Technical Change	<p>CSD market claims detection solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		URD).				T2S in September, 2017).
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	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	NOT IMPLEMENTED	Major Technical Change	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					providing legal framework for transaction management.	new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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 Technical Change	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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	Major Technical Change	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</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>	NOT IMPLEMENTED	Major Technical Change	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					management.	of Lithuanian market migration to T2S in September, 2017).
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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	NOT IMPLEMENTED	Other	Market claims processing solution should be developed to support the standard. No direct impact on CSD settlement processing in T2S, since CSD is not anyhow involved in tax withholding. Market practice change, since there are no market claims used as common transactions at national market level – discussible issue with CSD participants	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The settlement of the market claims subject to CSD participants' discussions will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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>on changes foreseen at level of CSD participant-customer.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	
Market Claims	15	<p>The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.</p>	NOT IMPLEMENTED	Major Technical Change	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>
Market Claims	16	<p>Matching is required for all market claims settlement instructions.</p>	NOT IMPLEMENTED	Major Technical	<p>CSD market claims processing solution should be developed to support the standard.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
				Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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 Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		corporate action.				
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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 Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Major Technical	CSD market claims processing solution should be developed to support the standard.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
				Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	September, 2017).
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The message usage guidelines and flows related to the market claims are made available to the CSD participants on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The message usage guidelines and flows related to the market claims are made available to the CSD participants on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Transform	1	<u>At the CCP level:</u> When agreed with	NOT	Major	CSD transformations management solution should be	Legal framework on handling transformations by

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
actions		<p>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</u></p>	IMPLEMENTED	Technical Change	<p>developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan	
		<u>(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.	NOT IMPLEMENTED				
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).			Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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.			Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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 Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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 Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					management.	of Lithuanian market migration to T2S in September, 2017).
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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Transformations	9	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	NOT IMPLEMENTED	Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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) 				
Transformations	10	<p>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</p>	<p>NOT IMPLEMENTED</p>	Other	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		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			September, 2017).
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</p>		Major Technical Change	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		generated by the IOCs				
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
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	NOT IMPLEMENTED	Market Practice Change	NASDAQ CSD plans to implement manual procedures for execution of buyer protection transactions. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management. CSD	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		seller).			participants should develop their internal regulations providing services to their customers in line with deadlines of buyer protection invocation and other T2S related timelines.	
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's corporate action module in the system will apply the default option of the event for all uninstructed balances. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017). CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	NOT IMPLEMENTED	Other	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management. Market practice change, since there are no buyer	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017). CSD participants adopt their internal rules and

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		subject to a BP mechanism.			protection instructions used at national market level.	systems, which establishes buyer protection services for clients.
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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					protection instructions used at national market level.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	NOT IMPLEMENTED	Other	<p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
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 	NOT IMPLEMENTED	Other	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.</p> <p>NASDAQ CSD plans to implement manual procedures for execution of buyer protection transactions. CSD buyer protection management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>protection deadline;</p> <ul style="list-style-type: none"> • 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>Market practice change, since there are no buyer protection instructions used at national market level.</p>	
Buyer Protection	10	<p>The BP deadline should be identical across all (I) CSDs in T2S for all securities.</p>	<p>NOT IMPLEMENTED</p>	Other	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
Buyer	11	<p>The BP instruction itself can only be</p>	<p>NOT</p>	Other	<p>The CSD's corporate action module will enable CSD</p>	<p>The respective requirements will be supported by</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Protection		amended by the buyer, before the BP deadline.	IMPLEMENTED		<p>participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Other	<p>The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
Buyer Protection	13	If the underlying transaction can be settled prior to the BP deadline, it	NOT IMPLEMENTED	Other	<p>The CSD's corporate action module will enable CSD participants to cancel already accepted corporate</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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>action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
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 /</p>	<p>NOT IMPLEMENTED</p>	Other	<p>It will be possible in the CSD; s system to cancel settlement instruction and reinstruct.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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 transaction based on BP instruction it receives (from the buyer).</p> <p>In case of Manual BP mechanism</p>	NOT IMPLEMENTED	Other	<p>It will be possible in the CSD; s system to cancel settlement instruction and reinstruct. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		The buyer and seller shall amend 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	It will be possible in the CSD's system to cancel settlement instruction and reinstruct. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management. Market practice change, since there are no buyer protection instructions used at national market level.	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017). CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Major Technical Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Major Technical Change	The CSD's new system is developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Lithuanian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: LITHUANIA

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

September 2016 - 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
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 February 2017 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 February 2017 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	At present LuxCSD provides a claim detection period of 30 BD.	As already implemented, the standard will only be migrated in February 2017 with the participation of LuxCSD on T2S. Period of 20 BD will be reduced with wave 3.

