

FrontLine SIX x-clear Ltd

Migration of DKK settlement to T2S platform - Update

1.0 Overview

As part of T2S Migration Wave 3, the Danish CSD VP Securities migrated its EUR-denominated securities settlement to the T2S platform on 12 September 2016. VP Securities will migrate the settlement of securities denominated in Danish krone (DKK) to the T2S platform. SIX x-clear Ltd leverages the services of SIX SIS Ltd as its settlement agent for DKK settlement at T2S.

This update provides further details on the migration approach and that Clearing Members have to submit their Settlement Standing Instructions (SSI) by no later than 22 October 2018 if there is any change.

2.0 Effective date

29 October 2018.

3.0 Impact on participants

Clearing Members have to submit SIX x-clear Ltd's "Settlement standing instruction (SSI)" (Form 002C for SECOM Members / Form 002E for CLARA Members) **by no later than 22 October 2018** if there is any change in their SSIs.

The SSI details of SIX x-clear Ltd for settlement in the Danish market remain unchanged.

Testing needs to be performed by Clearing Members and, if successful, confirmed by submitting SIX x-clear Ltd's form 003 "Confirmation of technical and operational readiness". Further details on the mandatory testing are outlined in the FrontLine published on 28 May 2018: FrontLine SIX x-clear Ltd: Migration of DKK settlement to T2S platform.

4.0 Migration approach

4.1 Migration

SIX SIS Ltd will hold back its settlement instructions on behalf of SIX x-clear Ltd starting from Friday, 26 October 2018, 17:30 (CET). The instructions will be migrated and then released to VP Securities on Sunday, 28 October 2018. Instructions pending at VP Securities will be migrated by VP Securities. VP Securities will then route the T2S-eligible instructions to the T2S platform.

SIX x-clear Ltd's counterparties do not have to re-instruct their leg of the pending settlement instructions in the T2S platform. Settlement instructions of SIX x-clear Ltd

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will be routed with the partial settlement indicator "PARQ". It is mandatory for Clearing Members or their settlement agents to input the partial settlement indicator "PARQ" when instructing against SIX x-clear Ltd at T2S.

4.2 Reporting

The SIX x-clear Ltd member reporting for the trade date 26 October 2018 will follow the standard SIX x-clear Ltd reporting schedule.

For the pending settlement instructions created on or before 26 October, 17:30 (CET), the corresponding reports (RDXO436, RDXO437, RVXO443) generated by SIX x-clear Ltd will have the same settlement details as applicable during the creation of the settlement instruction.

For settlement instructions created after 26 October, 17:30 (CET) the reports generated by SIX x-clear Ltd will have the SSIs as applicable for T2S settlements.

5.0 References

- FrontLine SIX x-clear Ltd: Migration of T2S MW3 markets to T2S platform, published on 23 June 2016.
- FrontLine SIX x-clear Ltd: Migration of DKK settlement to T2S platform, published on 28 May 2018.
- The updated Settlement User Guide for SIX x-clear Ltd settlements will be available at the beginning of October 2018 at www.six-group.com > Exchange Services > Securities Services > Clearing > Member Information > Market Information > User Guides > Denmark – User Guide | xcl-704.

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 > Exchange Services > Securities Services > Clearing > 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 SIX x-clear Ltd 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.