20 August 2018
01.03.05.04/2018/000478

T2S CORPORATE ACTIONS STANDARDS

GAP ANALYSIS REPORT

This update reflects the status of T2S markets as of 27 July 2018

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Key Messages

As with previous reports, this CASG Gap Analysis Report shows further progress towards compliance with the T2S standards for corporate actions. But as with previous reports, progress is slow, and there are several markets that do not currently have plans for full compliance.

As has been identified previously, compliance with the T2S corporate action standards is in many cases dependent on compliance with the underlying European Market Standards for Corporate Actions Processing (the CAJWG standards), and on national tax rules.

The Corporate Actions Sub Group (CASG) wishes to stress the need both for increased compliance with the CAJWG standards, and for a clear separation between the rules for corporate action processing and national tax rules.

The CASG also wishes to highlight the need for CSDs migrating on to the T2S platform to demonstrate before migration a high degree of compliance with the CASG standards.

Overall, the CASG believes that there is a need for greater momentum to be given to the compliance monitoring process.

This could be facilitated by changes to the methodology in future reports, subject to the HSG's approval. Changes could include a use of Key Performance Indicators (KPIs) for evaluating markets that have reported full compliance, as well as a greater focus on identifying individual action plans and follow-up items in respect of markets that have specific cases on non-compliance.

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 CASG[1].

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, now AMI-SeCo, 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

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[1] The latest versions of the three sets of standards can be found on the T2S CASG website:
http://www.ecb.europa.eu/paym/t2s/governance/ag/html/subcorpact/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

chairpersons of the T2S National User Groups (NUGs), now National Stakeholder Groups (NSGs), 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 September 2017 – April 2018. It mainly focuses on all markets migrated to T2S by 18 September 2017 and the new Slovakian CSD that joined T2S in October 2017, as well as compliance implementation achieved in the relevant markets in early 2018. The survey was issued by the CASG in April 2018. T2S NSGs 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 NSGs are asked to provide their national and detailed implementation plans, including concrete milestones. By beginning May 2018, the CASG received all responses[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.

In addition to measuring the number of T2S CA standards with which a T2S market currently complies[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 analysis to 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.

In the CASG discussions on this gap analysis, particular attention was paid to compliance with CASG Transformation Standard 3, as this was a pending item that had been left open in the previous CASG analysis report.

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).

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[3] See T2S NSG 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.

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 July 2018)

T2S Markets' Status	Sep 2017 Gap Analysis	May 2018 Gap Analysis	Of which by migration wave					Oct 2017
			I	II	III	IV	Final	
Blue	10	13	5	2	1	1	4	
Green	0	0	0	0	0	0	0	
Yellow	1	1	0	0	0	0	1*	
Red	12	10	0	0	4	5	0	1**

* The Finnish market decided not to migrate to T2S in the defined migration waves. No new T2S migration date has yet been communicated by Euroclear Finland, so Euroclear Finland is showing separately from the other migration waves in the tables below.

** The new Slovakian CSD (NCDCP) joined the T2S platform in October 2017.

Wave 1 T2S markets
Table 2: Summary status for wave 1 markets

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

The Swiss, Greek (BOGS), Italian, Maltese and Romanian markets maintain their blue statuses.

The compliance of the Italian market with CASG Transformation Standard 3 was discussed in detail, and subsequent to the meeting, the Italian NSG confirmed the compliant processing of mandatory (with options) reorganisation events by MonteTitoli.

Wave 2 T2S markets
Table 3: Summary status for wave 2 markets

Wave 2 Compliance	
NBB	PT
B	B

The Portuguese market maintains its blue status. The Portuguese market has confirmed that it is fully compliant with Transformation Standard 3.

Regarding NBB-SSS, a non-compliant case with CASG Transformation Standard 10 was identified on a transaction related to a Belgian bond in the cross-CSD context. In the event of a transformation into cash, NBB-SSS' processing was non-compliant, and this lead to unmatched transactions in T2S. The correction of this non-compliant transformation into cash has been implemented on 27 July 2018. NBB-SSS maintains its blue compliance status.

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

VP Lux's status remains blue.

The status of DK's VP Securities is 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. The non-compliance cases concern market claim generation in non-T2S currencies and securities technically issued in T2S stemming from a non-T2S CSD. A plan for full compliance is under discussion within the Danish market.

The ESES (BE, FR and NL) markets maintain their red statuses, but it is noted that in particular Euroclear Belgium and Euroclear Nederland have made significant progress. Euroclear Belgium will be compliant with Buyer Protection Standards with the entry into force of the Belgian securities law in January 2019. In Euroclear France, the launch of CSE 6 (custody stream enhancement 6) planned in March 2018 was delayed to Q4 2018. Euroclear Nederland achieved full compliance with all T2S CA Standards, except Transformation Standard 9 for which no implementation date has yet been defined.

Table 5: Summary status for wave 4 markets

Wave 4 Compliance					
AT	DE	HU	LUX CSD	SI	SK-CDCP
R	R	R	R	B	R

The Slovenian market remains blue. The German and the Austrian markets maintain their red statuses, as well as the Hungarian market as it is not yet able to detect and to generate market claims on equities. Lux CSD also remains red as its process to detect and generate market claims is not considered compliant with market claims standard 23.

The Slovakian market maintains its red status until the Buyer Protection Instruction template (considered as part of BP key data) is also published.

Final wave T2S markets

Table 6: Summary status for the final wave markets

Final Wave Compliance			
ES	EE	LT	LV
B	B	B	B

The Spanish market maintains its blue status.

The three Baltic markets became blue, as they achieved compliance with Market Claim Standard 25 (i.e. no partial settlement for market claims in cash), following an enhancement by the end of 2017 on the Nasdaq platform.

Last migrating market

Table 7: Summary status for the last migrating market

The Finnish market is assessed as yellow as it still needs to provide the implementation deadlines for the intermediary changes in view of full compliance before its migration to T2S.

New Market in October 2017

Table 8: Summary status for new market joining in October 2017

The new Slovakian CSD (NCDCP) joined the T2S platform in October 2017 but compliance with many of the T2S CA standards is planned only for 2019.

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.

Table 9. T2S markets' compliance status

Market/CSD (Migration Wave)	Compli-ance status	Main rationale for risk assessment	Planned implementation date

Market/CSD (Migration Wave)	Compli-ance status	Main rationale for risk assessment	Planned implementation date
AT – Austria (W4)	**R**	The Austrian market did not comply with three market claims standards by the time of its migration to T2S: • Standards 6 and 7 – due to concerns around tax fraud, the AT market decided not to take into account the "opt-out", "ex" and "cum" flags when generating market claims; • 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. No change since the last report.	None
BE - Belgium (EoC) (W3)	**R**	• Euroclear Belgium achieved compliance with most market claims CA standards by July 2017. • In March 2018, ESES enhanced its compliance with the transformations standards; except for Transformation Standard 9 on mandatory reorganisation without options for which no implementation date has been defined but which does not occur on the Belgian market. Full compliance is dependent on the correct set-up of rights exercise events (in line with CAJWG standards). • In order to achieve full compliance with the BP standards, the Belgian market is awaiting the entry into force of its securities law expected in January 2019.	None January 2019
BE – Belgium (NBB) (W2)	**B**	NBB-SSS settles only debt securities and was assessed as having achieved full compliance with the T2S CA standards at the time of its migration to T2S. However, it has been identified that transformations into cash are effected in a non-compliant manner. A correction was implemented on 27 July 2018. NBB-SSS maintains its blue compliance status.	
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 necessary legal changes had 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 Market Claim standards with high impact on the T2S Community (payment on T2S DCA accounts and managing of fractions) is postponed to 2019. This is due to the extended authorisation process resulting from the CSDR application and the subsequent additional requirements to be developed and implemented in priority. • The German market does not have a plan to eventually comply with the two remaining standards ("CUM" flag and generating of MCs independently of settlement of the underlying transaction). • The implementation of the Record Date was an important achievement in the Germain market; however, several cases of non-compliance have been observed from investment funds. • In the context of T2S cross-border activities, the non-compliant lack of market claim generation for non-flat bonds and for OTC transactions on debt securities raised issues for investor CSDs.	2019 None To be provided To be provided

Market/CSD (Migration Wave)	Compli-ance status	Main rationale for risk assessment	Planned implementation date
DK – Denmark (W3)	R	After its migration to T2S in September 2016, the Danish market is not compliant with: • Market Claim Standard 10 (i.e. market claims are not generated for trades settled in T2S in which a CA-event occurs involving a non-T2S currency) and • MC Standard 14 (i.e. Danish taxation rates are, for current market practice reasons, applied for a small number of ISINs, issued in a non-T2S CSD)[5].	To be provided
EE – Estonia (FW)	B	The Estonian market has since end 2017 achieved full compliance with the T2S CA standards. It was previously red as it was non-compliant with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash).	
ES – Spain (FW)	B	Following its migration to T2S in September 2017 the Spanish market achieved the blue status.	
FI – Finland (FW)	Y[6]	The migration of the Finnish market to T2S has been postponed. Full compliance for Finnish securities before going live and before migration to T2S has been foreseen. A detailed plan to comply with the T2S CA standards is expected by Q3 2018.	To be provided
FR – France (W3)	R	By March 2018, ESES was expected to comply with all transformations standards. Compliance with the remaining T2S CA Standards (on Transformations and Buyer Protection) is rescheduled for Q4 2018. For Transformation Standard 9 on mandatory reorganisation without options, no implementation date has been defined.	Q4 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 did not become fully compliant with the T2S market claim standards for equities by the time of its migration in February 2017. An action plan towards full compliance is planned to be delivered by end Q2 2018.	To be provided
IT – Italy (W1)	B	Italy is blue, following confirmation from the Italian NSG that the processing of mandatory with options reorganisation event by MonteTitoli is compliant.	
LT – Lithuania (FW)	B	The Lithuanian market has since end 2017 achieved full compliance with the T2S CA standards. It was previously red as it was non-compliant with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash).	
LU – Luxembourg (LUX CSD) (W4)	R	• Compliance with most Market Claim standards has been achieved. Full compliance with MC Standard 23 is planned for H2 2018. • Compliance with T2S CA Standards on Transformations was achieved on 12 February 2018. • With regard to Buyer Protection Standard 10 on the publication of BP key data, LuxCSD requests BP information from the issuer agent and publishes them via its notification system.	H2 2018
LU – Luxembourg (VP Lux) (W3)	B	VP LUX achieved full compliance with the T2S CA standards with its migration to T2S in September 2016.	

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[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 for ISINs with CA proceeds in Danish krona.

[6] Euroclear Finland remains committed to migrating to T2S even though a target migration date to T2S has not yet been defined.

Market/CSD (Migration Wave)	Compli-ance status	Main rationale for risk assessment	Planned implementation date
LV – Latvia (FW)	B	The Latvian market has since end 2017 achieved full compliance with the T2S CA standards. It was previously red as it was non-compliant with Market Claims Standard 25 (i.e. no partial settlement for market claims in cash).	
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 all T2S CA standards, except Transformation Standard 9 on mandatory reorganisation without options for which no implementation date has been defined.	None
PT – Portugal (W2)	B	The Portuguese market complied with all standards, except for Transformation Standard 3. On 11 June 2018, a system upgrade additionally achieved compliance with this standard.	
RO – Romania (W1)	B	The Romanian market maintains its blue status.	
SI – Slovenia (W4)	B	The Slovenian T2S NUG complied with CASG standards by its migration to T2S in February 2017.	
SK – Slovakia (CDCP) (W4)	R	The Slovakian market achieved compliance with all T2S CA standards by end of March 2018, except for: • Buyer Protection, as the Buyer Protection Instruction template is not publicly available on a website.	To be provided
SK – Slovakia (NCDCP)	R	NCDCP joined the T2S platform in October 2017. It currently complies with just 68% of the market claim standards, and none of the transformation and buyer protection standards. Full compliance is planned for 2019.	2019

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 9 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 2017.

Table 10. Current compliance of T2S markets with T2S CA standards as of 27 July 2018

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
AT – Austria (W4)	89%	100%	100%
BE - Belgium (EoC) (W3)	100%	100%	0%
BE – Belgium (NBB)[7] (W2)	100%	100%	100%
CH – Switzerland (W1)	100%	100%	100%

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[7] *Even if NBB-SSS has reported non-compliance with some MC standards, these are not relevant as it settles only debt securities*

Market/CSD (Migration Wave)	Market claims	Transformations	Buyer protection
DE – Germany (W4)	63%	100%	94%
DK – Denmark (W3)	93%	100%	100%
EE – Estonia (W4)	100%	100%	100%
ES – Spain (WF)	100%	100%	100%
FI – Finland (WF)	0%	0%	0%
FR – France (W3)	96%	0%	0%
GR – Greece (BOGS) (W1)	100%	100%	100%
HU – Hungary (W4)	18%	92%	100%
IT – Italy (W1)	100%	100%	100%
LT – Lithuania (W4)	96%	100%	100%
LU – Luxembourg (LUX CSD) (W4)	93%	0%	100%
LU – Luxembourg (VP Lux) (W3)	100%	100%	100%
LV – Latvia (W4)	100%	100%	100%
MT – Malta (W1)	100%	100%	100%
NL – Netherlands (W3)	96%	92%	100%
PT – Portugal (W2)	100%	100%	100%
RO – Romania (W1)	100%	100%	100%
SI – Slovenia (W4)	100%	100%	100%
SK – Slovakia (CDCP) (W4)	100%	100%	94%
SK – Slovakia (NCDCP)	68%	0%	0%

Source: Latest gap analysis surveys of T2S markets/CSDs

Table 11. Comparative statistics of current compliance across T2S markets (March –July 2018)