September 2016 - 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
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
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 February 2017 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 doesn't support opt-out flag to exclude the respective transaction from the Market Claiming process.	As already implemented, the standard will only be migrated in February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 doesn't provide Ex-CUM flag processing	The standard (Ex-Cum Flag) will be implemented by February 2017 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 detects MC for mached instructions	Functionality is already implemented; the standard will only be migrated in February 2017 with the participation of LuxCSD on T2S.
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 February 2017 with the participation of LuxCSD on T2S

September 2016 - 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
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	Straightforward to implement	To be implemented in February 2017 with the participation of LuxCSD on T2S

September 2016 - 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
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 practice</p>	<p>To be implemented in February 2017 with the participation of LuxCSD on T2S</p>

September 2016 - 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
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 February 2017 with the participation of LuxCSD 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.	As already implemented, the standard will only be migrated in February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 February 2017 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 February 2016 with the participation of LuxCSD on T2S

September 2016 - 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
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 February 2017 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 February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 February 2017 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 February 2017 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 February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 February 2017 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 February 2017 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 February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 February 2017 with the participation of LuxCSD on 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	Market Practice Change	Straightforward to implement	The standard will be implemented by February 2017 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 February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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
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 February 2017 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 February 2017 with the participation of LuxCSD on T2S.

September 2016 - 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	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>	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<p>Straightforward to Implement</p>	<p>The standard will be adopted, initially as a manual process, by February 2017, with the participation of LuxCSD on T2S.</p>

September 2016 - 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	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 February 2017, with the participation of LuxCSD 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	Straightforward to Implement	The standard will be adopted, initially as a manual process, by February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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	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>	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<p>Straightforward to Implement</p>	<p>The standard will be adopted, initially as a manual process, by February 2017, with the participation of LuxCSD on T2S.</p>

September 2016 - 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	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 February 2017, 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 February 2017, 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 February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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	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 February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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	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	Straightforward to Implement	The standard will be adopted, initially as a manual process, by February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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 February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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	Market Practice Change	Straightforward to Implement	The standard will be adopted, initially as a manual process, by February 2017, 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 February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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	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 February 2017, with the participation of LuxCSD on T2S.

September 2016 - 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
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>Luxembourg market decided to do not introduce 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

September 2016 - 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
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
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

September 2016 - 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
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

September 2016 - 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
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	N/A	See comment on BP standard 01	See comment on BP standard 01

September 2016 - 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
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
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	See comment on BP standard 01	See comment on BP standard 01

September 2016 - 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
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>N/A</p>	<p>See comment on BP standard 01</p>	<p>See comment on BP standard 01</p>

September 2016 - 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
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

September 2016 - 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
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

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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 CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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>	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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 CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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>	<p align="center">IMPLEMENTED</p>	<p align="center">N/A</p>		<p>As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A.		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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		As CSD in T2S, VPLUX offers an automated CA on flow solution for T2S transactions and T2S eligible currencies in accordance with the CASG standards.
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	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
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	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 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.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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</p>	IMPLEMENTED	N/A	<p>BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchstandarder/Procedure-for-Buyer-Protection.aspx</p>	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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	N/A	<p>BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchstandarder/Procedure-for-Buyer-Protection.aspx</p>	<p>The procedure entered into force on 12 September 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">IMPLEMENTED</p>	<p>N/A</p>	<p>BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	<p>The procedure entered into force on 12 September 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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	<p>BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here:</p> <p>http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx</p>	The procedure entered into force on 12 September 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: VP LUX

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.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	BP instructions are dealt with manually. An instruction must be handled between market participants without the participation of a Central Securities Depository. The BP procedures may be viewed here: http://www.dbmf.dk/Pages/Branchestandarder/Procedure-for-Buyer-Protection.aspx	The procedure entered into force on 12 September 2016.

