



Annex 8 to the GTC of OeKB CSD

Guideline Settlement and Securities Account Administration

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Revision History

| Version | date | Chapter | Changes |
|---------|-------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------|
| V1.0 | 06.02.2017 | all | Effective as Annex 8 to the GTC of OeKB CSD |
| V1.1 | 24.03.2017 | 7.1.6, 7.1.9 | Written specification without changes of content |
| V1.2 | 25.04.2017 | 7.2.1 | Amendment of the cash account from T2S DCA to Euro commercial bank account held with OeKB CSD GmbH |
| | | 7.3 | Physical: Amendment of the creation of the Intended Settlement Date |
| | | 7.1.9.1 | Addition of the recycling period for unilateral cancellation instructions relating to matched settlement instructions |
| | | 6. and 6.4 | Daily processing: additional partial settlement window at 08:00 a.m. |
| V1.3 | 15.01.2018 | 7.2.2 | Clarification concerning transaction type External and possible securities account category |
| V1.4 | 11.06.2018 | 7.3.1 and 7.3.2 | Clarification concerning transaction type Physical, instruction types Deposit and Withdrawal |
| V1.5 | 01.08.2019 | 3.2.3 | No mapping for old Securities Account Number |
| | | 5 | Clarification for DKK |
| | | 7.3 | Clarification for cancellations and ISD >= Maturity Date |
| | | 7.3.1 | Mention of additional functionality offered by DTG & cancellation after 20 days |
| | | 7.3.2 and 7.3.4 | 3 p.m. cancellation |
| | | 8.1 | Detailing of restriction types |
| | | 8.5 | Chapter heading "Change Global Certificate" deleted |
| | Valid as of T2S Release 3.2 per November 18 th , 2019 | 7.1.3.1 | Setting & Modification of Status Hold/Release due to Partial Release |
| | Valid as of December 09 th , 2019 | 6 | Figure Daily Processing Settlement: Change of the partial settlement window due to Partial Release |
| V1.6 | Valid as of T2S Release 3.2 per November, 18 th , 2019 | 7.1.3.1 | Modification of Status Hold/Release due to Partial Release |
| V1.7 | Valid as of T2S Release 4.0 per June 15 th , 2020 | 7.1.6.4 | Matching tolerances for foreign currencies added |
| V1.8 | Valid as of July 13 th , 2020 | 7.1.12 | Recycling and automatic cancellation of instructions by system for transaction type Cross, Intra added |

| Version | date | Chapter | Changes |
|--------------|----------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------|
| V1.9 | Valid as of November 23 rd , 2020 | 5, 7.1, 7.2.2, 7.2.10 | OeKB CSD is no longer supporting instructions types DVP & RVP of the transaction type External |
| V1.10 | Valid as of February 1 st , 2021 | 7.1.6.4 | Update of Matching Tolerances of the currencies GBP and USD (> 100.000) |
| V1.11 | Valid as of June 14 th , 2021 | 4.2.1, 7.2.2, 9 | Clarification of the options to block the processing of instructions. |
| V1.12 | Valid as of November 7 th 2022 | 1, 3, 7, 8, 10; 7.3 | Change of name of Annex 18; Chapter 7.3 (Physical) was deleted |

1. Introduction

In regard to its functions settlement and securities account administration OeKB CSD employs the IT platform TARGET2-Securities (T2S).

T2S is an European IT platform which

- has been developed by the German, Italian, French and Spanish central banks (4CB, 4 Central Banks) on behalf of the Eurosystem;
- is being implemented for the settlement of instructions for securities transactions and for securities account administration by more than 20 Central Securities Depositories (CSDs) within the framework of an IT services agreement (Framework Agreement concluded between each CSD and the Eurosystem); and
- is used by the central banks for holding cash accounts.

1.1 Objective

Annex 8 Guideline Settlement and Securities Account Administration describes the services and processes related to the processing of instructions for securities transaction (settlement) and to securities account administration using T2S.

Additional in-depth information is provided in Annex 17 User Manual Settlement Client and in Annex 18 SWIFT Manual.

1.2 Contents

Annex 8 Guideline Settlement and Securities Account Administration outlines the methods of communication of the customers of the OeKB CSD (OeKB CSD participants) with the OeKB CSD as regards its functions settlement and securities account administration. It provides an overview of the OeKB CSD's scope of services and describes the processes involved with the booking of cash and securities. It also includes a detailed description of the individual transaction types and instruction types.

Annex 8 Guideline Settlement and Securities Account Administration will be updated regularly with new information about the future OeKB CSD Services. The latest version will be published on our website and information emails will be sent at regular intervals.

1.3 Interrelationship of Annex 8 Guideline Settlement and Securities Account Administration with other Documents

| Document | Brief Description |
|------------------------------------------------------|-------------------------------------------------------------------------------------|
| Annex 17 User Manual Settlement Client | Description of the settlement client user interface |
| Annex 18 SWIFT Manual | SWIFT standards |
| Annex 25 Using T2S for Transaction Management | Description of the transaction management in the Austrian capital market using T2S. |
| <u>T2S User Handbook</u> | Description of the T2S user interface (T2S GUI) |

1.4 Acronyms and Terms

| Acronym/Term | Description |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ISO 15022 | ISO standard for SWIFT messages – ISO 15022 specifies the (older) FIN format. Message designations are given in the format MTnnn, e.g. MT540 |
| ISO 20022 | ISO standard for SWIFT messages – ISO 20022 specifies the (newer) MX format. Message designations are given in the format aaaa.nnn.nnn, e.g. sese.023.003, with the message type usually being referenced without the last three digits, which are only used for versioning purposes |
| A2A | Application to application (communication with the T2S System using ISO 20022 messages); see also U2A |
| APMT | Against Payment - SWIFT Code used to identify instruction types (ISO 20022) |
| BIC | Bank Identifier Code, e.g. OEKOATWWXXX for OeKB |
| CB | Central Bank |
| CCP | Central Counterparty |
| CCP.A | Central Counterparty Austria |
| CoSD | Conditional Securities Delivery |
| OeKB CSD | OeKB CSD GmbH (Securities Depository) |
| OeKB CSD Participant | Securities account holder with the OeKB CSD |
| DCA | Dedicated Cash Account |
| DCP | Directly Connected Participant – a participant with a direct technical connection to T2S |
| DEAG | Delivering Agent - deliverer of settlement instructions |