Source: Gap analysis surveys of T2S markets/CSDs

	Market claims						Transformations						Buyer protection						Total						
	Jan-16	May-16	Nov-16	Mar-17	Sep-17	May-18	Jan-16	May-16	Nov-16	Mar-17	Sep-17	May-18	Jan-16	May-16	Nov-16	Mar-17	Sep-17	May-18	Jan-16	May-16	Nov-16	Mar-17	Sep-17	May-18	Trend
Austria	7%	7%	7%	89%	89%	89%	0%	0%	0%	100%	100%	100%	39%	39%	39%	100%	100%	100%	15%	15%	15%	95%	95%	95%	→
Belgium (EoC)	46%	50%	89%	93%	96%	100%	23%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	27%	24%	42%	44%	46%	69%	↗
Belgium (NBB)	93%	89%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	100%	100%	100%	100%	100%	66%	95%	100%	100%	100%	100%	→
Switzerland	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Germany	46%	46%	46%	63%	63%	63%	0%	0%	0%	100%	100%	100%	94%	94%	94%	94%	94%	94%	51%	51%	51%	81%	81%	81%	→
Denmark	21%	21%	93%	93%	93%	93%	15%	15%	100%	100%	100%	100%	0%	0%	100%	100%	100%	100%	13%	13%	97%	97%	97%	97%	→
Estonia	43%	43%	43%	43%	96%	100%	15%	15%	15%	15%	100%	100%	0%	0%	0%	0%	100%	100%	24%	24%	24%	24%	96%	100%	↗
Spain	46%	46%	89%	89%	100%	100%	46%	39%	77%	77%	100%	100%	0%	0%	61%	61%	100%	100%	32%	30%	78%	78%	100%	100%	→
Finland	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	→
France	43%	43%	89%	93%	96%	96%	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	20%	42%	44%	46%	46%	→
Greece (BOGS)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Hungary	4%	4%	11%	18%	18%	18%	8%	8%	8%	92%	92%	92%	6%	6%	6%	100%	100%	100%	5%	5%	8%	59%	59%	59%	→
Italy	93%	93%	93%	100%	100%	100%	92%	92%	92%	100%	100%	100%	100%	100%	100%	100%	100%	100%	95%	95%	95%	100%	100%	100%	→
Latvia	0%	0%	0%	0%	96%	100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	98%	100%	↗
LU (LUX CSD)	54%	54%	54%	86%	93%	96%	0%	0%	0%	0%	0%	100%	94%	94%	94%	94%	100%	100%	54%	54%	54%	69%	75%	98%	↗
LU (VP Lux)	21%	21%	100%	100%	100%	100%	15%	15%	100%	100%	100%	100%	0%	0%	100%	100%	100%	100%	13%	13%	100%	100%	100%	100%	→
Lithuania	0%	0%	0%	0%	96%	100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	98%	100%	↗
Malta	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	→
Netherlands	43%	43%	89%	93%	96%	96%	23%	0%	0%	0%	0%	92%	0%	0%	0%	0%	100%	100%	25%	20%	42%	44%	76%	97%	↗
Portugal	75%	100%	100%	100%	100%	100%	54%	100%	100%	100%	100%	100%	0%	100%	100%	100%	100%	100%	47%	100%	100%	100%	100%	100%	→
Romania	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	→
Slovenia	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	0%	0%	0%	100%	100%	100%	→
Slovakia (CDCP)	0%	0%	0%	100%	100%	100%	0%	0%	0%	85%	85%	100%	0%	0%	0%	0%	100%	94%	0%	0%	0%	66%	97%	98%	↗
Slovakia (NCDCP)						68%						0%						0%						32%	↗

Figure 1. Development of <u>current</u> compliance with T2S CA standards (Mar –July 2018)

Source: Latest Gap analyses surveys of T2S markets/CSDs
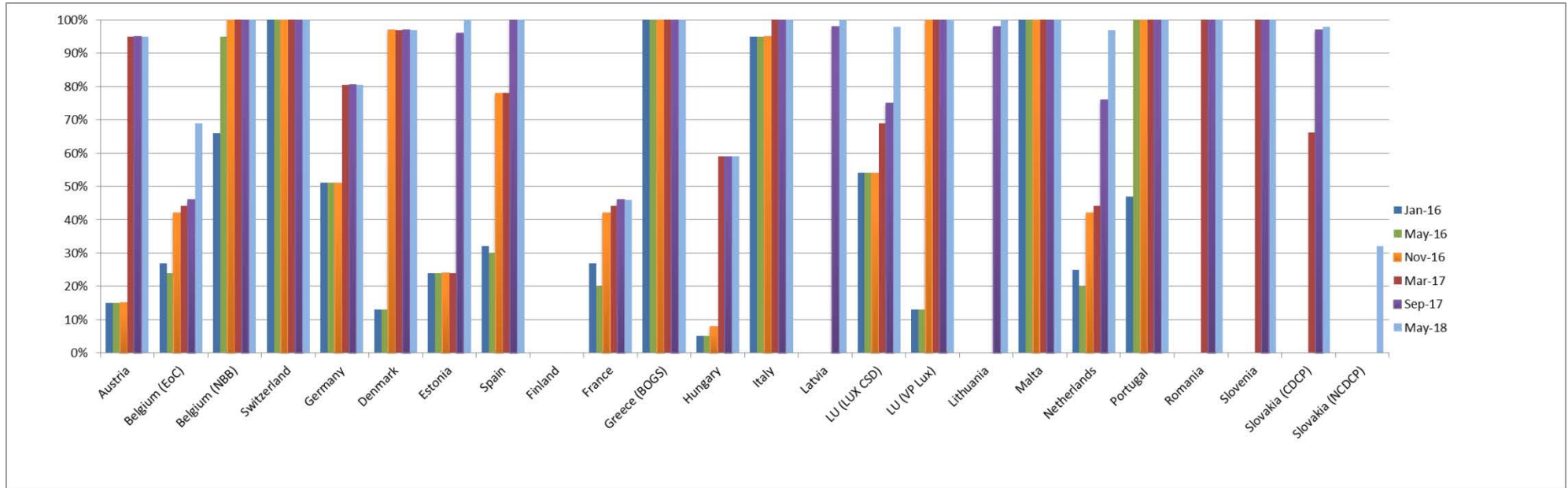
The figures below rank the markets/CSDs by rate of <u>current</u> compliance for each set of standards:

Figure 2. Market Claims (% <u>current</u> compliance for each market/systems as of 27 July 2018)
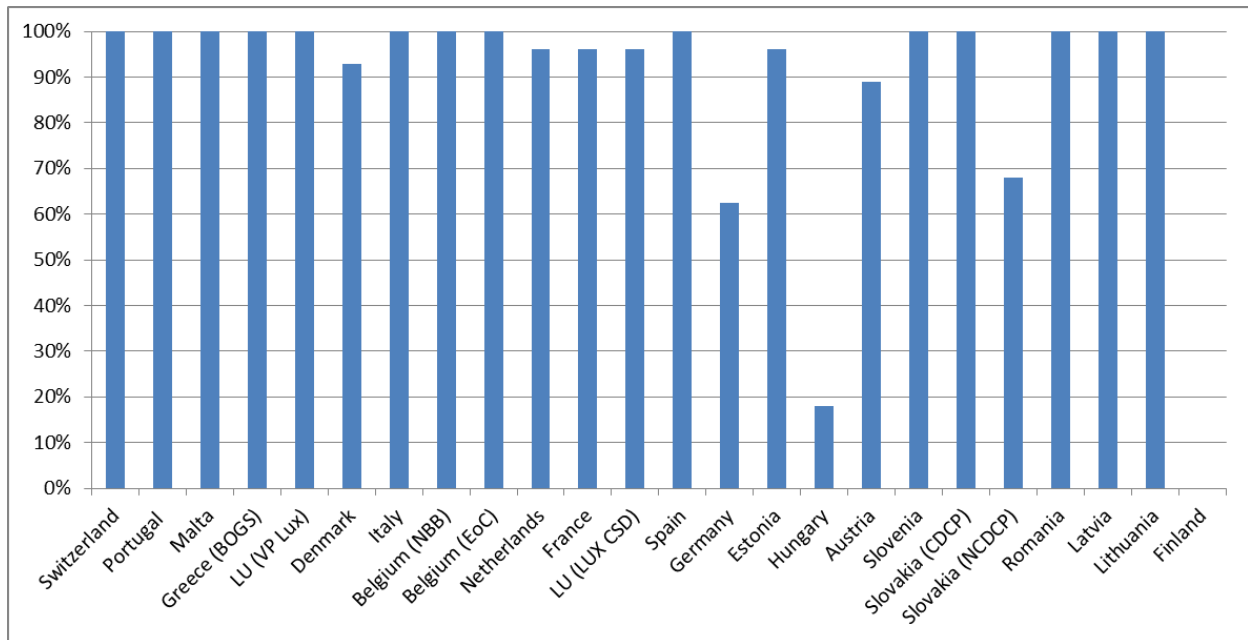
Source: Latest gap analysis surveys of T2S markets/CSDs

Figure 3. Transformations (% <u>current</u> compliance for each market/system as of 27 July 2018)
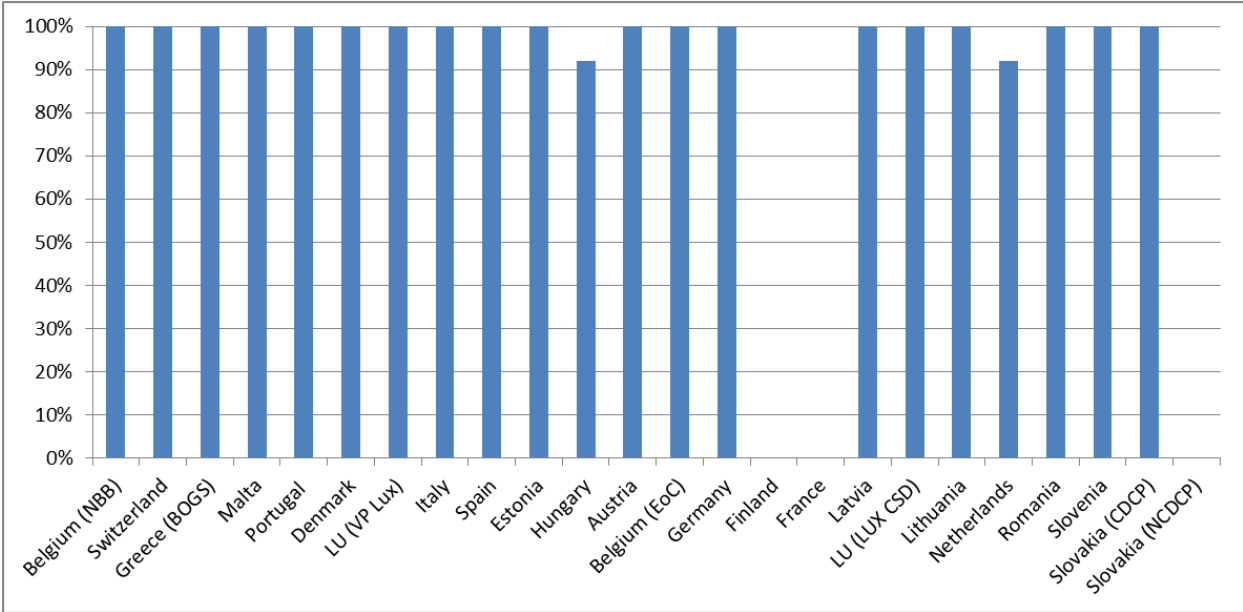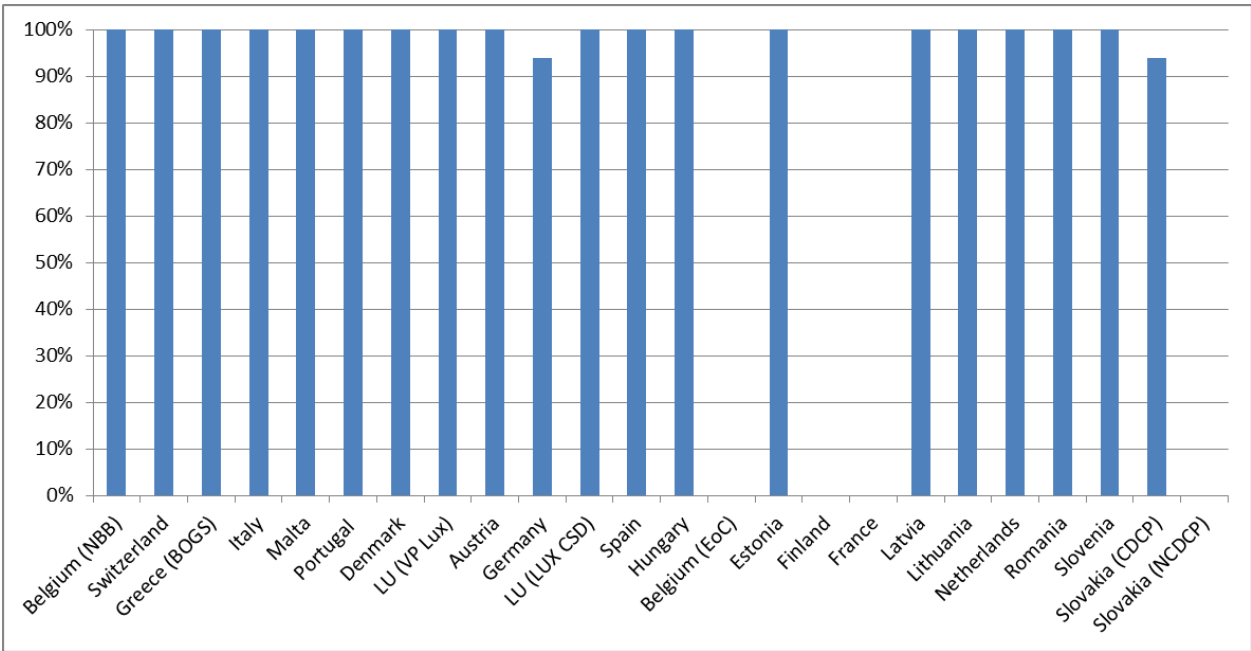
Figure 4. Buyer protection (% <u>current</u> compliance for each market/system as of 27 July 2018)

Source: Latest gap analysis surveys of T2S markets/CSDs

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	Mireille Galeazzi (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)	Helena Bastos (BNP Paribas)
MT	Massimiliano Renzetti (Banca d'Italia)
SK	Thomas Rockstroh (Clearstream) and Robert Priecel (CDCP)
SI	Ben van der Velpen (ING)
BE (NBB-SSS and Euroclear BE)/NL	Mireille Galeazzi (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	**Compliance** The market has achieved full compliance with the harmonisation standard. a. For technical standards (e.g. T2S ISO 20022 messages), this means that the T2S market is already operating according to the standard. b. For regulatory/legal standards (e.g. T2S settlement finality rules), this means that the relevant regulation/legislation is already in place. **Further monitoring of the T2S market is no longer required.**
Green	**Compliance** 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. *and* 2) The market has established a clear/detailed plan to implement the harmonisation standard and has publicly announced deadlines for full implementation. **Further monitoring of the T2S market is required.**
Yellow	**Compliance** 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. *or* 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. **Further monitoring of the T2S market is required**.
Red	**Compliance** 1) The T2S market has not provided any information on its level of compliance with the standard. *or* 2) The T2S market has decided not to (fully) comply with the standard. *or* 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. **Further monitoring of the T2S market is required**

Annex 3: T2S National User Group responses

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: OeKB CSD – 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.	IMPLEMENTED	N/A	For the Austrian market, Market Claims are being generated by 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.	IMPLEMENTED	N/A		
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED	N/A		
Market Claims	5	After record date, the market claim detection mechanism should operate at a minimum once a day after the end of standard T2S daytime settlement processing ("End of Day" in T2S URD) and prior to the start of the next settlement day ("Start of Day" in T2S URD).	IMPLEMENTED	N/A	Detection is performed once a day during EOD processing.	