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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 Technical Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>Technically the standard will be implemented prior to the start of T2S user testing to enable testing of market claims process.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Major Technical Change	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	<p>CSD market claims detection solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>
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	Major Technical Change	<p>CSD market claims detection solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The detection of the market claims will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims detection solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Market Claims</p>	<p>10</p>	<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>	<p>Major Technical Change</p>	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>	<p>Major Technical Change</p>	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	<p>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>Market claims processing solution 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>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The settlement of the market claims subject to CSD participants' discussions will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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 Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling market claims by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Major Technical Change	CSD market claims processing solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The message usage guidelines and flows related to the market claims are made available to the CSD participants on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>CSD market claims processing solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>The message usage guidelines and flows related to the market claims are made available to the CSD participants on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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 Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Major Technical Change	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>	<p>Major Technical Change</p>	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	<p>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.</p>	<p>NOT IMPLEMENTED</p>	Other	<p>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>CSD transformations management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016.</p> <p>The respective functionality will be available in the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
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	CSD transformations management solution should be developed to support the standard. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	Legal framework on handling transformations by the CSD is finalized and made available to the market on April 4, 2016. The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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>NASDAQ CSD plans to implement manual procedures for execution of buyer protection transactions. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>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.</p>	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	<p>CSD's corporate action module in the system will apply the default option of the event for all uninstructed balances.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management. Market practice change, since there are no buyer protection instructions used at national market level.	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017). CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Market practice change, since there are no buyer protection instructions used at national market level.	CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.
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	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	<p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Other	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.</p> <p>NASDAQ CSD plans to implement manual procedures for execution of buyer protection transactions. CSD buyer protection management solution should be developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Other	<p>On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	<p>The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	<p>The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
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	<p>The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	<p>It will be possible in the CSD; s system to cancel settlement instruction and re-instruct.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	<p>It will be possible in the CSD; s system to cancel settlement instruction and re-instruct. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>

September 2016- T2S Corporate Actions Standards Gap Analysis: LATVIA

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	Other	<p>It will be possible in the CSD; s system to cancel settlement instruction and reinstruct. There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p> <p>Market practice change, since there are no buyer protection instructions used at national market level.</p>	<p>The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).</p> <p>CSD participants adopt their internal rules and systems, which establishes buyer protection services for clients.</p>
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	NOT IMPLEMENTED	Major Technical Change	There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Major Technical Change	<p>The CSD's new system is developed to support the standard.</p> <p>There has been drafted "NASDAQ CSD Corporate Action Service Description" as a part of CSD rules providing legal framework for transaction management.</p>	The respective requirements will be supported by the new NASDAQ CSD system (to be operational as of Latvian market migration to T2S in September, 2017).

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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 CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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 system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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 CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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 CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	<p>Market claims are effected in the same currency as the original corporate action as defined by the Issuer of the security.</p> <p>FOP transfers are handled by the CSD.</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	Technical change made – CLAI 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 as defined by the Issuer	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>	<p>N/A</p>	<p>Entitlement is dependent only on the number/volume of securities held.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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 system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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 Announcements – 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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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 may not be settled prior to settlement of underlying transaction	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	N/A	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to identify market claims and detect pending market transactions within time-frames that meet the criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>	IMPLEMENTED	N/A	<p>The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>	<p align="center">IMPLEMENTED</p>	<p>N/A</p>	<p>The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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 CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria</p> <p>(Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	N/A	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	
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	The CSD system handles corporate actions and pending transactions and has available all information necessary to process transformations within time-frames that meet the criteria and in accordance with T2S criteria (Chapter 7 of Rules and relevant appendices on corporate actions and transaction management)	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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.	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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>	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: MALTA

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	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	The MSE – CSD has at this stage implemented Manual Buyer Protection procedures as reflected in the relevant rules in Chapter 7 of the MSE’s bye-laws and relevant appendices on corporate actions and transaction management.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: [NETHERLANDS](#)

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 fulfilled before and after T2S migration.	
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 fulfilled before and after T2S migration.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	Standard fulfilled since T2S is in place.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: [NETHERLANDS](#)