| Acronym/Term | Description |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------|
| DELI | Deliver - SWIFT Code for delivery of securities |
| DFP | Delivery Free of Payment - delivery of securities without payment |
| DPH | Physical Deposit - physical deposit of securities in the vault |
| DVP | Delivery Versus Payment - delivery of securities versus payment |
| DWP | Delivery with Payment - delivery of securities together with payment (as opposed to securities delivery "versus" or "free of" payment) |
| EOD | End of Day |
| FOP | Free of Payment - securities delivery/receipt without payment |
| Cash Account | An OeKB CSD Participant's account; it is used to debit or credit payments |
| Counterparty | Two OeKB CSD Participants settling their transactions via OeKB |
| IBAN | International Bank Account Number |
| ICP | Indirectly Connected Participant – a participant with an indirect technical connection to T2S |
| ISD | Intended Settlement Date - the date on which the instruction should be booked |
| ISIN | International Securities Identification Number |
| ISO | International Standards Organisation |
| MSA | Market Specific Attribute - an attribute defined in the T2S master data for a specific CSD |
| MT | Message Type (in SWIFT ISO 15022 messages) |
| MX | Message Type in XML Syntax (in SWIFT ISO 20022 messages) |
| NTS | Night-Time Settlement (part of the T2S daily processing) |
| OeNB | Oesterreichische Nationalbank |
| PFD | Payment Free of Delivery - payment without the delivery of securities |
| PREA | Preadvice - settlement instructions sent as PREA receive status "hold" in T2S |

| Acronym/Term | Description |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| REAG | Receiving Agent - receiver within settlement instructions |
| RECE | Receive - SWIFT Code for receipt of securities |
| RFP | Receive Free – receipt of securities without payment |
| RTS | Real-Time Settlement (part of the T2S daily processing) |
| RVP | Receive Versus Payment - receipt of securities versus payment |
| RWP | Receive with Payment - receipt of securities together with payment (as opposed to securities receipt "versus" or "free of" payment) |
| SOD | Start of Day |
| T2S | TARGET2-Securities (settlement platform of the Eurosystem) |
| TARGET2 | Trans-European Automated Real-time Gross Settlement Express Transfer System is the second generation of the TARGET payments transaction system |
| U2A | User to application (communication via the T2S Client); see also A2A |
| WPH | Physical Withdrawal - the act of physically withdrawing securities from the vault |

2. Overview: Technical Connection to OeKB CSD

OeKB CSD participants can use the following technical connection types to OeKB CSD

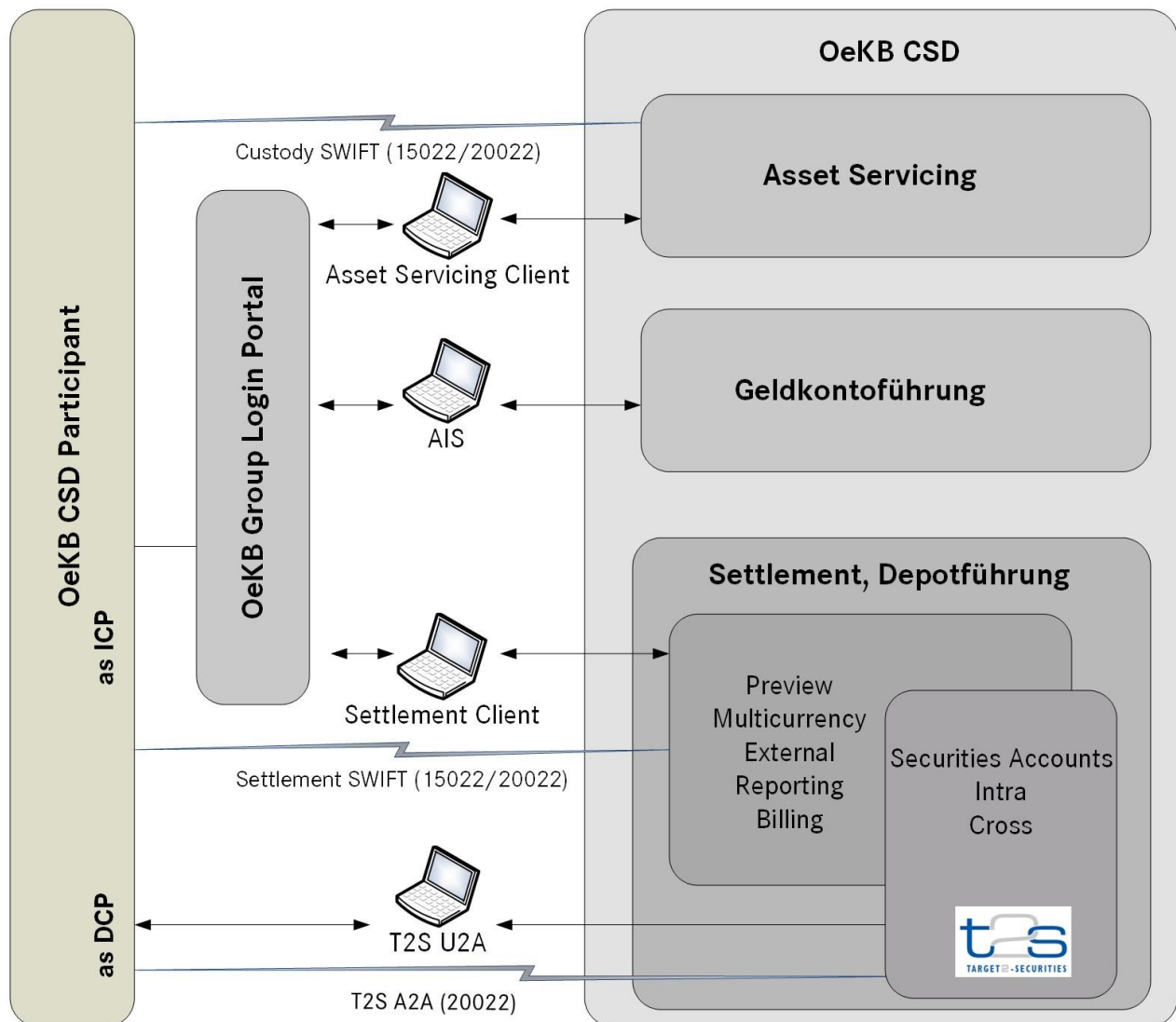


Figure 1: Technical connection to OeKB CSD

This guide exclusively covers the functions settlement and securities account administration of OeKB CSD.

3. Technical connections for using the Functions Settlement and Securities Account Administration

Each OeKB CSD participant can employ the services of OeKB CSD's functions settlement and securities account administration using one or more of the four technical connection types listed below.

| Connection Type | ICP/DCP |
|-----------------------------------------------------|-------------------------------------|
| Settlement Client | As indirectly connected participant |
| Settlement SWIFT (ISO 15022/ISO 20022) ¹ | |
| T2S U2A | As directly connected participant |
| T2S A2A (ISO 20022) | |

OeKB CSD participants who are CSDs and use T2S can employ the services of OeKB CSD's functions settlement and securities account administration also via the Inter-T2S-CSD interface. This interface is not explicitly described in this document.