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: OeKB CSD – Austria

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 Gap	Due to deviating Market Practice (decision by CANIG Austria)	Since T2S Go Live Opt-out indicator is matched in T2S, but is being disregarded by Market Claim detection process due to common understanding in Austrian Market concerning mitigating actions for tax fraud risk.
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 Gap	Due to deviating Market Practice (decision by CANIG Austria)	Since T2S Go Live Cum-ex indicator is matched in T2S, but is being 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).**	**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		

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: OeKB CSD – Austria

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**14**	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	**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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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	A user friendly facility has been implemented in form of an optional flag on the securities account level, which can be set separately for cash and securities side, indicating whether a market claim generated by the CSD should be automatically put on hold. 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. In the view of the Austrian market the standard is fulfilled and should be green, but CASG decided to set the status to red.	
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	**IMPLEMENTED**	N/A		
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	**IMPLEMENTED**	N/A		
Market Claims	26	The standard T2S rules for the recycling period should apply.	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A		
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		
Transformations	1	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. 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. 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.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	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		

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A		
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: **OeKB CSD – 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.	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	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 of OeKB CSD.	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A		
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A		
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A		

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

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**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		
Buyer Protection	12	**Only the BP election (i.e. corporate action option) can be amended in the BP instruction.**	**IMPLEMENTED**	N/A		

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

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

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear Belgium - Belgium

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			
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		The time period to detect market claims is 20 BD.	
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			

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear Belgium - Belgium

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 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		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			
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			

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear Belgium - Belgium

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED		In case of multiple outturn, several events are created (one per outturn). The market claim generation follows the standard. No compensation of the fractional part for the time being.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	**IMPLEMENTED**		Production defect to be fixed post-T2S migration: processing of fractional part compensation related to stock distribution does not currently work. However, reference price usually not known prior end of Record Date. Once the defect is fixed, the process will be compliant with the standard	Defect relating to fractional compensation when reference price is available prior end of RD not yet fixed. ~~Prioritisation of defect fixing agreed to medium in EUF, no delivery plan available yet.~~ This defect will be fixed thanks to the progressive migration to ESES new asset servicing platform which has started with the roll-out of the processing of elective events with ESES stream 6 in March 2018.
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**		CLAI ISO transaction type is used to identify market claims	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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		Support for cross-CSD market claims implemented in July 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 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			

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear Belgium - Belgium

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			
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		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			
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED			

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear Belgium - Belgium

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		The facility chosen is the Hold and Release mechanism	
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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. **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. **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.	IMPLEMENTED		Technical facility to replace the underlying instruction implemented in March 2017 for intra-CSD and in July 2017 for cross-CSD, only for Mandatory without option event. Processing for mandatory with option events delivered with ESES stream 6 in March 2018 however these type of events have marginal volumes. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018).	
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		Detection period for cancellation is set to 20 BD On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	IMPLEMENTED		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED		Implemented (already matched for intraCSD, matching for XCSD). On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	
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		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (Q1 2018)	
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		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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**		Implemented with ESES stream 6 (March 2018)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	**IMPLEMENTED**		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**11**	**When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:** **a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs** **b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs**	**IMPLEMENTED**		**Rounding down applies in case of transformation into securities. Fractional compensation offered in EBE for elective events with the launch of ESES stream 6 in March 2018 but not offered for mandatory events.**	Planning to service fraction compensation for mandatory events to be further defined. ~~Processing of compensation of fraction ranked as medium in EUF.~~ This defect will be fixed thanks to the progressive migration to ESES new asset servicing platform which has started with the roll-out of the processing of elective events with ESES stream 6 in March 2018.
Transformations	**12**	**The transformed transaction should be instructed with the same status as the underlying transaction.**	**IMPLEMENTED**		**Implemented.** **On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)**	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED		Implemented. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events, which was limiting the scope of transformation detected, eliminated with the implementation of ESES stream 6 (March 2018)	
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		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
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**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
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**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
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**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**10**	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
Buyer Protection	**11**	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**12**	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
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**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	14	Process for pending transactions on BP deadline: **In case of Automated BP mechanism** Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation. **In case of Manual BP mechanism** If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**NOT IMPLEMENTED**		**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 and associated market practice** **ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation.** **Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019**	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
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**		**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 and associated market practice** **ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation.** **Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019**	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	**NOT IMPLEMENTED**		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 and associated market practice ESES stream 6 delivered in March 2018; however, not all functionalities used by market as further testing required before full activation. Change of law required for quoted rights has been included in the full review of the New Code des Sociétés and is expected to enter into force in January 2019	To be implemented upon activation of all ESES Stream 6 functionalities in January 2019 (date of entry into force of the new Code des Sociétés)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED			
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.	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			
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			

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED			

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED		The user can put the market claim on hold if it is unsettled. If a market claim is created due to a transaction that is LACK, and the money is there, it settles immediately at Start of Day.	
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			
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED			
Transformations	1	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. 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. 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.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED			
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			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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		No transformation of this nature in fixed income securities.	

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			
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	N/A		Not applicable for fixed income securities.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED			
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	N/A		Buyer protection functionality is not available in NBB-SSS technical application but addressed in the Terms & conditions as an obligation and a responsibility of the CSD participants. The T&C Annexes hold a template for a BP request.	After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	N/A		NBB-SSS doesn't offer these services	After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	N/A			After publication of new Belgian law, planned for January 2019, the market could implement

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	13	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.	N/A		NBB-SSS doesn't offer these services	After publication of new Belgian law, planned for January 2019, the market could implement

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**14**	**Process for pending transactions on BP deadline:** **In case of Automated BP mechanism** **Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.** **In case of Manual BP mechanism** **If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.**	N/A		**CSD does not offer automated service**	**After publication of new Belgian law, planned for January 2019, the market could implement**

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	N/A		CSD does not offer automated service	After publication of new Belgian law, planned for January 2019, the market could implement
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.**	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	17	**The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.**	N/A			After publication of new Belgian law, planned for January 2019, the market could implement
Buyer Protection	18	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	N/A			After publication of new Belgian law, planned for January 2019, the market could implement

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	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		
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		

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED	N/A	Fraction Price should be announced by ISSUER before / at the latest Record Date 16:00 CET.	
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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		

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

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	<u>At the CCP level:</u> When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms. <u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S):</u> The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching. <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.	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transforma tions	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 implementation by T2S (-> technical readiness of T2S in June 2018). Discussion in the Swiss market is currently ongoing how to implement the 20 days transformation period for the home market (for CHF currency) and for cross-border transactions. Uncertainty: Apart from the T2S technical readiness there are currently no indications available from other T2S markets, whether only the CSD is technically ready or the market as a whole will change its market practice to the 20 days period?	
Transforma tions	3	**As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.**	**IMPLEMENTED**	N/A		

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	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		

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

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

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	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		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A		

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

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 was 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 was 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 was migrated in February 2017 with the participation of CBF on T2S.
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 Practice Change effective since 01.01.2017* Record Date processing of corporate action and income events were implemented based on agreed standards.	As already implemented, the standard was migrated in February 2017 with the participation of CBF on T2S.
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 was migrated in February 2017 with the participation of CBF on T2S.

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	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"	As already implemented, the standard was migrated in February 2017 with the participation of CBF on T2S. Handling of Opt-out flag: If the Opt-out flag is set to STCO (standard compensation) or not indicated, the general Market Claim rules apply. If the Opt-out flag is set to NOMC (no market claim) the transaction will be excluded from any market claim process. **Reverse Claims will be processed regardless** (irrespective if the underlying event is income or non-income). By using Opt-out Flag against the original idea a risk of creative tax leeway occurs.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 was migrated (simply changing SPEX to XCPN) in February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**7b**	**Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.**	**NOT IMPLEMENTED**	Legislative Change	**There are some conflicts by implementing the "CUM" flag with the German laws e.g. in respect of "manufactured dividends " when not entitled transactions can be flagged as entitled transaction and tax voucher will be created.**	Due to conflicting tax implications in Germany it is in principle not intended to implement the CUM flag without prior approval by the ministry of finance. In this regard German market started discussion with ministry of finance to get approval that t2s "cum" flag processing will not create any prudential complaints by tax audit based on the fact that a market claim is a dividend and not a cash compensation in respect of tax purposes in Germany. In general there is no need for a "cum" flag by changing the trade date to a day prior Ex, cum processing can be achieved.

Handling of "CUM" flag: The CCPN flag is only considered for cross-border transactions in FCSC securities issued by another T2S In-CSD. In this case, if the flag is set to CCPN (cum coupon), the transaction will be processed as if it was traded cum coupon (that is, with trade date prior to ex-date) irrespective of the actual trade date indicated within the instruction. Note: The CCPN flag is ignored by CBF's claim processes for all transactions in securities for which CBF acts as the issuer CSD. This means that market claims will not be generated even if the flag is set.

Like the Opt-Out flag the Cum/Ex-flag is an additional matching criterion where instructions do not match if one counterparty has entered a different value from the other. This applies also to instructions that are flagged CCPN, although this value is not considered by CBF in its claim process.

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

We recommend to launch a survey of the standard especially regarding the actual usage of the "CUM" flag. It needs to be clarified if the "CUM" flag is still needed for operations, because in the beginning of the standards some markets haven't the possibility to instruct a transaction with backdated trade date and would like to use as trigger for MC entitlement the "CUM" flag instead of the trade date. However nowadays, from our point of view "CUM" flag isn't needed anymore.

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**	Other	Market claims <u>are detected on basis of pending, matched</u> trades on record date (MT564 REPE ACLA); Market and Reverse Claims are <u>generated at CBF on basis of settled transactions</u>. Claims on open instructions caused several problems (late trades, Rec-Date) when this processing was standard in the German market. 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. <u>German market would like to highlight discussion regarding status of irrevocability.</u> Market participants asked for support by cancelation of MCs when underlying matched but don't settle; which was e.g. the case in T2S by a handful of transactions on Italian securities.	Taken into account the detection to be based on matched trades (irrespective of being pending or settled), the standard is already implemented and was migrated in February 2017 with the participation of CBF on T2S. Already compliant by Reverse Market Claims (reverse claims can only be processed after settlement) and SE/CCP transactions. Market claims are detected on pending matched on Record Date reported in MT564 REPE ADDB//ACLA and MT568. German MPC decided to be fully compliant with the standard to observe and monitor the behavior of the counterparts and after adaptation phase of RD implementation to switch timing of processing MC from settled to matched on OTC transactions (please see comment on column F "Further Comments"). We observed a significant reduction of Market Claims since introduction of RD in Germany. In comparison to time period January - June 2016 MCs decrease about 79% (in total figures from 404,086 to 85,527):

	2016	2017
Jan OTC/LION/CCP	7402/5830/36054	3881/3252/3234
Feb OTC/LION/CCP	10540/5762/43330	4001/2682/1583
Mar OTC/LION/CCP	5608/2762/4460	5462/2552/1678
Apr OTC/LION/CCP	20808/14834/27126	5428/3576/12074
May OTC/LION/CCP	74200/23336/13860	14344/5102/5670
Jun OTC/LION/CCP	20300/8720/79154	5174/2548/3286

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						Market Claims on debt securities: Market claims for interest payments are only generated if the underlying securities transaction is a LION stock-exchange trade. The record date logic is not applied. Market claims will be generated if the LION trade settles only after its regular intended settlement date. Reverse claims cannot occur for interest payments. Hence, the processing logic for interest claims does not change. For interest payment on flat bonds market claims for stock exchange trades (LION) and for OTC trades are generated. For other interest payments only market claims for stock exchange trades (LION) are generated. German market decided to do not have an automated MC process by OTC transactions on debt securities beside flat bonds. German Market Practice Committee instructed CBF on last meeting in June 2017 to not include OTC transactions on German debt securities into Market Claim processing before making analysis why these transactions were excluded from German market in the past, knowing if and how other markets process Market Claims in production in T2S and getting written approval from all MPC members to change the MC rules.

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	security outcome: *Straightforward to implement* cash outcome: *Taxation Change/Regulatory Change* **By introducing IOC the process to withhold taxes in case of Cross-Border transactions (for DE-ISIN) needs to be re-designed.** *Legislative Change* **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 fulfil 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).** *Market Practice Change* **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.** **German market would like to highlight that information's about market specific calculation rules are not available on central point e.g. ECB. CBF for example contacted with bilateral testing other CSDs and asked for the calculation method on the domestic market and implemented per market (and instruments if necessary) own calculation rules.**	security outcome: was implemented in February 2017 with the participation of CBF on T2S cash outcome (Domestic): Implementation: CBF is re-assessing the currently planned implementation date. This is due to the extended authorisation process resulting from the CSDR application and the subsequent additional requirements to be developed and implemented in priority. In any case, the ambition is to implement the outstanding CASG requirements prior to the upcoming dividend season in the German market in 2019 cash outcome (X-Border): was implemented in February 2017 with the participation of CBF on T2S 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: CBF is re-assessing the currently planned implementation date. This is due to the extended authorisation process resulting from the CSDR application and the subsequent additional requirements to be developed and implemented in priority. However, the ambition is to implement the outstanding CASG requirements prior to the upcoming dividend season in the German market in 2019

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
						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. https://www.clearstream.com/blob/69210/9c3fcb2574981deb0e00f6bb6bdffac2/dfd-custody-v3-0-data.pdf A harmonized approach regarding usage of RECE and DELI on PFODs is missing: and each CSD implemented their understanding. All are standard compliant with their logic. To avoid higher number of mismatches ECB/CASG shall define rules in which way RECE and DELI should be used.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**NOT IMPLEMENTED**	Other	security outcome: **In case of a security distribution already today CBF instructs FoPs on each underlying transaction** cash outcome: *Market Practice, Taxation, Regulatory & Legislative Change* **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.**	**security outcome:** As already implemented, the standard was migrated in February 2017 with the participation of CBF on T2S **cash outcome (Domestic):** Implementation: CBF is re-assessing the currently planned implementation date. Please see comment CASG standard no. 09 for Market Claims **cash outcome (X-Border):** was 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)

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	**IMPLEMENTED**	Market Practice Change	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. Clearstream as Investor CSD: If PFoDs are used by other IN-CSD, Clearstream would accept them on the DCAs at T2S.	**fraction compensation (Domestic):** Implementation: CBF is re-assessing the currently planned implementation date. Please see comment CASG standard no. 09 for Market Claims **fraction compensation (X-Border):** Standard was implemented in February 2017 with the participation of CBF on T2S. Technically CBF is in the position to Round Down. Notice: There will be no "conflict" with standard when MSU and SUM on equities = 1. Some issuer/agents and market participants will decide to use fraction shares (Teilrechte) on DE ISINs again. Based on the fact that such Teilrechte will have the smallest technical possible MSU no rounding will be necessary.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	**IMPLEMENTED**	N/A	At present Clearstream provides the CLAI-Flag in ISO15022 to customers in order to identify Market Claims.	As already implemented, the standard was 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 was migrated in February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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.*	**NOT IMPLEMENTED**	Other	<u>Market Practice, Taxation, Regulatory & Legislative Change</u> **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.**	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: CBF is re-assessing the currently planned implementation date. Please see comment CASG standard no. 09 for Market Claims

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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: CBF is re-assessing the currently planned implementation date. Please see comment CASG standard no. 09 for Market Claims

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**16**	Matching is required for all market claims settlement instructions.	**NOT IMPLEMENTED**	Other	Market Practice, Major Technical Change **Domestic transactions (Non-Income):** **At present, Market Claims are instructed leg wise.** **X-Border transactions (Non-Income):** **With T2S X-Border Clearstream will enter only one leg (matching required). Though, this feature is:** *Straightforward to implement* **Domestic & X-Border (Income):** **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.**	The standard was implemented by 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)