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	Standard fulfilled before and after T2S migration.	
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 fulfilled before and after T2S migration.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Standard fulfilled since T2S is in place, except for few ISO transaction codes (COLI/COLO/NETT/AUTO/CORP/ISSU/PLACTRPO/INSP/TURN)	
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	Standard fulfilled since T2S is in place.	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	Standard fulfilled before and after T2S migration.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Standard fulfilled before and after T2S migration.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	<p>Standard fulfilled before and after T2S migration.</p> <p>Note: processing of fractional part compensation related to stock distribution does not currently work.</p>	Identified defect to be fixed by ESES post T2S launch.

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>Note: processing of fractional part compensation related to stock distribution does not currently work.</p>	<p>The IOC (ESES) has been requested by the NL market to change its systems in order to generate the PFOD transaction in these cases as well.</p> <p>The IOC has not committed to implement this change.</p> <p>Identified defect to be fixed by ESES post T2S launch.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Standard fulfilled since T2S is in place.	
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	Defect remaining on ESES side to detect and generate market claims on XCSD instruction.	Fix to be delivered post T2S launch; no detailed planning yet.

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>	<p>N/A</p>	<p>Standard fulfilled since T2S is in place.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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 fulfilled before and after T2S migration.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Standard fulfilled before and after T2S migration.	
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 fulfilled before and after T2S migration.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **NETHERLANDS**

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	Standard fulfilled since T2S is in place, except for stock distributions with proceed being equal to underlying security (for which ESES sets TD of the claim equal to RD+1 in order to avoid loops of market claim generation).	
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	Standard fulfilled since T2S is in place. Defect remaining on market claims in cash for which the wrong leg is set on hold.	Fix to be delivered by ESES post T2S launch.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	Standard fulfilled since T2S is in place.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Standard fulfilled since T2S is in place.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	Standard fulfilled since T2S is in place.	
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	Standard fully fulfilled since T2S is in place.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Standard fulfilled before and after T2S migration.	
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	Standard fulfilled since T2S is in place.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	Standard fulfilled since T2S is in place.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: [NETHERLANDS](#)

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	Standard fulfilled before and after T2S migration.	
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	Standard fulfilled before and after T2S migration.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Major Technical Change	<p>Only cancel of the underlying instruction implemented.</p> <p>On top of the technical implementation foreseen at EF level, issue with regard to announcement of some elective events will limit the scope of transformation detected.</p>	<p>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>Issue with regard to announcement of some elective events will be solved by the implementation of ESES stream 6 (Q1 2018).</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Period for creating transformations (detection) is set to 20 BD in the frame of T2S, but ESES only processes cancellations.	As TF 1
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	Opting out is currently not facilitated by ESES as ESES only processes cancellations.	As TF 1

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>	<p>NOT IMPLEMENTED</p>	<p>Major Technical Change</p>	<p>In current messages this information is not available as ESES only processes cancellations.</p>	<p>As TF 1</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	N/A	Functionality not available since T2S migration as ESES only processes cancellations.	As TF 1
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	Functionality not applicable as ESES only processes cancellations.	As TF 1
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	N/A	Functionality not available since T2S migration as ESES only processes cancellations.	As TF 1

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	N/A	Functionality not available since T2S migration as ESES only processes cancellations.	As TF 1

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>	<p>Major Technical Change</p>	<p>Not applicable as ESES only processes cancellations.</p>	<p>As TF 1</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Not applicable as ESES only processes cancellations.	As TF 1

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>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>Technical facility to replace the underlying instruction will be implemented in February 2017.</p> <p>The IOC (ESES) has been requested by the market to change its systems in order to generate the PFOD transaction in cases sub b) as well.</p> <p>The IOC has not committed to implement this change.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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	Not applicable as ESES only processes cancellations.	Technical facility to replace the underlying instruction will be implemented in February 2017. Issue with regard to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 (Q1 2018).
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	Not applicable as ESES only processes cancellations.	As TF 12