The following table lists the services of OeKB CSD's functions settlement and securities account administration for ICPs and DCPs in comparison.

| Services of the Function Settlement and Securities Account Administration | as ICP | | as DCP | |
|---------------------------------------------------------------------------|------------------------|-------------------|-----------|---------|
| | Settlement SWIFT | Settlement Client | T2S A2A | T2S U2A |
| Instructions of transaction types Intra and Cross | ISO 15022 ISO 20022 | ✓ | ISO 20022 | ✓ |
| Instructions of transaction type External | ISO 15022 ISO 20022 | ✓ | n. a. | n. a. |
| Instructions for multicurrency cash bookings | ISO 15022 ISO 20022 | ✓ | n. a. | n. a. |

¹ Please note that for communication via the SWIFT interface involving the OeKB CSD functions „Settlement“ and „Securities Account Administration“ in ICP communication mode the standard format available is ISO 15022. The newer MX format (ISO 20022 standard) can also be made available given a lead time of up to 12 months from receipt of the corresponding request.

| Services of the Function Settlement and Securities Account Administration | as ICP | | as DCP | |
|---------------------------------------------------------------------------|-------------------------------------|-------------------|-----------|---------|
| | Settlement SWIFT | Settlement Client | T2S A2A | T2S U2A |
| Auto Receive | ✓ | ✓ | n. a. | n. a. |
| Physical | ISO 15022 ISO 20022 ² | ✓ | n. a. | n. a. |
| Securities account view | n. a. | ✓ | n. a. | ✓ |
| Billing | n. a. | ✓ | n. a. | n. a. |
| Reporting | ISO 15022 ISO 20022 | ✓ | ISO 20022 | ✓ |
| Other Services of the OeKB CSD | | | | |
| Technical connection support | ✓ | ✓ | n. a. | n. a. |
| Support and test assistance | ✓ | ✓ | ✓ | ✓ |
| Master data maintenance for OeKB CSD Participants | ✓ | ✓ | ✓ | ✓ |
| Opening and administration of securities accounts | ✓ | ✓ | ✓ | ✓ |
| Administration of user authorisations, profiles | ✓ | ✓ | ✓ | ✓ |
| Individual message subscription | ✓ | ✓ | ✓ | ✓ |

3.1 Connection of an OeKB CSD participant as DCP

As DCP, OeKB CSD participants use their own technical connection to the T2S interface of OeKB CSD employing the services of a value-added network service provider (VA-NSP). Possible VA-NSPs are SWIFT and SIA/Colt.

² not possible for individual custody

There are two types of communication a participant can use as a DCP:

- Application to application (A2A), using ISO 20022 (via VA-NSP) and/or
- User to application (U2A), using the U2A Client (via VA-NSP)

Prerequisites for a direct connection are:

- The ISO 20022 message format must have been implemented
- A contract with a VA-NSP must exist
- There must be a Eurosystem certification (Certification Test); depending on whether only a U2A or also an A2A connection is wanted
- A participant needs to be authorised by OeKB CSD to use a direct U2A or A2A connection in order to receive a DCP connection. Therefore, OeKB CSD conducts "Authorisation Tests" with the participant.
- An RSA token for each user is required for the U2A connection³

For details about the ICP system access please refer to chapter 3.2.

3.1.1 Access via T2S A2A Interface

Direct access via T2S A2A interface is only available in ISO 20022 format.

As DCP, OeKB CSD participants can specify the SWIFT message types they want to receive from the T2S A2A interface (see chapter 3.1.3).

3.1.2 Access via T2S Client (U2A)

The functionalities available to participants as DCP via T2S U2A depend on their authorisations. All authorisations are granted by OeKB CSD as agreed with the customer.

Detailed information about the technical connection via T2S U2A is provided by the VA-NSP.

3.1.3 Message Subscription for T2S A2A

Messages from participants as DCPs are exchanged directly via the T2S A2A interface.

Copies of the SWIFT messages sent/received by an OeKB CSD participant via T2S A2A are sent to OeKB CSD. These copies allow OeKB CSD participants with a direct connection e.g. to obtain information about their instructions and positions directly on the settlement client as well.

The message subscriptions (specifications which messages the participant wants to receive - status messages and execution messages) for a DCP are defined directly in T2S by OeKB CSD.

For details about the Message Subscription Rules please refer to the T2S User Handbook.

³ The RSA token will be provided by the VA-NSP.

3.2 Connection of an OeKB CSD Participant as ICP

As ICP, OeKB CSD participants have a technical connection to the IT platform T2S via settlement client or via settlement SWIFT messages (ISO 15022 or ISO 20022).

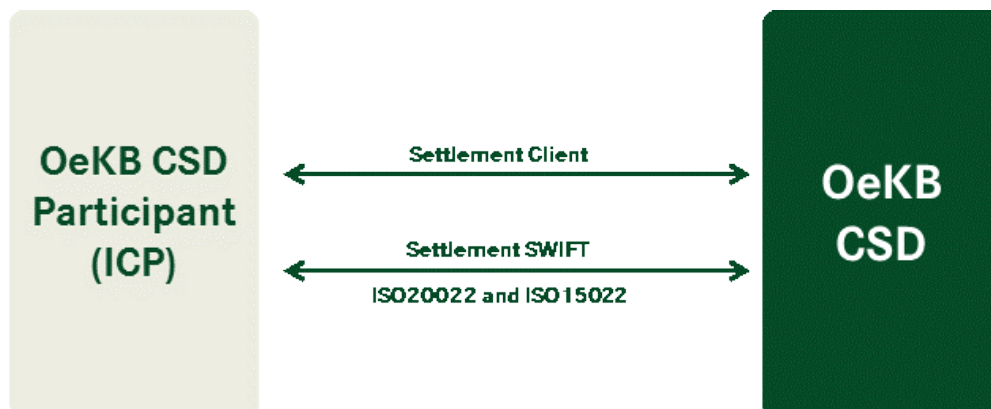


Figure 2: System communication - ICP Connection

3.2.1 Access via Settlement SWIFT Interface

OeKB CSD participants can specify the SWIFT message types they want to receive from the settlement SWIFT interface. Status messages can be broken down to their individual status transition levels and reason codes. For details on message subscription, please see chapter 3.2.3.

For information about changes in the content requirements for existing SWIFT messages and for details regarding new message types, please refer to *Annex 18 SWIFT Manual*.

3.2.2 Access via Settlement Client

As ICP, OeKB CSD participants can enter instructions on the settlement client. The settlement client also provides options to enquire the securities positions (holdings and preview) as well as billing, reporting and administration functionalities.

Participants log on to the settlement client at the OeKB Group Login Portal (login.oekb.at) using a 2-factor authentication method (entry of a password and a token).

For services with 2-factor authentication the customers' system administrators can define whether users must log on using RSA Key Fob tokens or SMS tokens.

Login is possible with a user name, password, PIN and token code (RSA Key Fob token or SMS token).

3.2.3 Message Subscription for Settlement SWIFT

As ICP, a participant can manually configure their message subscriptions on the settlement client.

For ISO 15022 connected OeKB CSD participant's message subscription is based on MT messages. It is possible to deselect status messages. It is also possible to restrict messages to certain reason codes.