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	**IMPLEMENTED**	Straightforward to Implement	For customers acting in DCP- or ICP mode, Clearstream will provide the "T2S Actors Reference" of the underlying transaction.	The standard was implemented by February 2017 with the participation of CBF on T2S. Only referencing in MT54x must be completed. Besides T2S actors reference, MITI-reference of underlying will be included to MT56x as well as ISO20022 reporting. MITI of underlying trade will be reported as of November 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.	**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 was migrated in February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	**IMPLEMENTED**	Straightforward to Implement	At present and following the understanding of CAJWG standards by German market claims are not modifiable in the content at all. Clearstream considers this for T2S by setting the Modification Allowance-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 was migrated and enhanced, by allowing customers applying for the Block-functionality to release, modify or cancel the market claims regardless if they are ICP or DCP.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**21**	The standard T2S rules for amending settlement instructions should apply.	**IMPLEMENTED**	Straightforward to Implement	At present and following the understanding of CAJWG standards by German market claims are not modifiable in the content at all. Clearstream considers this for T2S by setting the Modification Allowance-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 was 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.
Market Claims	**22**	The standard T2S rules for cancelling settlement instructions should apply.	**IMPLEMENTED**	Straightforward to Implement	At present and following the understanding of CAJWG standards by German market claims are not modifiable in the content at all. Clearstream considers this for T2S by setting the Modification Allowance-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 was migrated and enhanced, by allowing customers applying for the Block-functionality to release, modify or cancel the market claims regardless if they are ICP or DCP.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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. German market would like to highlight discussion regarding status of irrevocability. Market participants asked for support by cancelation of MCs when underlying matched but don't settle which was e.g. the case in T2S by a handful of transactions on Italian securities.	As already implemented for CCP/SE and reverse market claims, the standard was 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 behavior 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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	24	In line with standard T2S settlement conditions will include: (i) payment date has been reached, (ii) resources (cash and/or securities are available.	**IMPLEMENTED**	N/A	The current processing considers these rules to the payment date and any kind of required resources (cash or securities).	As already implemented, the standard was migrated in February 2017 with the participation of CBF 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	Generally a partial settlement of market claims is not possible, because the respective flag will be set to "NO". The reason for this is the short time slot on T2S where partial settlement is allowed (two times for half an hour during RTS). Nevertheless, as the market claims will be generated based on settled trades and these can be subject to partial settlement, for each settled part of the underlying instruction a market claim will be generated. Therefore the standard is fulfilled. Regarding "irrevocable transactions", please also refer to CASG standard no. 8 for Market Claims Regarding "market claims in cash", please also refer to CASG standard no. 1 for Market Claims Regarding "cash payment - PFOD" please refer to CASG standard no. 9 for Market Claims	CASH MODEL Implementation: CBF is re-assessing the currently planned implementation date. Please see comment CASG standard no. 09 for Market Claims
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 was migrated in February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 was migrated in February 2017 with the participation of CBF 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	Income Event: 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) Non Income Event: 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	As already implemented, the standard was migrated in February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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.** **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.** **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.**	IMPLEMENTED	Straightforward to Implement	**CSD (domestic transactions):** **Clearstream in the role of the IOC for both sides will manage the transformation by cancelling and re-instructing each leg.** **CSD (X-Border transactions):** **Clearstream as well follow the IOC-Model by managing (cancel & re-instruct) only the leg being in charge of.** **CCP:** **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)**	The standard was implemented by February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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	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 was 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. | 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 was implemented by February 2017 with the participation of CBF on T2S. |

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	Straightforward to Implement	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: • amended ISIN and/or amended nominal • <SttlmParams><SttlmTxCond><Cd><TRAN> • <TradDtls><SttlmInstrPrcgAddtlDtls> 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 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.	The standard was implemented by February 2017 with the participation of CBF on T2S.
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	Straightforward to Implement	All customer instructions will be transformed leg-based. Therefore the matching will be handled on T2S.	The standard was implemented by February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	Straightforward to Implement	In case of Cross Border instructions, CBF will cancel their effected instruction legs and re-instruct them.	The standard was implemented by February 2017 with the participation of CBF on T2S.
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	Straightforward to Implement	Info: Record Date for Reorg Events where transformation is applicable is on payment date - 1 BD. In Future: New instruction has to contain intended settlement date at least with current business date.	The standard was implemented by February 2017 with the participation of CBF on T2S.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	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 was implemented by February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	IMPLEMENTED	Straightforward to Implement	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.	The standard was implemented by February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	**IMPLEMENTED**	Straightforward to Implement	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 was implemented by February 2017 with the participation of CBF on T2S.
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	**IMPLEMENTED**	Market Practice Change	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.	Please refer to answer CASG standard 11 for Market Claim

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	**The transformed transaction should be instructed with the same status as the underlying transaction.**	**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 was 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.**	**IMPLEMENTED**	Straightforward to Implement	**Clearstream will provide the same indicators as the underlying instruction.**	The standard was implemented by February 2017 with the participation of CBF on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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. 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.	German market decided to do not introduce an automated BP infrastructure. Manual BP requirements on counterparty level were implemented before participating on T2S. 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. Link: http://clearstream.com/clearstream-en/products-and-services/d15019/75090

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED	N/A	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
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED	N/A	See comment on BP standard 01	See comment on BP standard 01

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

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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

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	**IMPLEMENTED**	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions 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 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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**NOT IMPLEMENTED**	Minor technical change (at VP) Market practice change	The current automated solution, provided by VP, handle CA on flow in connection with all transactions that have been sent to T2S for settlement; however, in case the CA on flow scenario have been caused by a CA-event involving a corporate action payment is a non T2S Settlement Currency, the CA on flow process will not be activated. During the interim solution of VP (the time from migration wave 3 to DKK are made available for T2S settlement), VP will as a result not detect CA on flow scenarios caused by events involving DKK payments. This leaves a limited number of potential transactions sent to T2S for clearing and settlement in EUR, involving securities that do CA payments in DKK. When DKK has been made a T2S eligible currency these transactions will be handled alongside EUR – as with any other T2S currency - and eliminate these cases of non-compliance. In case the currency of the corporate action payment is not a T2S Settlement Currency (other than EUR, DKK, etc.) the Danish T2S Experts Group (consisting of market participants, VP, the Danish Central Bank, and other market representatives) will discuss how to handle these instances in accordance with the CASG standards, with the aim of implementing an automated handling at the same time of DKK being made available in T2S.	A Danish CA experts group (with DK MIG, CASG and CAJWG representation) have assessed the identified and potential cases of non-compliance, and proposed a number of possible solutions to the Danish NSG in December 2017. Despite most identified cases of non-compliance being resolved with DKK available for settlement in T2S, as of 29 October 2018, an implementation plan for achieving compliance on the remaining less frequent cases, is currently being organized and prioritized within the Danish market. An implementation plan is expected 2018Q3.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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.*	**NOT IMPLEMENTED**	Market practice change	The automated CA on flow solution provided by VP (as either Issuer CSD or Investor CSD) is designed in accordance with the CASG standards. This includes the handling of the tax statuses of each ISIN and event, and in the capacity of Investor CSD, VP apply the rate fixed by the Issuer CSD. However, for historical reasons two particular securities, technically issued in VP via a custody link to a non-T2S CSD, are handled in the VP system as Issuer CSD securities, and as a consequence handled as such.	VP is currently preparing an Investor CSD link to the non-T2S Issuer CSD in question, which will eliminate the non-compliance issue around the two particular securities.
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 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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 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 in accordance with the CASG standards and the rulings of the CAJWG.
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 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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	**The standard T2S rules for the recycling period should apply.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	27	**Each CSD/CCP generating a market claim will report to its own participant.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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. **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. **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.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions 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 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 in accordance with the CASG standards and the rulings of the CAJWG.
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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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 in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		As CSD in T2S, VP offers an automated CA on flow solution for T2S transactions 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 in accordance with the CASG standards and the rulings of the CAJWG.
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	
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	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	IMPLEMENTED	N/A	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	
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	
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	
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	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	**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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**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	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	**The BP instruction itself can only be amended by the buyer, before the BP deadline.**	**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	
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	
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	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	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	**IMPLEMENTED**			
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**			
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**			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED			
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			
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED		The CSD advises the CSD participants to use 'hold/release' functionality in order to ensure that the 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.	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			
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	**T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.**	**IMPLEMENTED**		The CSD provides to the participants both settlement and custody reporting related to the detected and generated market claims.	
Transformations	1	<u>At the CCP level</u>**: When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.** <u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): 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.** <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.**	**IMPLEMENTED**			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Partially compliant	Technical gap	Transformations are triggered manually. Implementation of T2S 515 SYS change request in T2S is required to fully comply with this standard.	
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED			
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		All transformed settlement instructions will be sent for matching to T2S.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED			
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			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED			
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED			
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED			
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		Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions.	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED		The CSD will apply default option for all uninstructed balances.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for transaction management.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for 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		The corporate action election instructions are accepted by the CSD from the securities owner and instructed quantity / amount is blocked for CA execution by the CSD.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	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**		The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	
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**		The CSD participant has to respect the response deadline for the given option that is set by the CSD. No election instructions will be accepted after that deadline.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	**N/A**	N/A	Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions. The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
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		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**IMPLEMENTED**		It is possible in the CSD's system to cancel settlement instruction and reinstruct.	
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**		It is possible in the CSD's system to cancel settlement instruction and reinstruct and it is also possible to elect only partially.	
Buyer Protection	17	**The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.**	**IMPLEMENTED**			
Buyer Protection	18	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	**IMPLEMENTED**		The CSD's system is developed to support the standard.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A	Iberclear does not generate market claims for instructions with the opt-out indicator. If that indicator is not informed at the instructions level, market claims will be generated according to T2S MC rules.	
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	Iberclear generates market claims according to T2S standards taking into account the EX/CUM indicator.	
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 only for irrevocable transactions.	
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, market claims are generated on behalf of their participants irrespective of their indirect or direct connection to T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**	N/A	PFOD and FOP instructions are used for market claim generation.	

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

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	The tax status of the account doesn't have direct effect on the amount to transfer due to the market claims. Market claims are generated according to the gross amount announced.	
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 DCA 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	Iberclear generates the market claim instructions to be matched in T2S.	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	The appropriate references are included in market claim instructions (CSD CORP reference, T2S reference of the underlying instruction) in order to identify easily the market claim.	
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	The trade date of the market claim is the same as the trade date of the underlying instruction. The ISD of the market claim is always the payment date of the 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.	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.	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	The standard T2S rules for amending are applied. All the attributes detailed in the standard are modifiable in market claims.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	The standard T2S rules for cancelling are applied.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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. Iberclear provides a friendly facility to its participants to ensure that the market claim is not settled before 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 been reached and there are resources 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	There is no partial settlement for claims in cash. Partial settlement indicator in securities 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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	CSD/CCPs reports the market claims to its own participant entities.	
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	Iberclear informs about all pending/settled transactions using SWIFT messages.	
Transformations	1	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. 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. 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.	IMPLEMENTED	N/A	Iberclear manages transformations of pending transactions in which IBRC is the IOC.	

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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 T2S CR515 in order to be fully compliant with this standard.	
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	Iberclear does not generate transformations for instructions with the opt-out indicator. If that indicator is not informed at the instructions level, transformations will be generated according to T2S transformations rules. In addition, Iberclear is transforming matched pending instructions according to the FAQ document (Question and Answer 3.15), that is, transforming the corresponding instructions into a transaction of the original settlement amount against 0 securities in EXRI corporate actions with lapse default option.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A	Transformed instructions are identified with the required references (TRAN indicator, CSD CORP reference and the T2S reference of the underlying transaction).	
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	Iberclear generates already matched transformed instructions, as well as unmatched instructions to be matched in T2S.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	Iberclear generates unmatched instructions to be matched in T2S.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A	The settlement date of the transformation is the latest between the settlement date of the underlying transaction and the payment date of the corporate action.	
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	IMPLEMENTED	N/A	Iberclear keeps the same characteristics as those of the underlying transactions with the possible exceptions detailed in the standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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	Iberclear generates transformations in multiple outturns according to this standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A	In the specific scenario of transformations into cash, Iberclear keeps the same characteristics as those of the underlying transaction and they are created as it is specified in the standard (creating two PFoD in opposite directions).	
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A	Partialling and EX/CUM indicators are accordingly replicated in the transformed instructions.	
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. Iberclear complies with the standard providing the required key dates.	
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	Iberclear follows the market default rules for elections, transforming the pending non-elected instructions according to the default option of the corporate action.	
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	IMPLEMENTED	N/A	Buyer will track open transaction in order to decide if he wants to invoke a Buyer Protection Instruction. Iberclear complies with the standard providing the required key dates.	
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	Iberclear provides the required key dates in order to comply with this standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	**IMPLEMENTED**	N/A	Iberclear provides a BPI template in order to comply with this standard. The template is available in Iberclear's private client website.	
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.	**IMPLEMENTED**	N/A		

