

## FrontLine SIX x-clear AG

### **SIX x-clear's New Clearing Platform (SCP): Migration guide for Clearing Members currently connected to the CLARA system (phase 1) – Update**

#### **1.0 Overview**

Since the acquisition of the Oslo Clearing business, SIX x-clear AG (SIX x-clear) has been working with two IT Clearing platforms, SECOM and CLARA. The two systems use different risk models, and both have to fulfil multiple regulatory regimes and be flexible and compliant with future requirements. SIX x-clear took the decision to consolidate the IT Clearing architecture and migrate the two clearing platforms to the next-generation Clearing platform with the SIX Clearing Platform (SCP) project. With the SCP, SIX x-clear is optimizing processing capabilities as well as enhancing and aligning the risk models.

The implementation of the SCP is scheduled in two phases. In phase 1, it is planned to replace the CLARA platform historically serving the Nordic Clearing Members in Sweden, Finland, Norway and Denmark. From a Clearing Member perspective, in phase 1 only Clearing Members currently connected to the CLARA platform are required to migrate.

In a second phase, the Clearing platform embedded in SECOM will be replaced. As of the completion of phase 2, all SIX x-clear Clearing Members will be migrated to the SCP, which will mark the completion of the migration and the SCP project.

**The focus of this document is phase 1 of the migration. The target audience consists of Clearing Members that are currently connected to the CLARA platform. Clearing Members currently connected to the SECOM platform will be informed and prepared for migration at a later stage. This FrontLine provides information about the new timeline for phase 1 of the production go live and the adjusted migration plan.**

Please refer to the detailed plan in section 4, which describes the milestones and most crucial phases the migration.

#### **2.0 Effective date**

Valid from 28 March 2022.

It is planned that Clearing Members currently connected to the CLARA system will be migrated to the SCP on 28 March 2022. This document is describing the activities during the migration weekend between 25 March 2022 (after end-of-day) and 28 March 2022 (start-of-day).

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### 3.0 Impact on participants

The engagement of Clearing Members before, during and after the migration weekend is a crucial factor for a successful migration to the new clearing system. See chapter 4.0 *Details* for a detailed description of all migration activities: data migration, migration activities by SIX x-clear and migration activities required by Clearing Members.

### 4.0 Details

#### Data Migration

All data considered “static data” such as participants, accounts, SSIs, message/report subscriptions etc. are in scope of the migration and will be migrated to the new system in the run-up to the migration weekend, in the so-called “Pre-Production migration phase”.

With regard to transaction data, i.e. all data related to a Member’s clearing and settlement activity, only “active” data will be migrated during the migration weekend. This means that settlement instructions which are not in a terminal state after the close of business on Friday, 25 March 2022 will be migrated. Instructions that are already settled or cancelled at that point, will not be migrated. Trade history is not part of the migration scope but can be reconciled from the CLARA system for a certain period of time after the migration. The following data objects are in the scope of the “active” data migration:

- Open settlement instructions (including open buy-in instructions)
- Claim instructions
- Default Fund Requirements
- Collateral Balances (margin, Default fund, LME)

All reports and messages that Clearing Members are expecting to receive from SIX x-clear for the business day Friday, 25 March 2022 (e.g. end of day reports) will still be produced by the CLARA system.

The Central Securities Depositories Regulation (CSDR) penalty reports received in CLARA will not be migrated to the SCP system. For the business month of February, Members will receive the consolidated monthly report from the CLARA application. For the business month of March, Members will receive two consolidated monthly reports: one from CLARA for penalties received until 25 March 2022 and one from SCP for penalties received as of 28 March until the end of March. Starting for the business month of April, Members will receive only one consolidated monthly report from SCP.