For ISO 20022 connected OeKB CSD participant's message subscription is based on MX messages, but otherwise identical to ISO 15022.

Message subscription is configured at securities account level. For each securities account the message subscription can be defined based on:

- **Instructing Party** (who sent the instruction underlying a response or status message in question)
- **Destination BIC** (what is the destination of the message to be sent)

This makes it possible to specify individual message subscriptions for each message sender and recipient if there are more than one authorised parties.

Confirmations

- Receive Free Confirmation - MT544/sese.025
- Receive Versus Payment Confirmation - MT545/sese.025
- Deliver Free Confirmation - MT546/sese.025
- Deliver Versus Payment Confirmation - MT547/sese.025
- Receive With Payment Confirmation - MT545/sese.025
- Deliver With Payment Confirmation - MT547/sese.025
- Payment Free of Receive Debit - MT545/sese.025
- Payment Free of Receive Credit - MT545/sese.025
- Payment Free of Delivery Debit - MT547/sese.025
- Payment Free of Delivery Credit - MT547/sese.025
- Intra Position Movement Confirmation - MT508/sem.015

Status Advice

- Transaction Status Advice - MT548/sese.024
- Cancellation Status Advice - MT548/sese.027
- Modification Status Advice - MT548/sese.031
- Securities Settlement Transaction Generation Notification - MT548/sese.032
- Intra Position Movement Status Advice - MT548/sem.014

Allegement

- Allegement Notification - MT578/sese.028
- Allegement Removal Advice - MT578 /sese.029
- Allegement Cancellation Advice - MT578/sem.020

Additionally, it is possible to restrict messages to certain transaction types and reason codes.

Message Subscription Example:

Bank A is the holder of a securities account. As participant with a CCP, it has authorised the CCP to place instructions on its behalf. Bank B and Bank C have been authorised by Bank A to send instructions on the securities account and to receive settlement details.

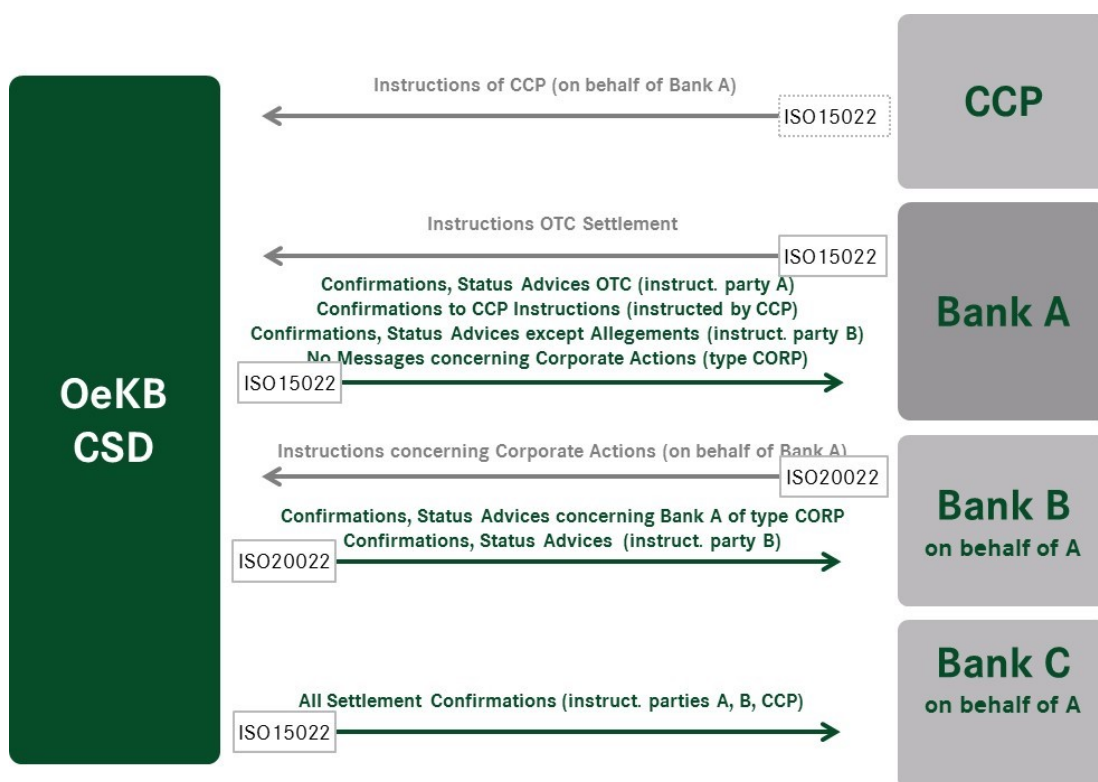


Figure 3: Message subscription example

Bank A defines the following message subscriptions for itself and for its agents:

- Destination BIC Bank A (i.e. Bank A wants to receive the following messages itself)
 - Format ISO 15022

- For instructing party Bank A (=> for instructions sent by Bank A itself):
- All confirmations and status advices except transaction type CORP (=> no settlement messages for corporate actions)
- For instructing party CCP.A: Only settlement confirmations
- For instructing party Bank B: same as for own instructions, except allegement messages
- Destination BIC Bank B (i.e. forwarding of messages to the authorised party Bank B):
 - Format ISO 20022
 - For instructing party Bank B (=> for instructions sent by Bank B on behalf of Bank A):
 - All confirmations and status advices
 - For instructing party Bank A (=> copy of messages for instructions sent by Bank A)
 - All confirmations and status advices with transaction type CORP (for corporate actions)
- Destination BIC Bank C (i.e. forwarding of messages to the authorised party Bank C):
 - Format ISO 15022
 - For all instructing parties:
 - All settlement confirmations

For details about the message subscription rules, please refer to *Annex 17 User Manual Settlement Client*.

4. Securities Account Structure and Securities Positions Management

4.1 Securities Account Number Logic

Since migration to T2S, the securities account numbers logic of OeKB CSD is as follows:

— OCSD2xxxxx (z.B. OCSD200100)

4.2 Securities Account Settings

OeKB CSD can set a blocking of processing of instructions depending on customer requests or according to technical settlement requirements. In T2S this blocking is one of the MSAs (Market Specific Attribute).

4.2.1 Options to block the Processing of Instructions

At present, the following categories are planned to be available:

| Blocking options | Usage |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Without blocking (No constraints) | Default |
| Blocking the processing of instructions for a corporate action and for instructions of the transaction type External (Technically blocked) | OeKB CSD will use securities accounts with this blocking if it is necessary to block positions during settlement. Usage scenario: for certain corporate actions and for instructions of the transaction type External |
| Blocking the processing of instructions RFP, RVP, RWP (Receives blocked) | OeKB CSD participants can have securities accounts of these blockings created for them. These instructions issued are not processed automatically, before settlement they are subjected to a previously defined validation procedure by OeKB CSD |
| Blocking the processing of instructions DFP, DVP, DWP (Deliveries blocked) | according to individual contracts. The instructions' status is "CSD Validation Hold" until the validation step has been completed. |
| Blocking the processing of instructions DFP, DVP, DWP, RFP, RVP, RWP (Deliveries and Receives blocked) | |
| Blocking the processing of instructions for Individual Custody (Blocked – Special Holding Type) | This is used for the special safekeeping type Individual Custody. For positions held in individual custody additional processing steps are required beyond the automatic settlement process. The instructions' status is "Validation" until these steps have been completed. |

4.2.2 Hold/Release Default (only for ISO 20022)

If the hold/release default is set to "Hold", instructions sent without hold/release flag are automatically set to "hold". If the hold/release flag is specified directly in the message, this value overrules the selected default setting.