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED	N/A	Iberclear provides the required key dates in order to comply with this standard.	
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED	N/A	Iberclear provides the required key dates, template and information 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.	IMPLEMENTED	N/A	Iberclear provides the required key dates, template and information in order to comply with this standard.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A	Iberclear provides the required key dates, template and information in order to comply with this standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**13**	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	Iberclear provides the required key dates, template and information in order to comply with this standard.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	IMPLEMENTED	N/A	Iberclear provides the required key dates, template and information 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	Iberclear provides the required key dates, template and information in order to comply with this standard.	
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A	Iberclear provides the required key dates, template and information in order to comply with this standard.	
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	Iberclear provides a BPI template in order to comply with this standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	**NOT IMPLEMENTED**	Major Technical Change	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. 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.	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. Market claims are already available for money market instruments as of 2 February 2015. The launch of the second release of the CSD system will happen on 7 May 2018. With this launch market claims will be available for security distributions and cash distributions <u>excluding</u> dividend payments (DVCA) and yield payments for mutual funds /ETFs (CAPG). Due to complex taxation, DVCA and CAPG events will be paid in net in Commercial Bank Money outside the CSD system and hence no market claims are processed in the settlement system. Market claims for DVCA and CAPG events will be generated in the CSD system by the time the Finnish market joins T2S.EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	**NOT IMPLEMENTED**	Major Technical Change	Currently the responsibility for detecting market claims is ultimately on the clearing parties (including CCP). 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.	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. Market claims are already available for money market instruments as of 2 February 2015. The launch of the second release of the CSD system will happen on 7 May 2018. With this launch market claims will be available for security distributions and cash distributions excluding dividend payments (DVCA) and yield payments for mutual funds /ETFs (CAPG). Due to complex taxation, DVCA and CAPG events will be paid in net in Commercial Bank Money outside the CSD system and hence no market claims are processed in the settlement system. Market claims for DVCA and CAPG events will be generated in the CSD system by the time the Finnish market joins T2S. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	**NOT IMPLEMENTED**	Straightforward to Implement	Currently there are no time limits to the market claim detection of the clearing parties. 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.	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 Market claims are already available for money market instruments as of 2 February 2015. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	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	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. On the Record Date EOD the CSD system will create market claims based on pending matched settlement instructions eligible to receive proceeds of the CA event. During following 20 opening days the CSD system will detect market claims daily after the close of business.	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. Market claims are already available for money market instruments as of 2 February 2015. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.
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	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. 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.	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. Market claims are already available for money market instruments as of 2 February 2015. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market 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.	**NOT IMPLEMENTED**	Straightforward to Implement	Functionality already 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. Market claims are already available for money market instruments as of 2 February 2015. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	**NOT IMPLEMENTED**	Straightforward to Implement	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. Along with the market claim mechanism, the CSD system will create market claims only for matched settlement instructions.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins 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**	Straightforward to Implement	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. 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.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	NOT IMPLEMENTED	Major Technical Change	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. 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. 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. Processing market claims requires changes to market practice regarding payments in non T2S currencies and to tax processing especially regarding dividend payments.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	NOT IMPLEMENTED	Major Technical Change	Currently market claims are manually detected by clearing parties and reported to the CSD outside the settlement system. In case of fractions are calculated in the CA event, market claims for securities distribution will be rounded down. If the issuer compensates fractions a separate market claim for cash covering fractions is generated once the issuer has announced the reference price.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	NOT IMPLEMENTED	Straightforward to Implement	There is no specific parameter to indicate market claim instructions since market claims are processed outside the settlement system. The CSD system will automatically create market claims with CLAI transaction type code.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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	Currently market claims are manually processed by clearing parties and reported to the CSD outside the settlement system. 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. EFi in a role of Issuer CSD will advise issuers issuing securities in EFi to follow the standards for detecting market claims.	Part of the implementation of the market claim mechanism (standards 1 and 2) which was implemented on 2 February 2015 for money market instrument. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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.*	NOT IMPLEMENTED	Major technical change	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.	The market claim mechanism for money market instruments was implemented on 2 February 2015. The claims are generated in gross i.e. no taxes are taken into account. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
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. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins 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	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. For other instruments, market claims will be available as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	NOT IMPLEMENTED	Straightforward to Implement	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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins 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	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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins 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	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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.
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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
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	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 based on pending transactions. EFi will offer additional reporting regarding pending and settled transactions to participants.	Reporting functionalities will be developed at CSD level in connection with the implementation of the new CSD system . Pending settlement instructions relating to DVCA and CAPG events will be reported even though no market claims are generated for these events. 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 as of 7 May 2018 excluding DVCA and CAPG events which will be covered by the time the Finnish market joins T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	1	**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. **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. **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.	**NOT IMPLEMENTED**	Major Technical Change	Currently there are no automated transformations. 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 based on pending settlement instructions and CA event details.	Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the second release of the CSD system is launched on 7 May 2018. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	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 second release new of the CSD system is launched on 7 May 2018. However, the transformations will be only processed on the record date. The detection period of 20 days will be implemented in the later release of the CSD system.
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 second release of the CSD system is launched on 7 May 2018. However, if the default option is LAPS transformations will not be supported. Pending trades will only be cancelled. LAPS option will be included in the later release of the CSD system.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Major Technical Change	Currently there are no automated transformations. EFi as a CSD will process transformations for the eligible transactions. Transformed settlement instructions will include the reference of the original transaction, TRAN as settlement transaction condition code and CA event reference.	Part of implementation of standards 1 and 3. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be when the second release of the CSD system is launched on 7 May 2018. However, WITH linking and pooling used in underlying settlement instructions will not be supported in transformed settlement instructions as of 7 May 2018. The functionality will be supported in the later releases of the CSD system.
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 matching to 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 second release of the CSD system is launched on 7 May 2018. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	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 when the second release of the CSD system is launched on 7 May 2018. EFi is no longer part of the Final Wave and the migration date for T2S is pending discussions with the ECB and the Finnish market participants.
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 second release of the CSD system is launched on 7 May 2018.
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 covered when the second release of the CSD system is launched on 7 May 2018.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • 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	Currently there are no automated transformations. 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.	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 second release of the CSD system is launched on 7 May 2018.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. EFi as the CSD will process transformations for the eligible transactions. Characteristics of the underlying transactions will be taken into account. There will not be any linking between settlement instructions.	Part of implementation of standard 1, 3 and 4. Transformations for Money Market instruments are available as of 2 February 2015. Other instruments will be covered when the second release of the CSD system is launched on 7 May 2018.
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	NOT IMPLEMENTED	Straightforward to Implement	Currently there are no automated transformations. EFi as a CSD will process transformations for the eligible transactions. In case of fractions are calculated in the CA event, the number of securities in the transformed settlement instruction will be rounded down. .If the issuer compensates fractions a separate PFOD for cash covering fractions is generated once the issuer has announced the reference price.	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 second release of the CSD system is launched on 7 May 2018.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments (Gap and further steps)	Implementation Plan
Transformations	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 second release of the CSD system is launched on 7 May 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	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 second release of the CSD system is launched on 7 May 2018.

Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	**NOT IMPLEMENTED**	Market Practice Change	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 the time the Finnish market joins T2S.
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.

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Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	NOT IMPLEMENTED	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time 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 the time the Finnish market joins T2S.

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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**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 the time the Finnish market joins T2S.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**NOT IMPLEMENTED**	Market Practice Change	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.

Buyer Protection	**12**	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**NOT IMPLEMENTED**	**Market Practice Change**	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.
Buyer Protection	**13**	If the underlying transaction can be settled prior to the BP deadline, it should settle and the BP instruction should be cancelled by the Instruction Owner CSD (IOC) if the IOC offers such a BP service. When BP is handled bilaterally, the BP is void.	**NOT IMPLEMENTED**	**Market Practice Change**	Currently Buyer Protection is based on bilateral agreement between trading parties case by case. The 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 the time the Finnish market joins T2S.

| Buyer Protection | 14 | Process for pending transactions on BP deadline:

In case of Automated BP mechanism

Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.

In case of Manual BP mechanism

If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation. | **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 the time the Finnish market joins T2S. |

Buyer Protection	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	NOT IMPLEMENTED	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 the time the Finnish market joins T2S.
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 the time 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 the time 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 by the time the Finnish market joins T2S.

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	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		
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		

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**	N/A	**In case of multiple outturn, several events are created (one per outturn). The market claim generation follows the standard.** **No compensation of the fractional part for the time being.**	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	**NOT IMPLEMENTED**	Market Practice Change	Production defect to be fixed post-T2S migration: processing of fractional part compensation related to stock distribution does not currently work. Once the defect is fixed, the process will be compliant with the standard	Defect relating to fractional compensation when reference price is available prior end of RD not yet fixed. Prioritisation of defect fixing agreed to medium in EUF, no delivery plan available yet. There is a very low number of events following this scheme (compensation based on a reference price). In 2017 no event was concerned and in 2018 the assumption is that the French Market should not experience more events than in 2017. This is the reason why a medium priority for the correction of this defect has been made.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	**IMPLEMENTED**	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**	Other	Implemented in July 2017 release.	Implemented in July 2017 release.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: Euroclear France - France

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	Other		
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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A	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).	
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.	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: **Euroclear France - France**

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	The user-friendly facility is based on the Hold and Release mechanism usage.	
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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		
Transformations	1	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. 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. 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.	NOT IMPLEMENTED	Major Technical Change	Technical facility to replace the underlying instruction implemented in March 2017 for intraCSD and in July 2017 for crossCSD, only for Mandatory without option event. Processing for mandatory with option events should have been delivered with ESES stream 6 in Q1 2018. The Q1 delivery has been postponed for the French Market following a NOGO decision at the end of the testing phase. It is to be noted that this type of events has marginal volumes. On top of the technical implementation foreseen at EBE 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)	Processing for mandatory with option events will be delivered with ESES stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Straightforward to Implement	Detection period for cancellation is set to 20 BD (transformations for mandatory events only) On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**4**	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	**NOT IMPLEMENTED**	Major Technical Change	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1
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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1
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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • **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	Multiple outturns not supported in EF.	Planning for support of transformations on multiple outturns to be further defined.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transforma tions	**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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**11**	**When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:** **a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs** **b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs**	**NOT IMPLEMENTED**	N/A	**Rounding down applies in case of transformation into securities. No fractional compensation offered in EF**	Planning for implementation of fractional compensation to be defined. Processing of compensation of fraction ranked as medium in EUF. There is a very low number of events following this scheme (rounding down following transformation in outturn securities fractions). In 2017 no event was concerned and in 2018 the assumption is that the French Market should not experience more events than in 2017. This is the reason why a medium priority for the correction of this defect has been made.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	NOT IMPLEMENTED	Major Technical Change	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1
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	Implemented, for mandatory events only. On top of the technical implementation foreseen at EBE level, issue with regards to announcement of some elective events will limit the scope of transformation detected, until the implementation of ESES stream 6 planned for Q1 2018 but that has been postponed for the French Market	As per transformation standard 1
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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	3	The buyer will be tracking open transactions to which he is entitled to elect and will decide whether or not he wants to invoke a BP.	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018
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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	7	Whether late BP instructions should be accepted should be established on the basis of bilateral agreement between the buyer and the seller, or the CSD/CCP rules – where and when CSDs/CCPs are offering such BP processing services.	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice A manual BP mechanism will be implemented.	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018
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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018
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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**14**	**Process for pending transactions on BP deadline:** **In case of Automated BP mechanism** **Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.** **In case of Manual BP mechanism** **If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.**	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice A manual BP mechanism will be implemented	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**NOT IMPLEMENTED**	Market Practice Change	**Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.** **Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements.** **Technical gap only, and associated market practice** **A manual BP mechanism will be implemented**	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018
Buyer Protection	16	**If a buyer wants to make a partial election, they would need to split the original transaction into the shapes they require.**	**NOT IMPLEMENTED**	Market Practice Change	**Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.** **Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements.** **Technical gap only, and associated market practice**	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 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	**Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S.** **Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements.** **Technical gap only, and associated market practice**	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	**NOT IMPLEMENTED**	Market Practice Change	Automated Buyer protection is not offered by ESES and is not foreseen within the frame of T2S. Buyer protection cannot be fully implemented before the implementation of Stream 6 when key dates shall be available to fulfil the Buyer Protection requirements. Technical gap only, and associated market practice	To be implemented alongside with the launch of ESES Stream 6 currently postponed for the French Market to Q4 2018

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: [BOGS-GREECE]

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: [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		
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		

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: [BOGS-GREECE]

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**	N/A		

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: [BOGS-GREECE]

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	**IMPLEMENTED**	N/A		
Transformations	1	<u>At the CCP level:</u> **When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.** <u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): 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.** <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.**	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	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		

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A		
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	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		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A		

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

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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**	Implemented for bonds	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 CASG standards and the new practices have been implemented by February 2016 for EUR DVP transactions. 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. HU-NUG action plan to reach full compliance by the end of 2017 was shared with the CASG in October 2016.	As we kindly informed the HSG on 16th June, according to the decision of KELER's Board of Directors in mid-June the 3rd of July 2017 go-live date of BaNCS system was postponed. At the same time we started to redesign the project to ensure the smooth transition whilst paying also special attention to T2S harmonization. As consequence of the above, there is no change in the status of the implementation of the CASG standards in Hungary and our action plan have to be updated. Today we do not have a formally approved go-live date for BaNCS. We foresee that Hungary's new harmonization action plan can be shared with you until the end of October 2016. HU NSG message dated 4 May 2018: In accordance with what we reported in the fall of 2017 we can confirm that the approval of our **action plan** is underway and can be expected until the end of **Q2 2018** (June HU-NSG meeting)

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**	Implemented for bonds		See line no.1
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	**NOT IMPLEMENTED**	Implemented for bonds		See line no.1
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**	Implemented for bonds		See line no.1
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**	Implemented for bonds		See line no.1
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**	Implemented for cross-CSD transactions	Due to KELER's GUI solution as of today IOCs have to indicate their intention to participate in MC processing separately form the settlement instruction.	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 will implement the opt-out indicator.

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	Implemented for cross-CSD transactions		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 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).**	IMPLEMENTED	Implemented for bonds		See line no.1
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	Implemented for bonds		See line no.1

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED	N/A	The rounding is performed according to the standard already.	
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	Implemented for bonds		See line no.1.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	13	For any individual ISIN, or any individual category of securities, all CSDs/CCPs that accept such securities should use the same rules to generate market claims. The rules, or terms, are defined by the issuer for each corporate action event. The issuer should pass them onto the issuer CSD and made available by the issuer CSD to all of its clients, including the Investor CSDs.	**NOT IMPLEMENTED**	Implemented for bonds		See line no.1.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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.*	NOT IMPLEMENTED	Market practice change	As per current market practice the tax status of the beneficial owners does have a direct effect on the amounts to be transferred, i.e. proper tax rates can be applied as part of the relief at source process to avoid a tax refund procedure.	See line no.1.
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.
Market Claims	16	Matching is required for all market claims settlement instructions.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.
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	Implemented for bonds		See line no.1.
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	Implemented for bonds		See line no.1.
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	**NOT IMPLEMENTED**	Implemented for cross-CSD settlement		See line no.1.
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**	Implemented for bonds		See line no.1.
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**	Implemented for bonds		See line no.1.
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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	26	The standard T2S rules for the recycling period should apply.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Implemented for bonds		See line no.1.
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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.** **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.** **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.**	**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).**	**IMPLEMENTED**			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	**As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.**	**NOT IMPLEMENTED**	Straight forward to implement	Opt-out of instructions from the standard transformation is not applied for the time being.	See line no.1.

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).	IMPLEMENTED			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	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			
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			

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

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			
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED			

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			
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			
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			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	**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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**IMPLEMENTED**			
Buyer Protection	10	**The BP deadline should be identical across all (I) CSDs in T2S for all securities.**	**IMPLEMENTED**			
Buyer Protection	11	**The BP instruction itself can only be amended by the buyer, before the BP deadline.**	**IMPLEMENTED**		Market participants to adopt the standards in the operation between each other.	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	IMPLEMENTED			
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			
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED			
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A		
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A		
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**IMPLEMENTED**	N/A	The software managing a new settlement instruction (the Market Claim) alongside with the underlying failed trades has being deployed.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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 are settled in T2S in the participants DCAs	
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	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	**T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.**	**IMPLEMENTED**	N/A	We provide additional information to both D/ICPs (7B2)	
Transformations	1	<u>At the CCP level:</u> **When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.** <u>At the CSD level (both CSDs of the buyer and the seller are connected to T2S): 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.** <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.**	**IMPLEMENTED**	N/A	Both the CCPs and MT are in line with the standards, with no exceptions	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A	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.	IMPLEMENTED	N/A		

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	**IMPLEMENTED**	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A		
Buyer Protection	1	For a given transaction and prior to the BP deadline, the BP requirement will be invoked by the buyer (the buyer will issue BP instructions to the seller).	IMPLEMENTED	N/A	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 reviewed 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	
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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	IMPLEMENTED	N/A		
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	IMPLEMENTED	N/A	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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED	N/A	Italian community decide to implement manual buyer protection. The new field dedicated to the Buyer Protection instruction deadline has been implemented in the CA announcements	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**13**	**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	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED			
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			
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**IMPLEMENTED**			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	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**			
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**			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED		The CSD advises the CSD participants to use 'hold/release' functionality in order to ensure that the 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.	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			
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED			