September 2016 - T2S Corporate Actions Standards Gap Analysis: **NETHERLANDS**

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	The NL market has developed a Market Practice enabling buyers in OTC transactions to invoke a BP in a manual process. Key dates for BP are included in the CA announcement (by issuers/agents) and passed to participants by the CSD.	For centrally cleared (incl. exchanged traded) transactions the CCP (LCH) is to provide a procedure enabling Buyer Protection. To be implemented by Jan 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	Market Practice Change	The Market Practice, implemented per 1 Jan 2016, is published by the CSD and by DACSI (https://dacsi.nl/market-practices.html).	
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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		
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		
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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		
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>	Market Practice Change		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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		
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Market Practice Change		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	NOT IMPLEMENTED	Market Practice Change		
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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>	<p>Market Practice Change</p>		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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		
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		

September 2016 - T2S Corporate Actions Standards Gap Analysis: NETHERLANDS

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 Practice Change		
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Market Practice Change		

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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 are detected by: - Interbolsa, for bilaterally entered transactions in the RTGS system; - LCH, while acting as CCP for the Portuguese market (that uses the CNS model)	
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	- 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 detects and adjusts pending guaranteed trades at the end of Record Date based on the corporate action information it receives.	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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.	
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 and generated after the Record Date for 20 days, in real time at the moment of matching for those transactions that satisfy the detection criteria.	
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	All transactions satisfying the criteria are included in the market claims detection. A field for opt-out indicator was included in the settlement instructions for the use of the participants since March 2016.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	A field for ex/cum indicator was included in the settlement instructions for the use of the participants since March 2016.	
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 after the matching process has been completed in T2S and, therefore, only for successfully matched instructions.	
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 and by LCH, acting as a CCP, for guaranteed trades.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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. The detection mechanism was adapted to support T2S and non-T2S currencies. The non-T2S currencies settle outside T2S in the foreign currency payment system currently used in the PT market.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	With the Migration to T2S (March 2016), Interbolsa implemented the compensation of fractions, if applicable and decided by the Issuer. The generation of additional PFOD instructions for compensation of fraction is supported.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Claims transactions are identified by the use of the proper ISO transaction code.	
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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Interbolsa uses the same dedicated cash accounts (DCA) of the original settlement instruction for the settlement of claims. Interbolsa allows its participants to inform a specific DCA (per securities account) for corporate actions cash processing.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Interbolsa sends to T2S market claims instructions (domestic market claims) as already matched instructions. For cross-CSD claims the instructions are sent to T2S for 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	Interbolsa follows T2S rules including proper references on the market claims settlement instructions.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	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.	IMPLEMENTED	N/A	Interbolsa is in line with T2S standards.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Interbolsa follows T2S rules.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	
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	Interbolsa follows T2S rules and provides to its participants tools that give them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction (e.g., Hold/Release, Linking of instructions).	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	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	In addition to the T2S reporting, Interbolsa creates reports to its own participants concerning the settlement of market claims.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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>	IMPLEMENTED	N/A	Interbolsa follows the standards.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	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. Interbolsa also detects and transforms matched instructions during the detection period (20 business days after RD/market deadline), except when the underlying ISIN is no longer valid.	
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	All transactions are included in the transformation detection. A field for opt-out indicator was included in the settlement instructions for the use of the participants since March 2016.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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>	<p align="center">IMPLEMENTED</p>	<p>N/A</p>	<p>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.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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 generates locally transformed transactions as already matched transactions.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	Interbolsa follows the standards.	
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	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Market Practice Change	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	With the Migration to T2S (March 2016), Interbolsa implemented the compensation of fractions, if applicable and decided by the Issuer. The generation of additional PFOD instructions for compensation of fraction is supported.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Interbolsa follows T2S rules.	
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	The Buyer Protection scheme selected by the Portuguese Market is the Manual Buyer Protection. The Buyer can send to the Seller the Buyer Protection Instruction according to the CAJWG/T2S CASG standards and the BP Instruction Layout is published in the web site of Interbolsa.	
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	If no instructions are given, the default rules are always applied.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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.	IMPLEMENTED	N/A	The Buyer Protection scheme selected by the Portuguese Market is the Manual Buyer Protection. The Buyer can track all its open transactions with the right to elect.	
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	Manual buyer protection functionality has been implemented in Portugal. All pending transactions on BP deadline are eligible for buyer protection functionality.	
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	Manual buyer protection functionality has been implemented in Portugal, where CSD does not intervene.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	N/A	Manual buyer protection functionality has been implemented in Portugal, the buyer should instruct according to the rules.	
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	Manual buyer protection functionality has been implemented in Portugal. The BP instructions are accepted based on bilateral agreement between the buyer and the seller.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	Manual buyer protection functionality has been implemented in Portugal. The buyer protection instruction format proposed to the Portuguese Market is the one proposed by the CASG.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	The buyer protection key dates are defined according to the standards.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: **PORTUGAL**