4.2.3 Partial Settlement Default (only for ICPs)

If not otherwise specified, partial settlement is allowed in T2S. Using the partial settlement default, the ICP connection enables participants to disallow partial settlement for instructions where the partial settlement indicator is not explicitly set.

4.2.4 Hold Default for Market Claims

For the market claims generated by OeKB CSD it is possible to specify for the securities and/or the cash side to automatically set the claim delivery instruction to party hold independently of the hold status of the underlying instruction.

4.2.5 Earmarking (flagging of the securities account DCA link for auto-collateralisation)

OeKB CSD participants can earmark a dedicated cash account (DCA) linked to their securities account for auto-collateralisation. As a result, all positions on this linked securities account earmarked for auto-coll (EEUR) can be used in the auto-collateralisation process, provided the securities are admitted as collateral by the central bank.

4.2.6 Securities Account Access (Authorised Party)

OeKB CSD participants can authorise other OeKB CSD participants to access their securities accounts. OeKB CSD configures these authorisations as specified in the written power of attorney granted by the holder of the securities account.

4.2.7 Default Securities Account

Allegements will be allocated to the default securities account if the counterparty instruction contains only the BIC and the securities account is missing.

If auto receive has been activated for this securities account, it will be used for automatically generated auto receive instructions if the receiver securities account is missing in the delivery instruction.

4.2.8 Auto Receive (only for ICPs)

For receipt of securities free of payment "Auto Receive" can be set at securities account level. In this case the system automatically generates the matching instruction (RFP) based on the allegation for the counterparty instruction (DFP) (see chapter 7.1.7).

4.2.9 Default Instruction Format (only for ICPs)

Preferred SWIFT format (ISO15022 or MT20222)

4.3 Securities Account Positions Management

Characteristics to classify positions are:

- The securities account
- The security (ISIN - International Securities Identification Number)
- The restriction type (see chapter 8)

The safekeeping types WR (fiduciary collective custody) and GS (collective clearing custody) are no characteristics to classify positions. In the future, all positions of a security held with OeKB CSD will have the same safekeeping type, because for OeKB CSD there will be only one place of safekeeping for each ISIN. Securities positions of the type ST (individual custody) will be held at the corresponding blocked securities account.

4.4 Securities Account and Positions Details

Details about the securities accounts and positions can be viewed on the settlement client. They are provided in the form of reports as well. For more information see also:

- Chapter 10.1.7
- Chapter 12
- Annex 17 User Manual Settlement Client

5. Cash Account Structure

Each securities account must have assigned at least one default DCA (Dedicated Cash Account) in T2S held with a Euro Central Bank. Each DCA must have assigned a PM account in TARGET1 (T2) held with a Euro Central Bank. The DCAs are administered in T2S by the Euro Central Banks and receive a specifically assigned account number.

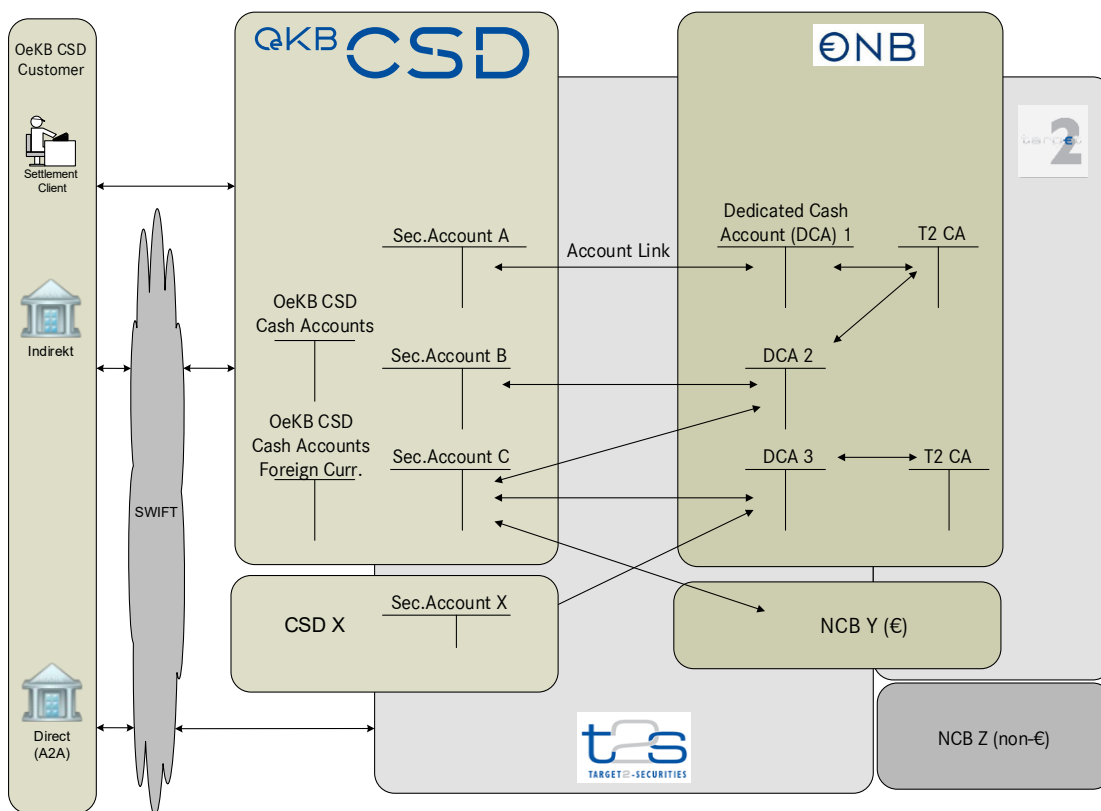


Figure 4: Securities account and cash account structure overview

The European IT platform T2S supports bookings of cash in EUR and DKK.

The DCAs are used for the settlement in euro of the cash leg of DVP/RVP instructions, for the settlement in euro of income and the like. The cash bookings for multicurrency income settlement (non-T2S currencies) can only be processed on multicurrency cash accounts held with OeKB CSD GmbH.

