

FrontLine SIX x-clear Ltd

Update: Postponed effective date for partial settlement and top priority for CCP transactions at Euroclear Finland

1.0 Overview

Euroclear Finland is in the course of providing harmonized settlement process according to the T2S standards in its system Infinity. They will offer automated partial settlement and assignment of the top priority for CCP netted transactions as of 7 October 2019 (intended settlement date). SIX x-clear Ltd as a direct participant of Euroclear Finland will therefore follow the relevant procedures.

2.0 Effective date

The effective date for the aforementioned services of Euroclear Finland is 7 October 2019 (intended settlement date). **SIX x-clear Ltd. will send settlement instructions in the new format** including the partial settlement and priority indicators for transactions **with the trade date of 7 October 2019 (Monday) onwards**, as Euroclear Finland will ignore those indicators for transactions with the trade date up to 4 October 2019 (Friday).

3.0 Impact on participants

There are no technical changes for SIX x-clear Ltd caused by the implementation of the relevant procedures from Euroclear Finland. The partial settlements will be indicated with "PARQ" in all MT54x reports of SIX x-clear Ltd.

3.1 Automated partial settlement

The partial settlement indicator for Clearing Members of SIX x-clear Ltd is "PARQ" as other T2S settlements. SIX x-clear Ltd strongly recommend its Members to use "PARQ" in their leg of settlement instructions.

As WITH-linked or pooled instruction's references are not eligible for partial settlement at Euroclear Finland, SIX x-clear Ltd will continue handling such instructions manually.

3.2 Top Priority for CCP netted transactions

Euroclear Finland allows four different levels of priority on settlement instructions. The level "0002-Top priority" is set to the CCP netted transactions automatically by Infinity.

4.0 (Member) testing

The testing window between Euroclear Finland and its participants was between 31 July and 30 August 2019. The optional testing between SIX x-clear Ltd and its Clearing Members was from 2 until 30 August 2019.

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5.0 Further information

SIX x-clear Ltd will update and publish the following documents on due time, and under the following path:

1. "Service Description SIX x-clear Ltd. CCP Clearing Services for Equity Transactions for Members on SECOM", Section 9.1.1. "Settlement organization". In addition, Section 9.5.2 "Settlement of non-Swiss securities" has been updated in this course, although not related to any process changes at Euroclear Finland.

www.six-group.com > Login > Securities Services Private > Download center

2. "Finland - User Guide", Section 2 "Settlement Guide"

www.six-group.com > Exchange Services > Securities Services > Clearing > Member Information > Market Information > User Guides

3. "Manual Partial Settlement and Splitting", which is a new user guide.

www.six-group.com > Exchange Services > Securities Services > Clearing > Member Information > Market Information > User Guides

Clearing Members can find additional information on the websites of Euroclear Finland.

6.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details are mentioned in the list of SIX SIS contacts published at www.six-group.com > Login > Securities Services Private > Contacts > SIX SIS > List of SIX SIS contacts.

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f., chapter 17.0 and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.