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		The CSD provides to the participants both settlement and custody reporting related to the detected and generated market claims.	
Transformations	1	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. 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. 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.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	Partially compliant	Technical gap	Transformations are triggered manually. Implementation of T2S 515 SYS change request in T2S is required to fully comply with this standard.	
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED			
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		All transformed settlement instructions will be sent for matching to T2S.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED			
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			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED			
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED			
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED			
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		Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions.	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED		The CSD will apply default option for all uninstructed balances.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for transaction management.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for 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		The corporate action election instructions are accepted by the CSD from the securities owner and instructed quantity / amount is blocked for CA execution by the 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		The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	
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		The CSD participant has to respect the response deadline for the given option that is set by the CSD. No election instructions will be accepted after that deadline.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	N/A	N/A	Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions. The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	**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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**IMPLEMENTED**		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	
Buyer Protection	10	**The BP deadline should be identical across all (I) CSDs in T2S for all securities.**	**IMPLEMENTED**		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	IMPLEMENTED		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
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		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**IMPLEMENTED**		It is possible in the CSD's system to cancel settlement instruction and reinstruct.	
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**		It is possible in the CSD's system to cancel settlement instruction and reinstruct and it is also possible to elect only partially.	
Buyer Protection	17	**The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.**	**IMPLEMENTED**			
Buyer Protection	18	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	**IMPLEMENTED**		The CSD's system is developed to support the standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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.	Has been implemented in February 2017, 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 market calims detection solely.	Has been implemented in February 2017, 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	Before T2S, LuxCSD applied a claim detection period of 30 BD.	Has been implemented the participation of LuxCSD on T2S, reduced to 20 BD .
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	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.	Has been implemented in February 2017 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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	Before T2S, LuxCSD was not supporting opt-out flag to exclude the respective transaction from the Market Claiming process.	The standard (OPT-OUT) has been implemented by February 2017 with the participation of LuxCSD on T2S.
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	Implemented	N/A	Before T2S, LuxCSD was not supporting Ex-CUM flag processing	The standard (Ex-Cum Flag) has been implemented by February 2017 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	8	**As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).**	Implemented	Market Practice Change	Before T2S, LuxCSD was detecting the market claims on settled instructions and when the corporate action has been effectively paid to avoid various issues for LuxCSD and LuxCSD participants whenever the underlying settlement instructions are cancelled or corporate actions proceeds are not received. The reverse market claims are processed via adjustment to entitlement.	Market claims are well detected on matched pending trades, but generated based on settled instructions and when the corporate action has been effectively paid to avoid various issues for LuxCSD and LuxCSD participants whenever the underlying settlement instructions are cancelled or corporate actions proceeds are not received. The reverse market claims being applied to settled instructions only are processed via adjustment to entitlement. The standard handling of reverse market claims will be implemented as soon as LuxCSD launches its Investor CSD model, end of 2017.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	Implemented	Market Practice Change	Straightforward to implement No existing market practise	Has been implemented in February 2017 with the participation of LuxCSD on T2S. Definition of fraction is however pending with CAJWG.
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.	Has been implemented 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.	Has been implemented in February 2017 with the participation of LuxCSD on T2S.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**14**	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	LuxCSD already process with fixed rates etc.	Has been implemented 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.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.
Market Claims	**16**	Matching is required for all market claims settlement instructions.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	Implemented	N/A	already implemented	Has been already 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 Practice Change	The enhancement to the market claims process has been implemented in 20 November 2017. The market claims are generated with the same status as underlying transaction.	Has been implemented
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	Implemented	N/A	Straightforward to implement	Has been implemented in February 2017 with the participation of LuxCSD on T2S.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**22**	The standard T2S rules for cancelling settlement instructions should apply.	Implemented	N/A	Straightforward to implement	Has been implemented in 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	Market Practice Change	The enhancement to the market claims process has been implemented in 20 November 2017. The market claims are now detected on pending transactions. The generation of market claims is still conditioned by the effective payment of the corporate action.	This condition of the effective payment is planned to be removed in H2 2018.
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).	Has been already 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 Practice Change	Straightforward to implement	Partial settlement will be processed in LuxCSD and as consequence MC will be applied.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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	Today LuxCSD recycles open transactions. This rule will be migrated to T2S.	Has been implemented in February 2017 with the participation of LuxCSD on T2S.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	Implemented	N/A	LuxCSD provides comprehensive reporting regarding market claims.	Has been already implemented.
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	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: **LuxCSD S.A. - Luxembourg**

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**1**	**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.** **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.** **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.**	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already 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).**	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**3**	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.
Transformations	**4**	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already 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	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**10**	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	Implemented	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.
Transformations	**11**	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	Implemented	Market Practice Change	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already implemented.
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	Straightforward to Implement	The enhancement to the transformations process has been implemented on 12 February 2018. The transformations are generated in line with the standards.	Has been already 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	N/A	LuxCSD implemented a fully standards compliant manual BP mechanism on 9 April (the BP invocation template and the key BP dates are available).	Already implemented
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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	Implemented	N/A	See comment on BP standard 01	See comment on BP standard 01
Buyer Protection	10	**The BP deadline should be identical across all (I) CSDs in T2S for all securities.**	Implemented	N/A	See comment on BP standard 01	See comment on BP standard 01
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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: LuxCSD S.A. - Luxembourg

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**11**	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	**Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	20	**The standard T2S rules for who can amend settlement instructions should apply.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**22**	The standard T2S rules for cancelling settlement instructions should apply.	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

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		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
Market Claims	27	**Each CSD/CCP generating a market claim will report to its own participant.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: VP LUX (PART OF LSG)

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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.** **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.** **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.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	**10**	**The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
Transformations	**11**	**When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore:** **a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs** **b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	12	**The transformed transaction should be instructed with the same status as the underlying transaction.**	**IMPLEMENTED**	N/A		As CSD in T2S, VP LUX offers an automated CA on flow solution for T2S transactions 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 LUX offers an automated CA on flow solution for T2S transactions in accordance with the CASG standards and the rulings of the CAJWG.
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	
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	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	**IMPLEMENTED**	N/A	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	
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	
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	
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	
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	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**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	
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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**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	
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	
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	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	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**18**	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	**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	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED			
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			
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED			
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			

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	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**			
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**			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED			
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			
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED		The CSD advises the CSD participants to use 'hold/release' functionality in order to ensure that the 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.	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			
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED		The CSD provides to the participants both settlement and custody reporting related to the detected and generated market claims.	
Transformations	1	**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. **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. **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.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	NOT IMPLEMENTED	Technical gap	Transformations are triggered manually. Implementation of T2S 515 SYS change request in T2S is required to fully comply with this standard.	
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			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED			
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		All transformed settlement instructions will be sent for matching to T2S.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED			
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			

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED			
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED			
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED			
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		Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions.	
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	IMPLEMENTED		The CSD will apply default option for all uninstructed balances.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for transaction management.	
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		"Nasdaq CSD SE Corporate Action Service Description" as a part of CSD rules provides legal framework for 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		The corporate action election instructions are accepted by the CSD from the securities owner and instructed quantity / amount is blocked for CA execution by the CSD.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	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**		The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	
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**		The CSD participant has to respect the response deadline for the given option that is set by the CSD. No election instructions will be accepted after that deadline.	
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	**N/A**	N/A	Nasdaq CSD SE offers manual procedures for execution of buyer protection transactions. The template that can be used for BP instructions is available on the Nasdaq CSD SE website.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED		On the corporate action event level the CSD will include the relevant deadlines applicable to the invocation of buyer protection.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**IMPLEMENTED**		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**IMPLEMENTED**		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	
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**		The CSD's corporate action module will enable CSD participants to cancel already accepted corporate action instructions and reinstruct by the set deadline.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	IMPLEMENTED		It is possible in the CSD's system to cancel settlement instruction and reinstruct.	
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		It is possible in the CSD's system to cancel settlement instruction and reinstruct and it is also possible to elect only partially.	
Buyer Protection	17	**The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.**	IMPLEMENTED			
Buyer Protection	18	**Settlement of BP instructions should take place as specified in the T2S transformations standards.**	IMPLEMENTED		The CSD's system is developed to support the standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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		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		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	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED		The rules and relevant appendices on corporate actions and transaction management detail the process	
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	IMPLEMENTED		The rules and relevant appendices on corporate actions and transaction management detail the process	
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		The rules and relevant appendices on corporate actions and transaction management detail the process	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	**IMPLEMENTED**		The rules and relevant appendices on corporate actions and transaction management detail the process	
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	**IMPLEMENTED**		The rules and relevant appendices on corporate actions and transaction management detail the process	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	**IMPLEMENTED**		Market claims are detected on matched instructions only	
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**		The rules and relevant appendices on corporate actions and transaction management detail the process	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	**10**	**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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**IMPLEMENTED**		Market claims are effected in the same currency as the original corporate action as defined by the Issuer of the security.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED		There is no fractional compensation but, if the issuer compensates fractions these will be created separately.	
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED		Technical change 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		The CSD acts upon instructions as defined by the issuer	

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**		Entitlement is dependent only on the number / volume of securities held.	
Market Claims	**15**	**The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.**	**IMPLEMENTED**		Cash will settle through the respective participant's DCA Account	
Market Claims	**16**	**Matching is required for all market claims settlement instructions.**	**IMPLEMENTED**		Market Claim settlement instructions require to be matched as per standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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**		Market claims Settlement instructions will include the CA reference together with other appropriate references in line with the standard.	
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**		The trade date and settlement date will be according to 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**		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**		Settlement instruction may be amended or cancelled in line withT2S criteria	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	**IMPLEMENTED**		The standard T2S rules for amending Settlement Instructions are applied.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	**IMPLEMENTED**		The standard T2S rules for cancelling Settlement Instructions are applied	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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		Market Claim instructions are independent from the respective 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		The market claim may only settle once the settlement date which is set to the Payment Date is reached and sufficient resources are 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		Partial settlement is implemented in line with the standard.	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED		The T2S rules for recycling applied.	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED		CSD reports market claims to its own participants	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	**T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.**	**IMPLEMENTED**		CSD provides its participants with the status of the instructions.	
Transformations	1	<u>**At the CCP level:**</u> **When agreed with the Instruction Owner CSDs (IOCs) the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.** <u>**At the CSD level (both CSDs of the buyer and the seller are connected to T2S): 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.** <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.**	**IMPLEMENTED**		Transformations are handled in line with the standard.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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		The rules and relevant appendices on corporate actions and transaction management detail the process	
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		The rules and relevant appendices on corporate actions and transaction management detail the process	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED		Settlement instructions will include the CA reference together with other appropriate references in line with the standard	
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		The CSD handles transformations in line with the standards.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED		The CSD handles transformations in line with the standards.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED		The CSD handles transformations in line with the standards.	
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		The CSD handles transformations in line with the standards.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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**		The CSD handles transformations in line with the standards.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED		The CSD handles transformations in line with the standards.	
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED		There is no fractional compensation but, if the issuer compensates fractions these will be created separately	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED		Transformations are instructed with the same status as the underlying transaction.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED		Indicators will be replicated in line with the standard.	
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		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		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		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	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		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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	5	No matching is required in the CSDs' systems. However it is recommended that the seller acknowledges to the buyer, the receipt of the BP instruction.	**IMPLEMENTED**		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**		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	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**		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**		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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	**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;** **• business day 4 = T+3: buyer protection deadline;** **• business day 5 = T+4 market deadline** **BP deadlines for Manual BP mechanism** **For BP instructions from actors other than CCPs, the BP deadline is T+n.** **For BP instructions from CCPs the BP deadline is T+n+1 hour**	**IMPLEMENTED**		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	10	**The BP deadline should be identical across all (I) CSDs in T2S for all securities.**	**IMPLEMENTED**		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**		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.	

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**		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	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**		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.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**			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.**			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	17	**The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.**			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.**			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.	

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

Type of Events	Std No.	Standard Description	CSD/ Market Status	Type of implement ation gap	Further Comments	Implementation Plan
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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	IMPLEMENTED	N/A		
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	NOT IMPLEMENTED	Other	a. the rounding down requirement is met*; b. 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: - 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). * Processing of fractional part compensation related to stock distribution does not work correctly.	The NL market requested the IOC (ESES) to change its systems in order to generate the PFOD transaction in these cases as well. The IOC has not committed to implement this change. * Fixing this defect is agreed between IOC and users, but timing is not yet agreed upon.

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	.	
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	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		
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		

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		
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		
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		
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		

Type of Events	Std No.	Standard Description	CSD/ Market Status	Type of implementation gap	Further Comments	Implementation Plan
Transformations	1	**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. **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. **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.	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
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	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
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	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	

Type of Events	Std No.	Standard Description	CSD/ Market Status	Type of implementation gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	**IMPLEMENTED**	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
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 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:** • 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	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6). Currently, the IOC does not support **multiple outturns in case of mandatory events**.	No date agreed yet
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	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	

Type of Events	Std No.	Standard Description	CSD/ Market Status	Type of implementation gap	Further Comments	Implementation Plan
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	NOT IMPLEMENTED	Major Technical Change Other	Standard fulfilled for all event types (for elective events since March 2018). However, the IOC does not generate the required PFOD transaction; **for mandatory events - if the reference price is known prior to Record Date**, the IOC has committed to implement support: **In general - if the reference price is not known before the end of Record Date**, the IOC does not intend to honour the request by the NL market to generate the PFOD transaction (compensation should be dealt with bilaterally).	No date is planned yet The IOC has not committed to implement this change.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	
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	Standard fully fulfilled since March 2018 (implementation of ESES CSE Stream 6).	

Type of Events	Std No.	Standard Description	CSD/ Market Status	Type of implement ation gap	Further Comments	Implement ation 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		
Buyer Protection	2	When a BP requirement is not invoked by the buyer, then the market default rules 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.	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			
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.	IMPLEMENTED			
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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED			
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	IMPLEMENTED			

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.	IMPLEMENTED			
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED			
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			
Buyer Protection	14	Process for pending transactions on BP deadline: In case of Automated BP mechanism Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation. In case of Manual BP mechanism If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.	IMPLEMENTED			
Buyer Protection	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	IMPLEMENTED			
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			
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED			
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED			

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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: - LCH, while acting as CCP for guaranteed trades; - Interbolsa, for other transactions.	
Market Claims	2	The mechanism to detect market claims is at the discretion, and is the responsibility, of the IOCs and the CCPs of the counterparties.	IMPLEMENTED	N/A	- Interbolsa detects and generates market claims according to T2S standard. - LCH detects and adjusts pending guaranteed trades at the end of Record Date based on the received corporate action information.	
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 up to 20 days after RD.	
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. After RD market claims are detected and generated 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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	IMPLEMENTED	N/A	All transactions satisfying the criteria are included in the market claims detection. A field for opt-out indicator is included in the settlement instructions for the use of the 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	A field for ex/cum indicator exists in the settlement instructions for the use of the participants.	
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 only by Interbolsa and by LCH, acting as a CCP, for guaranteed trades.	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 delivery)** **(ii) Payment free of delivery (PFOD) transfer of cash;** **The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security.** **In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.**	**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.	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED	N/A	The compensation of fractions is supported according to the standards if applicable and decided by the Issuer. The generation of additional PFOD instructions for compensation of fractions is supported.	
Market Claims	12	In order to be able identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	IMPLEMENTED	N/A	Market Claims transactions are identified by the use of the proper ISO transaction code "CLAI".	
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 as informed by the issuer.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	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	Interbolsa does not calculate taxes. The amounts calculated and settled are gross amounts.	
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A	The dedicated cash account (DCA) linked to the securities account (SAC) of the original settlement instruction is used for the settlement of market claims. Interbolsa allows its participants to inform a specific DCA (per securities account) for corporate actions, on stock and on flow, cash processing.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Interbolsa sends to T2S market claims instructions for matching.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	Interbolsa follows T2S rules including proper references on the market claims settlement instructions.	
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.	
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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	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).	
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.	
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	Interbolsa creates and makes available reports to its own participants concerning the generated market claims.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	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.	
Transformations	1	**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. **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. **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.	IMPLEMENTED	N/A	Interbolsa follows the standards.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	IMPLEMENTED	N/A	Interbolsa generates transformations at the end of Record Date (RD) for all matched transactions that are pending of settlement. 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. After June, 11 2018, with the entry of the T2S Release 2.0 (Change Request 515), Interbolsa will fully comply with the Transformation Detection Period given that CSD participants will be allowed to register instructions during the 20 business days from the date of maturity of an ISIN. These instructions will be able to be matched but will not settle except for CCP PFOD (Payment Free of Delivery) instructions.	
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 exists in the settlement instructions for the use of the participants.	