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	Market is following the standards.	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED	N/A	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	
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	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p align="center">IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.</p>	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	
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	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: PORTUGAL

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	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	Manual buyer protection functionality has been implemented in Portugal. The BP instruction processing is based on bilateral agreement between the buyer and the seller.	

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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:</p> <p>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.</p> <p>Nevertheless, the latest legislative and regulatory changes have led to a good evolution of the Romanian market towards the compliance with the standards.</p> <p>Therefore, since January 2015, following the amendments of the Capital Market Law and the regulations of Financial Supervisory Authority (FSA), were approved 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.</p> <p>Therefore, starting from 2015, the cash distributions for Romanian Issuers are performed through Depozitarul Central, in a centralized manner.</p> <p>Moreover, the amendments of the secondary legislation needed in order to create necessary framework for further implementing of "on stock" and in particular "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD were approved by the Financial Supervisory Authority (FSA) in September 2015. Most of the provisions entered into force in October 2015 and some of the provisions, mainly the ones related to the corporate action "on flow" processing, will enter into force in February 2017.</p> <p>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:</p> <p>Depozitarul Central adapted its system in order to process the market claims according to T2S corporate actions standards, the main change being:</p> <ul style="list-style-type: none"> - 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. 	<p>Please find below the milestones of the current plan:</p> <p>In respect of the <u>regulatory changes</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Performance of further amendments to Depozitarul Central's Rulebook in order to comply with the Corporate Actions standards and submission thereof for approval to the relevant authorities - finalized; - November 2016 – Approval of the amendments of Depozitarul Central's Rulebook by the National Bank of Romania and Financial Supervisory Authority; - February 2017 – New regulatory framework in force. <p>In respect of <u>the system development and testing</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Development of the new DC's settlement system module for Corporate Actions processing - finalized; - October 2016 - Finalization of system testing by DC; - November 2016 - January 2017 – System testing by DC's participants and issuers, i.e. community testing of new Corporate Actions and related system changes; - February 2017 – Corporate actions standards ("on stock" and "on flow") implemented on the production environment. <p>The committed deadline for implementing the standards remains 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 relevant Issuer CSD market practice.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std.1 - further comments	See Std. 1 - implementation plan
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	NOT IMPLEMENTED	Other	See Std.1 - further comments	See Std. 1 - 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 Std.1 - further comments	See Std. 1 - 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 Std.1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std.1 - further comments	See Std. 1 - 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 Std.1 - further comments	See Std. 1 - 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 Std.1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std.1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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>See Std. 1 - further comments Others:</p> <p>Market claims in RON 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 Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	<p>See Std. 1 - further comments Others: The amount of cash to be paid for "on stock" processing 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>	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std. 1 - further comments	See Std. 1 - implementation plan
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments Others: According to the current Romanian market practice, the transactions can't be partially settled.	See Std. 1 - implementation plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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:</p> <p>Transformations are not 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>Nevertheless, the amendments of the secondary legislation needed in order to create necessary framework for further implementing of "on stock" and in particular "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD (e.g. the mechanism of replacing the pending transactions, guaranteed participation date, last trading date) were approved by the Financial Supervisory Authority (FSA) in September 2015.</p> <p>Most of the provisions entered into force in October 2015 and some of the provisions, mainly the ones related to the corporate action "on flow" processing, will enter into force in February 2017.</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:</p> <p>Depozitarul Central adapted its system in order to process the transformations 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; - the implementation of mechanisms able to cancel the underlying transactions, to compute the outturns, to generate, settle and confirm the related transformations. 	<p>Please find below the milestones of the current plan:</p> <p>In respect of the <u>regulatory changes</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Performance of further amendments to Depozitarul Central's Rulebook in order to comply with the Corporate Actions standards and submission thereof for approval to the relevant authorities - finalized; - November 2016 – Approval of the amendments of Depozitarul Central's Rulebook by the National Bank of Romania and Financial Supervisory Authority; - February 2017 – New regulatory framework in force. <p>In respect of <u>the system development and testing</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Development of the new DC's settlement system module for Corporate Actions processing - finalized; - October 2016 - Finalization of system testing by DC; - November 2016 - January 2017 – System testing by DC's participants and issuers, i.e. community testing of new Corporate Actions and related system changes; - February 2017 – Corporate actions standards ("on stock" and "on flow") implemented on the production environment. <p>The committed deadline for implementing the standards remains 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 relevant Issuer CSD market practice.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	<p>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.</p>	NOT IMPLEMENTED	Other	<p>See Std. 1 - further comments Others: If the case, when during the transformation process results a cash outturn in RON, 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.</p>	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	<p>See Std. 1 - further comments</p> <p>Others: For the fractions paid in RON, the payments 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 Std. 1 - implementation plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 there is no CCP in our market, and also considering that no fails are registered into our market, now there is no market request for implementing buyer protection.</p> <p>Nevertheless, the amendments of the secondary legislation needed in order to create necessary framework for implementing both "on stock" and "on flow" standards for the Romanian issues for which Depozitarul Central acts as Issuer CSD (e.g. the concept of "buyer protection", guaranteed participation date) were approved by the Financial Supervisory Authority (FSA) in September 2015.</p> <p>Most of the provisions entered into force in October 2015 and some of the provisions, mainly the ones related to the corporate action "on flow" processing, will enter into force in February 2017.</p> <p>Also, the manual BP is going to be used in our market so, it will be up to participants to comply with the relevant BP standards.</p>	<p>Please find below the milestones of the current plan:</p> <p>In respect of the <u>regulatory changes</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Performance of further amendments to Depozitarul Central's Rulebook in order to comply with the Corporate Actions standards and submission thereof for approval to the relevant authorities - finalized; - November 2016 – Approval of the amendments of Depozitarul Central's Rulebook by the National Bank of Romania and Financial Supervisory Authority; - February 2017 – New regulatory framework in force. <p>In respect of <u>the system development and testing</u>, the following milestones are set up:</p> <ul style="list-style-type: none"> - Development of the new DC's settlement system module for Corporate Actions processing - finalized; - October 2016 - Finalization of system testing by DC; - November 2016 - January 2017 – System testing by DC's participants and issuers, i.e. community testing of new Corporate Actions and related system changes; - February 2017 – Corporate actions standards ("on stock" and "on flow") implemented on the production environment. <p>The committed deadline for implementing the standards remains 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 relevant Issuer CSD market practice.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - 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 Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	Other	See Std. 1 - further comments	See Std. 1 - implementation plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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 Std. 1 - further comments	See Std. 1 - 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	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - implementation plan
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	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: ROMANIA