The DCAs are remunerated via TARGET2 (T2) accounts. The DCA balances are set to zero at the end of the day. Therefore, the desired cash coverage must be instructed daily on the DCAs by start-of-day, in order to be able to participate in the first settlement cycle - the night-time settlement. For details on DCAs, please see the

documentation provided by the Euro Central Bank holding the account (e.g. Oesterreichische Nationalbank (OeNB)).

6. Daily Processing

The daily processing comprises 5 periods, each containing several of the processes of a settlement day.

The indicated times are approximations, because the transitions between individual periods are triggered to make sure that one process has been completed before the next process starts.

Instructions can be sent to OeKB CSD at any time. Instructions must be submitted with the intended settlement day specified, but without a specific settlement time. Settlement is done in batch-type processing cycles during night-time settlement and in real time during the day.

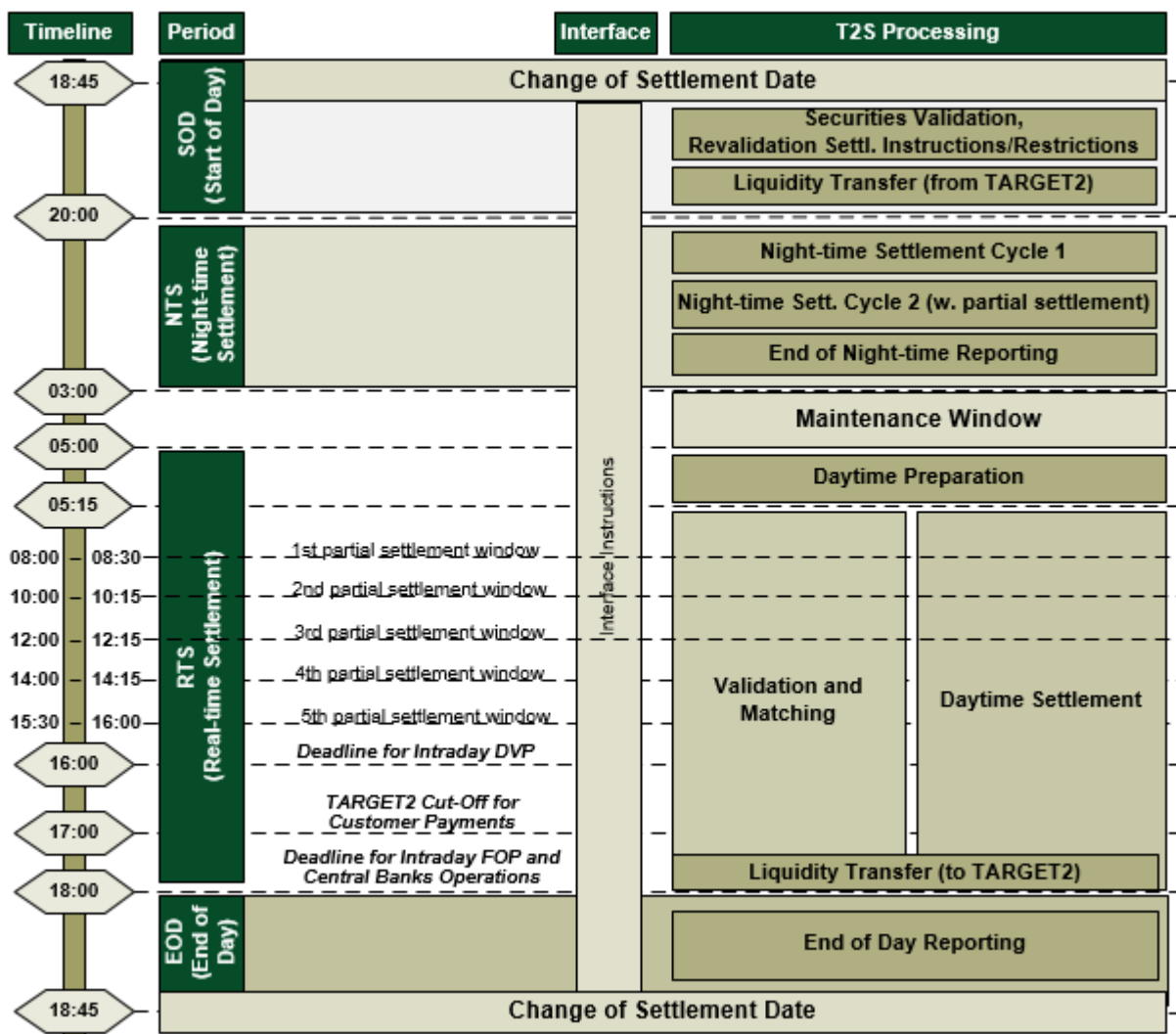


Figure 5: Daily processing - Settlement

6.1 Start of Day (SOD)

A new settlement day begins at 6:45 p.m. of the previous day. The first step is the cash transfer from TARGET2 cash accounts to TARGET2-Securities cash accounts.

6.2 Night-Time Settlement (NTS)

At 8 p.m. the settlement of instructions with the current T2S settlement day specified as the "intended settlement day" and of open instructions from previous settlement cycles begins. (Example: Monday night-time settlement is already carried out on the Friday before. Monday real-time settlement starts on Monday)

Night-time settlement takes place in two cycles, with each cycle split into several "sequences". There are specific types of instructions defined to be settled in each individual "sequence". For example, instructions from corporate actions are processed in earlier "sequences". Processing within the "sequences" is done in a form similar to batch processing.

There is no way for participants to specify the cycle in which their instructions will be settled. This is determined by the type and priority of the instructions (e.g. instructions concerning corporate actions).

The second cycle includes a period in which partial settlements are processed (see chapter 7.1.3.2).

Status messages and settlement confirmations are sent on an ongoing basis during night-time settlement.

How long night-time settlement takes depends on the volume to be settled. If both cycles are completed before 3:00 a.m., real-time settlement is started even before the Maintenance Window (MWI).

6.3 Maintenance Window (MWI)

During the maintenance window there is no settlement in T2S. However, submitted instructions are accepted also during this time.

6.4 Real-Time Settlement (RTS)

Real-time settlement starts at about 5:15 a.m. If their specified settlement day is reached, new instructions are settled in real time. Partial settlement is permitted in the night-time settlement as well between 08:00 – 08:15 a.m., 10:00–10:15 a.m., 12:00 noon – 12:15 p.m., 02:00-02:15 p.m. and between 03:45-04:00 p.m. (see chapter 7.1.3.2). T2S cut-off time for DVP instructions is at 4:00 p.m. T2S cut-off time for FOP instructions is at 6:00 p.m. If instructions are sent immediately before a T2S cut-off time, it cannot be guaranteed that they will be included on the current settlement day.

6.5 End of Day (EOD)

The EOD includes an automatic cash sweep at 05:45 p.m. (reversal of cash positions) from TARGET2-Securities back to TARGET2. For details, please see the documentation provided by the Euro Central Bank holding the account (e.g. Oesterreichische Nationalbank (OeNB)).

Unmatched instructions are deleted after 20 bank working days.