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	7	The earliest settlement date (SD) of the new transaction(s) should be the latest between the payment date (PD) of the entitlement and the SD of the underlying transaction.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	
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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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	Interbolsa follows T2S rules.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A	Interbolsa follows T2S rules.	
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A	The compensation of fractions is supported according to the standards 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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A	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.	
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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	IMPLEMENTED	N/A	The buyer protection key dates are defined according to the standards.	
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.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	**12**	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**IMPLEMENTED**	N/A	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.	

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	Implemented	N/A	The market claim detection mechanism is implemented by Depozitarul Central (the CSD) in accordance with the standard.	N/A
	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	Depozitarul Central detects market claims based on different criteria, by determining the eligibility of pending/settled transactions on the Distribution's ISIN, based on different parameters, such as: Trade Date, Record Date, Intended/Actual Settlement Date, financial instrument type (unit or famt), opt-out and ex/cum indicators, in accordance with the relevant provisions of CAJWG and T2S CASG standards.	N/A
	3	Maximum time period for claim detection: 20 T2S opening days from record date.	Implemented	N/A	Once a day, Depozitarul Central detects the market claims for 20 business days from the Record Date.	N/A
	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	Depozitarul Central detects market claims after the close of business on Record Date and during the detection period.	N/A
	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 mechanism in place runs once a day during the detection period, at End of Day.	N/A
	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 opt-out mechanisms are in place in accordance with the standard.	N/A
	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 ex/cum mechanisms are in place in accordance with the standard.	N/A
	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	Implemented	N/A	Only matched transactions are taken into account by Depozitarul Central for market claims' detection.	N/A
	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	Only Depozitarul Central generates the market claims.	N/A
	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	Implemented	N/A	Depozitarul Central generates the following market claims instructions' types: - FoP (in case the Distribution's outturn consists in securities) - PFoD (in case the Distribution's outturn consists in cash and when securities fractions are cash compensated for Distribution's outturn consisting in securities); The cash payments are performed in the currency defined by the issuer of the underlying security.	N/A

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner	Implemented	N/A	The number of outturn securities in the market claim instruction is rounded down to the nearest whole number. In case fractions occur for the market claim quantity and the respective values are compensated by the Issuer, Depozitarul Central generates an additional PFoD. No further action is taken by Depozitarul Central otherwise.	N/A
	12	In order to be able to identify market claims, a specific ISO transaction type code "CLAI" should be used in the settlement instructions.	Implemented	N/A	The market claims contain the CLAI transaction type code.	N/A
	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 terms of the corporate action received from issuer are passed by Depozitarul Central (acting as Issuer CSD) to all its Participants, including if the case the Investor CSDs.	N/A
	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	When Depozitarul Central acts as Issuer CSD, the amount of cash/securities to be transferred are dependent solely on the number of securities in the underlying transaction (e.g. the standard withholding tax is applied for the cash distributions).	N/A
	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	Implemented	N/A	As Depozitarul Central processes cash market claims through PFoD instructions, the T2S dedicated cash accounts to be credited/debited are automatically derived from the relevant static data.	N/A
	16	Matching is required for all market claims settlement instructions.	Implemented	N/A	The market claim instructions are created unmatched and the matching takes place in T2S.	N/A
	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 market claims include, inter alia, the reference of the underlying settlement instructions and the Corporate Action event reference.	N/A
	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 underlying corporate action.	Implemented	N/A	The trade of the market claim is the same with the one from the underlying transaction while the intended settlement date is the payment date of the Distribution event.	N/A
	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	Depozitarul Central instructs market claim with the same 'on hold'/'released' status as the underlying transaction.	N/A
	20	The standard T2S rules for who can amend settlement instructions should apply.	Implemented	N/A	The standard T2S rules for amending the market claims apply.	N/A
	21	The standard T2S rules for amending settlement instructions should apply.	Implemented	N/A	The standard T2S rules for amending the market claims apply.	N/A
	22	The standard T2S rules for cancelling settlement instructions should apply.	Implemented	N/A	The standard T2S rules for cancelling the market claims apply.	N/A
	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	In T2S, Depozitarul Central generates market claims as following: - with Party Hold if the underlying transaction has the respective status; - released if the underlying transaction has the respective status. DC allows its participants to put the underlying transaction on Party hold (i.e after the DvP cut-off, if it is a DvP instruction) in	N/A

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					order to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	
	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 conditions mentioned into the standard for market claim's settlement, are also applied by Depozitarul Central.	N/A
	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	According to the current Romanian market practice, the transactions can't be partially settled.	N/A
	26	**The standard T2S rules for the recycling period should apply.**	Implemented	N/A	Depozitarul Central fulfils the T2S rules for recycling pending market claims.	N/A
	27	**Each CSD/CCP generating a market claim will report to its own participant.**	Implemented	N/A	Depozitarul Central reports to its participants the generation of their market claims instructions.	N/A
	28	**T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.**	Implemented	N/A	Depozitarul Central provides to its participants reports regarding the settlement status of the market claim, similar with other types of trades.	N/A
Transformations	1	<u>**At the CCP level:**</u> **When agreed with the Instruction Owner CSDs (IOCs)[1] the CCP itself can manage the transformation for CCP transactions via a Power Of Attorney (POA) on the participants' accounts by use of the T2S cancellation and replacement mechanisms.** <u>**At the CSD level (both CSDs of the buyer and the seller are connected to T2S):**</u> **The IOCs will manage the transformation: (i) When the underlying transaction impacts two accounts in the same IOC. The cancellation and replacement will be managed and instructed in T2S by the IOC itself; (ii) In a cross-CSD transaction, each IOC has to cancel the instruction (bilateral cancellation process in T2S) and to send to T2S the new transformed instruction for matching.** <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 can not instruct T2S.**	Implemented	N/A	The transformations are managed by Depozitarul Central (the CSD) in accordance with the standard.	N/A
	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	Depozitarul Central detects and performs the transformation at Record Date/Market Deadline, EoD, and 20 business days afterwards, once a day.	N/A
	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 necessary opt-out mechanisms are in place in accordance with the standard.	N/A
	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 transaction type code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).**	Implemented	N/A	The transformations generated by Depozitarul Central include all the relevant information for their participants (reference of the underlying transaction, "TRAN" ISO transaction type code and the Corporate Action event reference).	N/A
	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 transformation instructions are created unmatched and the matching takes place in T2S.	N/A
	6	**Both IOCs/CCPs should send new instructions to T2S, for matching purposes.**	Implemented	N/A	The transformation instructions are created unmatched and the	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					matching takes place in T2S.	
	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 transformations complies with the standard.	N/A
	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 only characteristics of the transformation that may differ when only a single outturn results are: the quantity of securities, the ISIN and the intended settlement date, in accordance with the standard's provisions.	N/A
	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 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: • 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 only characteristics of the transformation that may differ when multiple outturns result are: the quantity of securities, the cash consideration, the ISIN and the intended settlement date, in accordance with the standard's provisions.	N/A
	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 provisions of standard are met.	N/A
	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	Implemented	N/A	In case fractions occur for the transformation's quantity and the respective fractions are compensated by the Issuer, Depozitarul Central generates an additional PFoD. No further action is taken by Depozitarul Central otherwise.	N/A
	12	The transformed transaction should be instructed with the same status as the underlying transaction.	Implemented	N/A	The T2S transformation is generated with the same status as the underlying transaction.	N/A
	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 partial settlement, ex/cum and opt-out indicators are replicated into the transformation. According to the current Romanian market practice, the transactions can't be partially settled.	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	The manual BP is used in Romanian market so, it is up to participants to comply with the relevant BP standards that are transposed in a BP procedure and within a template to be used for BP instructions. The procedure can be found on Depozitarul Central's website. Furthermore, according to Depozitarul Central's Rulebook the buyer protection mechanism is carried out, in compliance with the applicable provisions included in Market Standards for Corporate Actions Processing, directly between the	N/A

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
					counterparties of a transaction without Depozitarul Central's involvement. The BP procedure respects the standard.	
	2	When a BP requirement is not invoked by the buyer, then the market default rules for elections should apply.	Implemented	N/A	The BP procedure respects the standard.	N/A
	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 BP procedure respects the standard.	N/A
	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 BP procedure respects the standard.	N/A
	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 BP procedure respects the standard.	N/A
	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 BP template includes the relevant information.	N/A
	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 BP procedure respects the standard.	N/A
	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	Implemented	N/A	The template to be used for BP instructions contains the relevant information for participants, as per CAJWG standards' template.	N/A
	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	Implemented	N/A	BP deadline is T+2 (there is no CCP in the Romanian market).	N/A
	10	The BP deadline should be identical across all (I)CSDs in T2S for all securities.	Implemented	N/A	As the BP deadline is set up in accordance with the provisions of standard 9, standard 10 is considered to be met.	N/A
	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	Implemented	N/A	The BP procedure respects the standard.	N/A
	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	Implemented	N/A	The BP procedure respects the standard.	N/A
	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	The BP procedure respects the standard.	N/A
	14	Process for pending transactions on BP deadline: In case of Automated BP mechanism Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.	Implemented	N/A	The BP procedure respects the standard.	N/A

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
		In case of Manual BP mechanism If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.				
	15	Conditions for settlement of protected entitlement In case of Automated BP mechanism The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer). In case of Manual BP mechanism The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).	Implemented	N/A	The BP procedure respects the standard.	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	N/A	The BP procedure respects the standard.	N/A
	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	Implemented	N/A	The BP procedure respects the standard.	N/A
	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	Implemented	N/A	The BP procedure respects the standard.	N/A

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	6	As a general principle, market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction.	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		
Market Claims	9	Market claims should be generated only by the two IOCs (or the CCPs) of the two parties to the transaction. IOCs and CCPs should also generate market claims on behalf of their clients who have access to direct technical connectivity to T2S. Those clients should not generate market claims in T2S.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**IMPLEMENTED**	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A		
Market Claims	18	The market claim should be instructed in T2S by using as trade date of the claim, the same date as the trade date of the underlying transaction. The settlement date of the market claim should be the payment date of the transaction. The settlement date of the market claim should be the payment date of the underlying corporate action.	IMPLEMENTED	N/A		
Market Claims	19	The market claim transaction should be instructed with the same status (i.e. either 'on hold' or 'released') as the underlying transaction.	IMPLEMENTED	N/A		
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A		
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	28	T2S will provide its standard pending/settled transaction reporting. A CSD/CCP may provide additional reporting to its participant.	IMPLEMENTED	N/A		
Transforma tions	1	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. 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. 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.	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	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		

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

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	9	The settlement amount of the transformed (new) instructions should be proportional to the ratio of each outturn securities. In case of multiple outturns (i.e. multiple new ISINs being generated by the transformation process), the new instructions should not be settled as linked settlement in T2S. The transformed instructions should retain the same characteristics (trade date) as those of the underlying transaction with the possible exception of the four following fields in respect with the terms of the reorganisation: • The quantity of securities • The cash consideration should be allocated to the transformed transactions according to the rates provided by the issuer • The ISIN • The settlement date (SD)	IMPLEMENTED	N/A		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A		
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A		
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A		

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

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	**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		

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	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		
Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	IMPLEMENTED	N/A		

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

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

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

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: **[Centrálny depozitár cenných papierov SR, a.s. – CDCP 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.	IMPLEMENTED	N/A	MCs are detected in CDCP for settlement instructions (SI) which are submitted CDCP participants (CDCP is IOC). This statement is applicable for intra CSD and cross-CSD SI.	
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	MCs are detected automatically by CDCP settlement system (IS CDCP) for distributions, which are organized by CDCP and registered in IS CDCP.	
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	IMPLEMENTED	N/A	IS CDCP detecting MCs as the number of days from record date. The number of days is set as system parameter. According to the standard it is set to 20 days.	
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	MCs are detected at the EOD. For the first time on record date and then for next 20 days according to standard.	
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	MCs are detected at the EOD. For the first time on record date and then for next 20 days according to standard.	