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	See Std. 1 - further comments	See Std. 1 - implementation plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Other	See Std. 1 - further comments	See Std. 1 - implementation plan

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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	Changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level and in relation to KDD members) will be released till end 2016. Market practice and complete CSD support will be changed in February 2017 when KDD infrastructure connects to T2S. Technical changes and testing activities at KDD level are underway.	Market practice and complete CSD support will be changed in 2017 when KDD 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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		during the rest of the claims 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).	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 claim	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		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 and	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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>				
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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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>				
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 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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.				
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</i>	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<i>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 market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT 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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		underlying corporate action.				
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	Please see Standard 1 above.	Please see Standard 1 above.
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	23	In line with the CAJWG standards, the settlement of a market claim should be	NOT	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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	Please see Standard 1 above.	Please see Standard 1 above.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Straightforward to Implement	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) When the underlying transaction impacts</p>	NOT IMPLEMENTED	Other	<p>Changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level and in relation to KDD members) will be released till end 2016.</p> <p>Market practice and complete CSD support will be changed in February 2017 when KDD infrastructure connects to T2S. Technical changes and testing activities at KDD level are underway.</p>	Market practice and complete CSD support will be changed in 2017 when KDD infrastructure connects to T2S.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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>				
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 date/market deadline).</p>	<p>NOT IMPLEMENTED</p>	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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	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 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)	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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.	NOT IMPLEMENTED	Straightforward to Implement	Please see Standard 1 above.	Please see Standard 1 above.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		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).				
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</p>	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<p>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) 				
Transformations	10	<p>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</p>	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		one transfer, for the cash outturn, will be created.				
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	Please see Standard 1 above.	Please see Standard 1 above.
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.
Transform	13	The new transformed transaction should	NOT			