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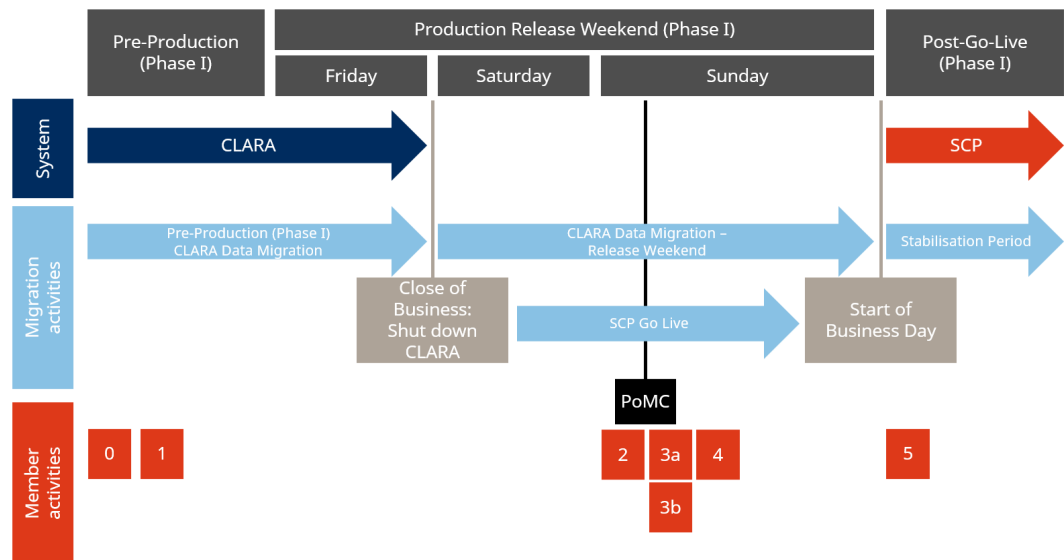
## Migration Activities performed by SIX x-clear on the release weekend

Between the close of business on Friday, 25 March 2022 and the start of business on Monday, 28 March 2022, the following activities will be performed:

- Migration of "active" data (as described above)
- Activation of the SCP interface with all external entities
- Execution of final SCP productive testing activities (no Member impact)
- Communication of GO / NO GO decision to all stakeholders

## Migration Activities required by Clearing Members

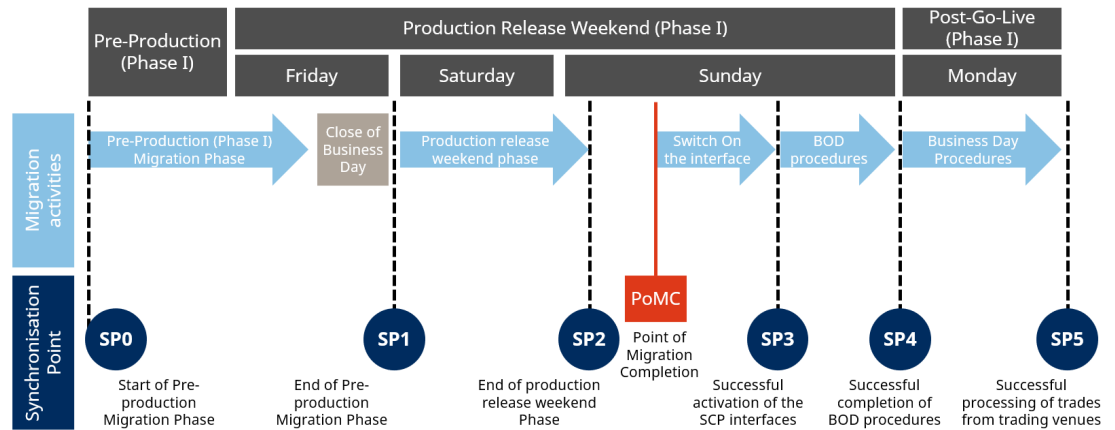
Please find an overview of activities where Clearing Member engagement is required below, followed by a detailed description of each activity.