The final step of the end-of-day processing is End-of-Day Reporting.

7. Settlement

The following transaction types are used:

- Intra
- Cross
- External
- Physical
- Intra-Position Movement

7.1 Transaction Types Intra and Cross

Transaction Type Intra

By instructions of the transaction type Intra the OeKB CSD participant orders bookings between two securities accounts at OeKB CSD. It is irrelevant whether the OeKB CSD participant is a CSD using T2S or not.

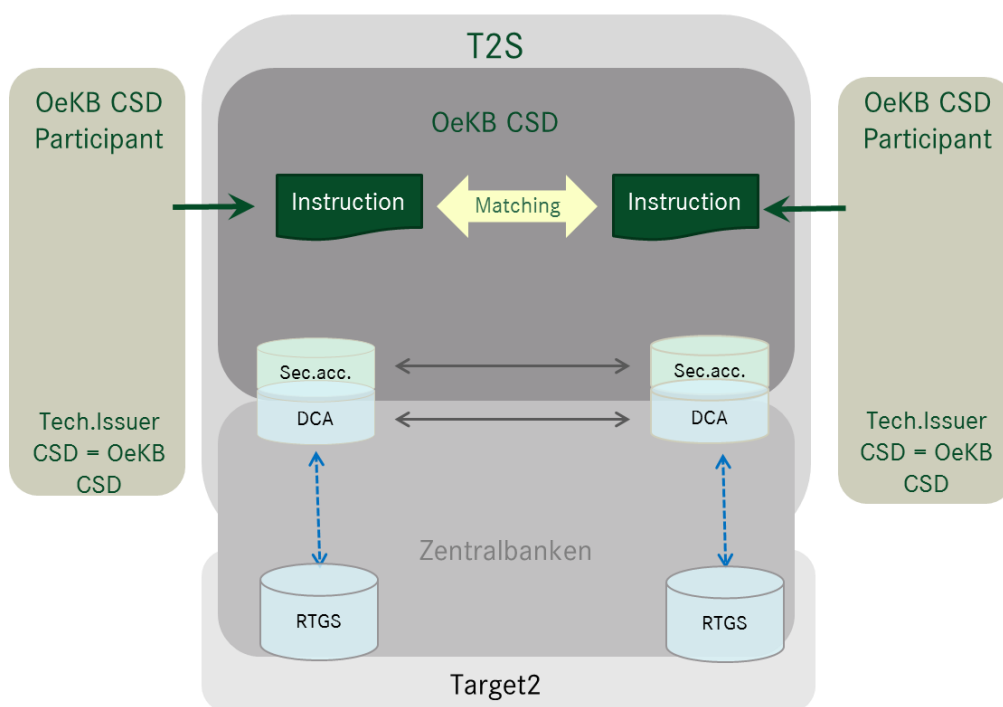


Figure 6: Settlement of an instruction of transaction type Intra

Transaction Type Cross

By instructions of the transaction type Cross the OeKB CSD participant orders bookings between a securities account held with OeKB CSD and a securities account held with a custodian of the OeKB CSD that uses T2S to administrate OeKB CSD's securities account in securities which OeKB CSD keeps and administers as Investor CSD by a custodian.

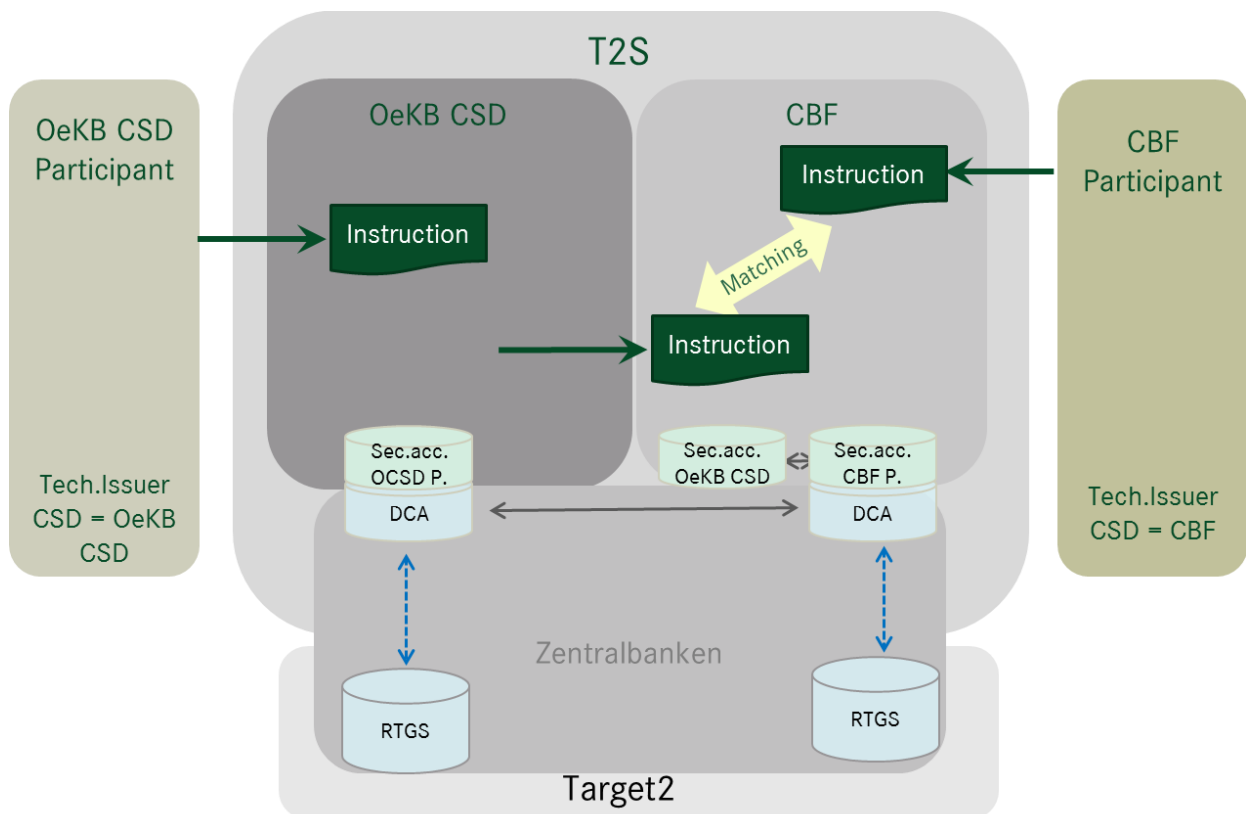


Figure 7: Settlement of an instruction of transaction type Cross

7.1.1 Instruction Types

OeKB CSD supports instructions of the transaction types Intra and Cross for the following instruction types:

- Delivery Free of Payment (FOP): Securities are delivered or received without payment
 - DFP (Deliver Free of Payment)
 - RFP (Receive Free of Payment)
- Delivery Versus Payment: Securities are delivered or received against payment on a DCA held with a Euro Central Bank.
 - DVP (Deliver versus Payment)
 - RVP (Receive versus Payment)