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
actions		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	Please see Standard 1 above.	Please see Standard 1 above.
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>Introduction of automated Buyer Protection functionality on CSD level is not planned. However, Buyer Protection functionality will still be possible bilaterally between counterparties (i.e. not involving CSD).</p> <p>Changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level and in relation to KDD members) will be released in more phases till end 2016.</p>	<p>Introduction of automated Buyer Protection functionality on CSD level is not planned. However, Buyer Protection functionality will still be possible bilaterally between counterparties (i.e. not involving CSD).</p> <p>Changes/amendments to CSD Rules and Regulations (to accommodate new/adjusted Corporate Actions functions at CSD level and in relation to KDD members) will be released in more phases till end 2016.</p>
Buyer	2	When a BP requirement is not invoked by the buyer, then the market default rules	NOT	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Protection		for elections should apply.	IMPLEMENTED			
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 Standard 1 above.	Please see Standard 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 Standard 1 above.	Please see Standard 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 instruction.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.
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	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		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	Please see Standard 1 above.	Please see Standard 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 Standard 1 above.	Please see Standard 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 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;	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		<ul style="list-style-type: none"> • 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>				
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 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 Standard 1 above.	Please see Standard 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 Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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 Standard 1 above.	Please see Standard 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 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>	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

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.				
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	Please see Standard 1 above.	Please see Standard 1 above.
Buyer	16	If a buyer wants to make a partial	NOT	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVENIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Protection		election, they would need to split the original transaction into the shapes they require.	IMPLEMENTED			
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 Standard 1 above.	Please see Standard 1 above.
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	NOT IMPLEMENTED	Other	Please see Standard 1 above.	Please see Standard 1 above.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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 standard is major market practice change, i.e. the issuers must be interested to pay the securities yields via CDCP.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 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.	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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end 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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Market Claims</p>	<p>10</p>	<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>	<p>Straightforward to Implement</p>	<p>To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.</p>	<p>Operational processes:</p> <p>- The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.</p> <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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>	Straightforward to Implement	<p>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>	<p>Operational processes:</p> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end 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	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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end 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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>
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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 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	Straightforward to Implement	CDCP will use the reporting process the same way as in T2S.	<p>Operational processes:</p> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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>	<p>NOT IMPLEMENTED</p>	<p>Straightforward to Implement</p>	<p>To be able to meet this standard it will be necessary to adjust the operational processes and technical system of CDCP.</p>	<p>Operational processes:</p> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end 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	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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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>	<p>NOT IMPLEMENTED</p>	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> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.
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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.
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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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>	<p>Straightforward to Implement</p>	<p>CDCP will generate the transformation instruction in compliance with this standard in case of change of one ISIN into multiple ISINs.</p>	<p>Operational processes:</p> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. <p>CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.
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).	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016. CDCP continues with testing of Corporate actions processing in CDCP settlement system. Some technical changes are still needed to process CA properly and will be finalized before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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.	Operational processes: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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>	Market Practice Change	<p>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>	<p>Operational processes:</p> <ul style="list-style-type: none"> - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
<p>Buyer Protection</p>	<p>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 instruction, at the market deadline / record date of the voluntary reorganisation.</p>	<p>NOT IMPLEMENTED</p>	<p>Market Practice Change</p>	<p>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>	<p>Operational processes:</p> <p>- The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	<p>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>	<p>Operational processes:</p> <p>- The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.</p>

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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	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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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 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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.

September 2016 - T2S Corporate Actions Standards Gap Analysis: SLOVAKIA

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: - The new version of Rules of Operations was prepared, but CDCP need to implement some changes related to Corporate actions. These changes will be implemented before end of 2016.