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Please find an overview of the high-level processes involved during the migration and the corresponding SPs:



The following are the contingency scenarios and the corresponding procedures and actions.

**Scenario 1:** Production live date is postponed due to unexpected/unforeseen situations

Timeline	Fall-back procedure / mitigation action
Before migration weekend (before SP1)	Production release weekend migration activities will be stopped until a new production live date is agreed.
During Production release weekend (before PoMC)	The data migrated as part of the Production release weekend activities will be discarded (rolled back) from the SCP application. The current CLARA application will restore the interface and continue to function like before the migration weekend. Members with pending cash collateral deposit/withdrawal instructions are required to reinstruct new cash collateral deposit/withdrawal instructions in the CLARA application as the pending instructions would have been cancelled by SIX x-clear after SP1 (after the EOD process on Friday, 25 March 2022).

**Scenario 2:** One or more Members are not ready for production go live. This scenario and the corresponding procedures only occur in exceptional circumstances. If a Member identifies issues that would prevent the Member from being ready for the migration, the Member must contact SIX x-clear immediately. It will be SIX x-clear's sole decision if the scenario and the fall-back procedures are initiated.

Timeline	Fall-back procedure / mitigation action
Before migration weekend (before SP1)	Production release weekend migration activities will be stopped until a new production live date is agreed.
During Production release weekend (after SP1)	It will not be possible to stop/postpone the Production live date. The migration will continue as planned.

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### Scenario 3: Migration of incorrect data

Timeline	Fall-back procedure / mitigation action
During Production release weekend (before PoMC)	The incorrect data migrated as part of the Production release weekend will be discarded (rolled back) from the SCP application. Erroneous data will be corrected and migration will be resumed.
During Production release weekend (after PoMC)	Analyze the possibility of fixing the data issues in time. If possible, the issue will be fixed and the migration will continue. If not possible, the migration will be rolled back and the current CLARA application will restore the interface and continue to function like before the migration weekend. Members with pending cash collateral deposit/withdrawal instructions are required to reinstruct new cash collateral deposit/withdrawal instructions in the CLARA application as the pending instructions would have been cancelled by SIX x-clear after SP1 (after the EOD process on Friday, 25 March 2022).

### Scenario 4: Unforeseen errors encountered

Timeline	Fall-back procedure / mitigation action
During Production release weekend	Analyze the possibility of fixing the issues in time. If possible, the issue will be fixed and the migration will continue. If not possible, the migration will be rolled back and the current CLARA application will restore the interface and continue to function like before the migration weekend.
On the first business day after the PoMC and Production go live (unable to complete the BOD processes or unable to process trade inputs or similar issues)	SIX application teams are expected to fix the issue by all means necessary and continue the business day execution. In case of a severe issue that can't be fixed in a predefined short duration, the migration will be rolled back and the current/old CLARA application will restore the interface and continue to function like before the migration weekend. Members with pending cash collateral deposit/withdrawal instructions are required to reinstruct new cash collateral deposit/withdrawal instructions in the CLARA application as the pending instructions would have been cancelled by SIX x-clear after SP1 (after the EOD process on Friday, 25 March 2022). Any reports and messages that may be created by the SCP shall be ignored by the Members in this scenario.

## 5.0 Contact

If you have any further questions to this document, please contact [xclear.no@six-securities-services.com](mailto:xclear.no@six-securities-services.com).

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In case of any uncertainties or problems during the migration weekend, the Command Center SCP will be available. Please contact the Command Center SCP at [CommandCenterSCP@six-group.com](mailto:CommandCenterSCP@six-group.com) or +47 2 317 9600.

In this context, SIX x-clear AG draws the Members' attention to **clause 7.1 and chapter 16.0** (liability) of the Rulebook of SIX x-clear AG stipulating that the Member is responsible for compliance with the applicable laws (in particular domestic and foreign tax, foreign exchange and stock market regulations as well as with company law and articles of association) with respect to the Clearing services obtained from SIX x-clear AG.