

FrontLine SIX x-clear Ltd

CSDR

Central Securities Depositories Regulation (CSDR) – Settlement Discipline Regime: Potential further postponement of CSDR settlement discipline

1.0 Overview

Due to the impact of the COVID-19 pandemic on the implementation of regulatory projects and IT deliveries as well as other reasons, the European Securities and Markets Authority (ESMA) is working on a proposal to postpone the enforcement of the CSDR settlement discipline. ESMA is acting upon the request of the European Commission. The new proposed date of entry into force is expected to be 1 February 2022.

SIX x-clear Ltd (SIX x-clear) will publish another FrontLine should new important information about the effective date become available.

2.0 Effective date

ESMA is working on a proposal to further postpone the CSDR Settlement Discipline until 1 February 2022. In this regard, please monitor ESMA's own communications for the most up-to-date information.

3.0 Impact on Members

This FrontLine is of a merely informative nature.

4.0 Details

CSDR aims to improve securities settlement in the European Union by harmonizing certain aspects of the settlement cycle and settlement discipline and providing a set of common requirements for CSDs. In particular, CSDR intends to reduce failures of securities transactions by introducing a standardized penalty and buy-in regime. The details are regulated in the Regulatory Technical Standards on Settlement Discipline (SD RTS). CSDR not only impacts CSDs but all parties involved in the settlement lifecycle. As a provider of clearing services in the EU, SIX x-clear is therefore affected by CSDR. SIX x-clear is making great efforts to support its Members in their preparation for the changes resulting from the CSDR settlement discipline regime as far as they relate to CCPs. SIX x-clear is keen to help its Members master the transition as smoothly as possible, and will strive to answer any questions Members may have as promptly as possible.

More information on CSDR, its implementation and impact on SIX x-clear's Members can be found in the following two documents:

- **SIX x-clear's Red Paper:** www.six-group.com > The Swiss Stock Exchange > Post-Trade > Profile > Publications > 2020 > The Impact of CSDR Settlement Discipline on SIX x-clear - Swiss Stock Exchange Red Paper

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- **Q&A:** www.six-group.com > The Swiss Stock Exchange > Post-Trade > Clearing > Member Information > Market Information > Q&A CSDR Settlement Discipline Regime

5.0 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 **clause 7.1** and **chapter 16.0** (liability) of the Rulebook of SIX x-clear Ltd 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 Ltd.