May 2018 - T2S Corporate Actions Standards Gap Analysis Update: [Centrálny depozitár cenných papierov SR, a.s. – CDCP 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.	IMPLEMENTED	N/A	MCs are detected for all SI, with the exception of those witch have flag set "opt-out". If SI is unmatched then the flag must be set on both unmatched SI because it is matching criteria of matching algorithm in IS CDCP and in 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.	IMPLEMENTED	N/A	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. Similarly to flag "opt-out" this indicator must be set by both counterparties.	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	MCs detected only for matched SI. This is applicable for intra CSD and cross-CSD SI. In case of cross-CSD, MCs are generated for SI where CDCP is IOC.	
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	MCs are generated automatically for SI by IS CDCP where CDCP is IOC.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**IMPLEMENTED**	N/A	For each outturn of IS CDCP distribution, the separate unmatched MC is generated. Following instructions are generated: **Cash distribution – PFOD.** **Securities distribution – FOP, instruction with issued security.** **Combination of above mentioned distributions – separated PFOD and FOP instructions.** The payment currency (T2S currencies) is determined by registration of CA to IS CDCP.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	IMPLEMENTED	N/A	If the form of outturn is security, IS CDCP gives possibility to define method of dealing with fragments. One of options is to round down to the nearest whole number in accordance with the standard. Further, is possible to state fragments compensation of security (if used the separate PFOD is generated).	
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	Transaction code of all generated MCs is CLAI.	
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	When MCs SI are generated then parameters from CA registration in IS CDCP are applied. In addition there is seev.036 generated for each participant on daily bases for each participant who owns underlying security or security is subject of pending SI. Seev.036 contains information about parameters of ongoing CA and generated MCs SI.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	14	For the settlement of market claim itself (as settled in T2S), the tax statuses of the receiving/delivering accounts should have no direct effect on the amount of cash/securities to be transferred. For a specific ISIN and a specific event, the amount of cash/securities to be transferred should be dependent solely on the number of securities in the underlying transaction. This means that for a specific ISIN and a specific event, the rate of the market claim should always be the same, and should be fixed by the issuer CSD. (*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	When MCs SI to enter process are generated, there are based on the amounts of underlying SI MC. Tax issues are not taken into account when MCs are generated.	
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A	Default DCA of participant is automatically used for settlement of MC SI.	
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	All generated MCs SI are unmatched.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	17	Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily.	IMPLEMENTED	N/A	All generated MC SI contains CA reference and information link to underlying SI.	
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 date of generated MC is the same as trade date of underlying SI, as ISD the payment date of CA is 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	All MCs are generated with PTYH (according to standard number 23).	
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	For amendment of MCs the same rules are applied as for amendment of SI.	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	For amendment of MCs the same rules are applied as for amendment of SI.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	For cancelation of MCs the same rules are applied as for cancelation of SI.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	23	In line with the CAJWG standards, the settlement of a market claim should be independent from the settlement of the respective underlying transaction. However, market infrastructures should provide to their participants a user friendly facility which gives them the option to ensure that the market claim is not settled prior to the settlement of the underlying transaction.	IMPLEMENTED	N/A	MC SI´s life cycle is independent of the underlying SI. MCs are generated with PTYH, in order to provide settlement of underlying SI prior to MCs.	
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	Rules according to standard number 18 are applied and as ISD the payment date of CA is used.	
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 allowed in CDCP generally (applicable for MCs too).	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	The standard rules for recycling of SI are applied.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	IMPLEMENTED	N/A	Daily, during EOD period IS CDCP generates seev.036 for each participant who owns underlying security or security is subject of pending SI. Seev.036 contains information about parameters of ongoing CA and generated MCs SI. The message is generated during whole MC detection period.	
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	All query request criteria used for searching SI can be applied for MC too.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	1	**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. **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. **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.	**IMPLEMENTED**	N/A	**Transformations (TR) are detected in CDCP for settlement instructions (SI) which are submitted CDCP participants (CDCP is IOC). This statement is applicable for intra CSD and cross-CSD SI.** **Underlying SI are automatically cancelled and replaced by new SI according to ongoing CA. Cancelation instruction of counterparty is required to cancel cross-CSD SI.**	
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	**TR is detected by IS CDCP always in EOD period. First time on record date and then daily following the system parameters settings (20 days).**	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	3	As a general principle, transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.	IMPLEMENTED	N/A	TRs are detected for all SI, with the exception of those witch have flag set "opt-out". If SI is unmatched then the flag must be set on both unmatched SI because it is matching criteria of matching algorithm in IS CDCP and in T2S.	
Transformations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	IMPLEMENTED	N/A	Transaction code of all generated TRs is TRAN and every TR SI contains CA reference and information link to underlying SI.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	IMPLEMENTED	N/A	All generated TRs SI are unmatched.	
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	IMPLEMENTED	N/A	All generated TRs SI are unmatched.	
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 ISD the later date of the two (CA payment date/ISD of underlying SI).	
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	Generated TR SI take all characteristics of underlying SI except: - Amount of securities, - ISIN, - ISD.	

Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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	CDCP will generate the transformation instruction in compliance with this standard in case of change of one ISIN into multiple ISINs.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	IMPLEMENTED	N/A	When transformation into cash occurs PFOD TR SI is generated. If underlying SI is DVP, two TRs SI are generated: - PFOD with settlement amount from underlying transaction, - PFOD witch cash outturn,	
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	IMPLEMENTED	N/A	The rule has been implemented in CDCP system.	
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	IMPLEMENTED	N/A	Generated TR SI takes all characteristics from underlying SI including hold indicator.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	IMPLEMENTED	N/A	Generated TR SI takes all characteristics from underlying SI including partial settlement (always "no" value), ex/cum, and opt-out indicator.	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	4	As per scope in the introduction, all transactions still pending on BP deadline in securities which are subject to a corporate action and a BP regime in the CSD of Issuance can be subject to a BP mechanism.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	6	The buyer should include in BP instructions, references to the underlying CA and the underlying transaction to which the CA applies (securities trade or other)	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	9	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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
Buyer Protection	11	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Buyer Protection	12	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Buyer Protection	14	Process for pending transactions on BP deadline: **In case of Automated BP mechanism** Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation. **In case of Manual BP mechanism** If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation.	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	15	**Conditions for settlement of protected entitlement** **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**IMPLEMENTED**	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	
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	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	IMPLEMENTED	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Buyer Protection	18	Settlement of BP instructions should take place as specified in the T2S transformations standards.	IMPLEMENTED	N/A	Regarding to the newest Rules of Operations CDCP will not provide automatized buyer protection. Manual buyer protection is provided on bilateral basis between buyer and seller. However distributions and reorganisations with options are not common for Slovak market. BP key data are part of the CSD operating rules, which are published on www.cdcp.sk. English version: https://www.cdcp.sk/en/about-cdcp/documents/rules-of-operation/ Slovak version: https://www.cdcp.sk/dokumenty/prevadzkovy-poriadok/	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	1	For a given transaction, a market claim should be detected by the two Instruction Owners CSDs (IOCs), or the CCP(s) where applicable, of the two counterparties in the transaction.	**IMPLEMENTED**	N/A	MCs are detected by the two Instruction Owners CSDs (IOCs), if applicable. This statement is applicable for intra CSD and cross-CSD SI.	
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	MCs are detected manually. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
Market Claims	3	Maximum time period for claim detection: 20 T2S opening days from record date.	**NOT IMPLEMENTED**	Major Technical Change	MCs are detected manually with max time period for claim detection 20 T2S opening days from Record date. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	4	Market claims should be detected after the close of business on record date and during the rest of the claims detection period.	**NOT IMPLEMENTED**	Major Technical Change	Market claims are manually detected after the close of business on record date and during the rest of the claims detection period. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	MCs are manually detected at the EOD. For the first time on record date and then for next 20 days. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	MCs are detected for all SI, with the exception of those witch have flag set "opt-out.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	7	Counterparties in the underlying transaction may choose to include the ex/cum indicator only if they want to deviate from the standard market claim procedure, as described in the CAJWG standards.	IMPLEMENTED	N/A	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	
Market Claims	8	As per CAJWG standards, market claims should be detected only for matched instructions (i.e. irrevocable transactions).	IMPLEMENTED	N/A	MCs are detected only for matched SI	
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	MCs are generated manually for SI by IS NCDCP where NCDCP is IOC. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	10	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 delivery) (ii) Payment free of delivery (PFOD) transfer of cash; The payment currency of the (cash) market claim should be the same as the currency of the original corporate action. The currency of the original corporate action is defined by the issuer of the underlying security. In case the currency of the corporate action payment is not a T2S Settlement Currency, then the counterparties in the underlying transaction should decide between them how to settle the cash entitlement outside T2S.	**IMPLEMENTED**	N/A	For each outturn of IS NCDCP distribution, the separate unmatched MC is generated. Following instructions are generated: **Cash distribution – PFOD.** **Securities distribution – FOP** The payment currency of the (cash) market claim is the same as the currency of the original corporate action	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	11	When the generation of a market claim instruction results in outturn securities fractions, the number of outturn securities in the market claim instruction should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for remaining securities fractions, then no further action is required by IOC b) In case the issuer compensates investors for remaining securities fractions with cash, an additional PFOD transaction should be generated by IOC transferring cash to the beneficial owner.	**NOT IMPLEMENTED**	Major Technical Change	In case of the generation of a market claim instruction results in outturn securities fractions, generally NCDCP will provide the rounding in accordance with the standard. **Compensation for remaining securities fractions with cash if possible (PFOD transaction is generated).** **For fully automated process see comment.**	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	Transaction code of all generated MCs is CLAI.	

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	NCDCP uses the same rule to generate MC for any individual ISIN or individual category of securities.	

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	Tax issues are not taken into account when MCs are generated.	
Market Claims	15	The CSDs/CCPs generating the market claim will identify which T2S dedicated cash accounts should be used.	IMPLEMENTED	N/A	DCA of participant is used for settlement of MC SI.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	16	Matching is required for all market claims settlement instructions.	IMPLEMENTED	N/A	Matching is required for all market claims settlement instructions. MCs are generated manually for SI by IS NCDCP where NCDCP is IOC.	
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	All generated MC SI contains CA reference and information link to underlying SI. MCs are generated manually for SI by IS NCDCP where NCDCP is IOC.	
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	Trade date of generated MC is the same as trade date of underlying SI and ISD MC is the same as the payment date of the underlying corporate action. MCs are generated manually for SI by IS NCDCP where NCDCP is IOC. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	MCs transaction is instructed with the status 'on hold' MCs are generated manually for SI by IS NCDCP where NCDCP is IOC.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	20	The standard T2S rules for who can amend settlement instructions should apply.	IMPLEMENTED	N/A	For amendment of MCs the same rules are applied as for amendment of SI.	
Market Claims	21	The standard T2S rules for amending settlement instructions should apply.	IMPLEMENTED	N/A	For amendment of MCs the same rules are applied as for amendment of SI.	
Market Claims	22	The standard T2S rules for cancelling settlement instructions should apply.	IMPLEMENTED	N/A	For cancelation of MCs the same rules are applied as for cancelation of SI.	
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	MC SI´s life cycle is independent of the underlying SI. MCs transaction is instructed with the status 'on hold', in order to provide settlement of underlying SI prior to MC SI. For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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 conditions are: The payment date has been reached and resources (cash and/or securities) are available.	

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Market Claims	25	There should be no partial settlement for market claims in cash. Partial settlement should be limited to market claims in securities and take into account the standard T2S rules for partial settlement. Partial settlement indicator of the market claim should replicate the one of the underlying transaction.	IMPLEMENTED	N/A	Partial settlement for MC is not allowed	
Market Claims	26	The standard T2S rules for the recycling period should apply.	IMPLEMENTED	N/A	The standard rules for recycling of SI are applied.	.
Market Claims	27	Each CSD/CCP generating a market claim will report to its own participant.	NOT IMPLEMENTED	Major Technical changes	Each market claim is reported to participant manually.

For fully automated process see comment. | The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019. |
| 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 | All query request criteria used for searching SI can be applied for MC too. | |

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transform ations	1	**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. **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. **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.	**NOT IMPLEMENTED**	**Major Technical Change**	**Currently, IS NCDCP does not allow the cancellation and replacement instruction by NCDCP on behalf of participants.** **For fully automated process see comment.**	**The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.**

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	2	The transformation process shall take place by end of record date or market deadline and during the rest of the transformation detection period (i.e. 20 T2S opening days after the record date/market deadline).	**NOT IMPLEMENTED**	Major Technical Change	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transform ations	4	IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the "TRAN" ISO settlement transaction condition code, and CSD corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).	NOT IMPLEMENTED	Major Technical Change	Transaction code TRAN is already implemented in IS NCDCP, however compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	5	CSD/CCP may match locally the new instructions related to the transformation and send them to T2S as already matched for settlement or send them as separate instructions for matching in T2S.	NOT IMPLEMENTED	Major Technical Change	Generated TRs SI will be unmatched., however compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
Transformations	6	Both IOCs/CCPs should send new instructions to T2S, for matching purposes.	NOT IMPLEMENTED	Major Technical Change	Generated TRs SI will be unmatched., however compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
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	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	8	The transformed instructions should retain the same characteristics (trade date, cash consideration) as those of the underlying instruction with the possible exception of the three following fields in respect with the terms of the reorganisation: (i) The quantity of securities; (ii) The ISIN; (iii) The settlement date (SD).	NOT IMPLEMENTED	Major Technical Change	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
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 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: • 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	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	10	The cash transfer(s) settlement instructions should retain the same characteristics as those of the underlying transaction. If the instruction of the underlying transaction was against payment, two new instructions, in opposite directions, will be created; one for the settlement amount and one for the cash outturn. The transfers should not be linked. If the instruction of the underlying transaction was free of payment, only one transfer, for the cash outturn, will be created.	NOT IMPLEMENTED	Major Technical Change	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	11	When the transformation results in outturn securities fractions, the number of securities should be rounded down to the nearest whole number. Furthermore: a) In case the issuer does not compensate investors for the remaining securities fractions, then no further action is required by the IOCs b) In case the issuer compensates investors for remaining securities fractions with cash, then an additional PFOD transaction should be generated by the IOCs	**NOT IMPLEMENTED**	**Major Technical Change**	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.
Transformations	12	The transformed transaction should be instructed with the same status as the underlying transaction.	**NOT IMPLEMENTED**	**Major Technical Change**	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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Type of Events	Std No.	Standard Description	CSD/Market Status	Type of Implementation Gap	Further Comments	Implementation Plan
Transformations	13	The new transformed transaction should ensure that the following indicators are correctly replicated: (i) Partialling indicator of the original transaction instruction; (ii) Ex/cum indicator; (iii) Opt-out indicator related to the market claim creation.	NOT IMPLEMENTED	Major Technical Change	Compliance with this Std is under condition as described in Std No.1 For fully automated process see comment.	The NCDCP has adopted an implementation plan (as a part of release plan, approved by the BOD). Implementation is divided into 2 phases (market claims, transformation). NCDCP functional input is already presented to the IT developer. The technical analysis and pricing is in the process. The expected implementation in 2019.

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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller.\n\n With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller.\n\nWith respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller.\n\nWith respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller.\n\n With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.

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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in IV. Quarter 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**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
Buyer Protection	8	It is recommended that the ISO20022 standards are referred to as the basis for such BP instructions.	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.

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; • business day 4 = T+3: buyer protection deadline; • business day 5 = T+4 market deadline BP deadlines for Manual BP mechanism For BP instructions from actors other than CCPs, the BP deadline is T+n. For BP instructions from CCPs the BP deadline is T+n+1 hour	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
Buyer Protection	10	The BP deadline should be identical across all (I) CSDs in T2S for all securities.	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.

Buyer Protection	**11**	The BP instruction itself can only be amended by the buyer, before the BP deadline.	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
Buyer Protection	**12**	Only the BP election (i.e. corporate action option) can be amended in the BP instruction.	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.

| Buyer Protection | 14 | Process for pending transactions on BP deadline:

In case of Automated BP mechanism

Transactions attached with a valid BP that are still pending at the BP deadline should be frozen (put on hold) by the IOCs until their transformation on market deadline/record date. The Transformation of the underlying transaction should be carried out by the IOCs, in accordance with the BP instruction, at the Market Deadline / Record Date of the voluntary reorganisation.

In case of Manual BP mechanism

If the CSD does not provide an automated BP service, then buyer and seller shall cancel the underlying transaction and re-instruct, in accordance with the BP instruction, at the market deadline / record date of the voluntary reorganisation. | **NOT IMPLEMENTED** | Other | **NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller.**

With respect to market practices distributions and reorganisations with options are not common for Slovak market. | **NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.** |

Buyer Protection	15	Conditions for settlement of protected entitlement **In case of Automated BP mechanism** **The IOC will set on hold (freeze) and transform in T2S the underlying transaction based on BP instruction it receives (from the buyer).** **In case of Manual BP mechanism** **The buyer and seller shall amend the underlying transaction (as per current practice: cancel and re-instruct).**	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
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	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.
Buyer Protection	17	The Settlement Date (SD) of the protected entitlements should be the payment date of the underlying CA.	**NOT IMPLEMENTED**	Other	NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market.	NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019.

| Buyer Protection | 18 | Settlement of BP instructions should take place as specified in the T2S transformations standards. | NOT IMPLEMENTED | Other | NCDCP will not provide automatized buyer protection. NCDCP is going to provide manual buyer protection on bilateral basis between buyer and seller. With respect to market practices distributions and reorganisations with options are not common for Slovak market. | NCDCP´s Operation Rules governing BP procedures will be modified and enters into force in 2019. |