- Delivery With Payment: Securities are delivered or received simultaneously with the payment on a DCA held with a Euro Central Bank.
 - DWP (Delivery With Payment)
 - RWP (Receive With Payment)

For the transaction types Intra and Cross OeKB CSD forwards the instructions of the following instruction types directed to Euro Central Banks for processing:

- Payment or credit booking without delivery (PFoD): A payment or a credit booking on a DCA held with a Euro Central Bank is carried out without the delivery of securities. However, the instruction must contain an ISIN
 - PFRD (Payment free of Receive Debit)
 - PFCR (Payment free of Receive Credit)
 - PFDD (Payment free of Delivery Debit)
 - PFDC (Payment free of Delivery Credit)

7.1.2 Submitting of Instructions

Instructions of the transaction types Intra and Cross can be submitted using the connection types

- Settlement SWIFT (ISO 15022/ISO 20022),
- T2S A2A (ISO 20022),
- Settlement Client or
- T2S U2A

See also chapter 3

7.1.2.1 Submitting Instructions using the Connection Types Settlement SWIFT and T2S A2A

The following SWIFT messages are used for the instruction types listed above:

| Inst. Type | ISO 15022 | ISO 20022 | Payment Type Code | Securities Movement Type Code | Settlement Quantity | Settlement Amount | Credit/Debit Code |
|------------|-----------|-----------|-------------------|-------------------------------|---------------------|-------------------------|-------------------|
| RFP | MT540 | sese.023 | FREE | RECE | above zero | - | - |
| DFP | MT542 | sese.023 | FREE | DELI | above zero | - | - |
| RVP | MT541 | sese.023 | APMT | RECE | above zero | above zero | DBIT |
| DVP | MT543 | sese.023 | APMT | DELI | above zero | above zero | CRDT |
| RWP | MT541 | sese.023 | APMT | RECE | above zero | above zero ⁴ | CRDT |
| DWP | MT543 | sese.023 | APMT | DELI | above zero | above zero ⁴ | DBIT |
| PFRD | MT541 | sese.023 | APMT | RECE | zero | above zero | DBIT |
| PFRC | MT541 | sese.023 | APMT | RECE | zero | below zero | CRDT |

⁴ In ISO 15022 the settlement amount sign is reversed (SWIFT Code [N]).

| Inst. Type | ISO 15022 | ISO 20022 | Payment Type Code | Securities Movement Type Code | Settlement Quantity | Settlement Amount | Credit/Debit Code |
|------------|-----------|-----------|-------------------|-------------------------------|---------------------|-------------------|-------------------|
| PFDD | MT543 | sese.023 | APMT | DELI | zero | above zero | DBIT |
| PFDC | MT543 | sese.023 | APMT | DELI | zero | below zero | CRDT |

Payment Type Code, Securities Movement Type Code and Credit Debit Code are only relevant for ISO 20022.

Specific content requirements for SWIFT messages are explicitly detailed in Annex 18 SWIFT Manual.

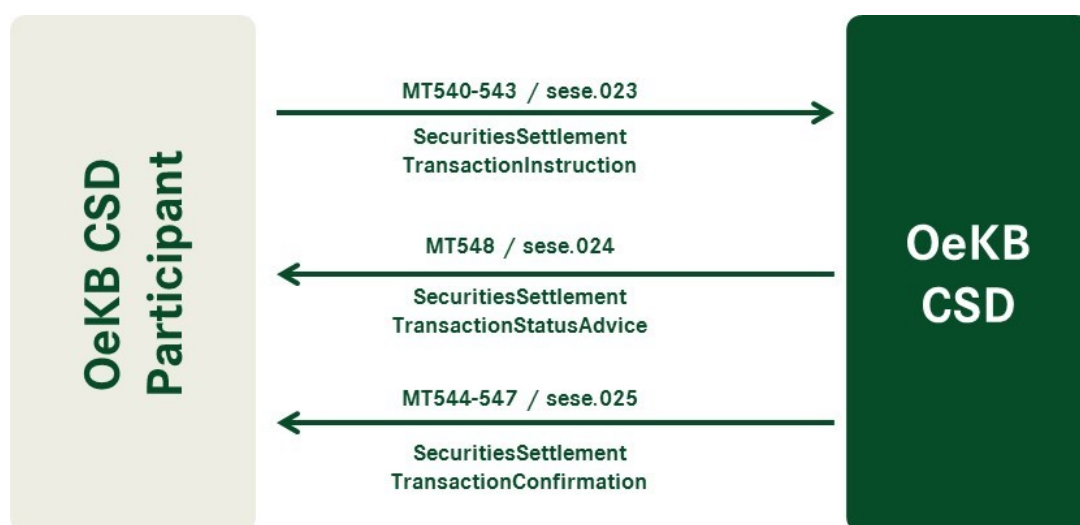


Figure 8: SWIFT message traffic between OeKB CSD participants and OeKB CSD

7.1.2.2 Submitting Instructions using the Connection Type Settlement Client

Instructions submitted using the connection type settlement client are subjected to a check based on the 4-eyes principle according to the authorisations defined.

The checks based on the 4-eyes principle make sure that different persons enter and/or authorise an instruction. OeKB CSD participants can specify their own settings for the 4-eyes principle checks on the settlement client.

For a detailed description of the settlement client, please refer to *Annex 17 User Manual Settlement Client*.

7.1.2.3 Submitting Instructions using the Connection Type T2S U2A

For a detailed description of the connection type T2S U2A, please refer to the documentation of the Eurosystem.

7.1.3 Possible Characteristics of Instructions

7.1.3.1 Hold/Release (PREA/NEWM) Functionality

Basically, there are the following Hold statuses:

- Party Hold
- CSD Hold (only for the OeKB CSD)
- CSD Validation Hold (only for the OeKB CSD)
- CoSD Hold (only for the OeKB CSD)

OeKB CSD participants can only set "Party Hold". The other status codes are displayed in status messages and are used by OeKB CSD in special transactions.

The PREA/NEWM function will be replaced with hold/release in T2S. The PREA/NEWM function will remain available for submitting instructions in ISO 15022 format.

The system can set the status "Hold" automatically if "Hold Default = yes" has been activated for the specified securities account in the settlement client.

Setting Status "Hold" when submitting the Instruction

- For ISO 15022 Format (MT540-MT543) by means of PREA
- For ISO 20022 format (sese.023) with the setting "Party Hold Indicator = true"
- Settlement client with the setting "Party Hold = Hold"

It is possible at any time to set a settlement instruction to "hold" manually on the settlement client or via settlement SWIFT interface in order to prevent settlement as long as the instruction has not been settled or deleted. To enable settlement for the transaction it must be "released" specifically.

This release is also possible for part of the quantity of the instruction (Partial Release).

Modification of the Status Hold/Release

- First modification from PREA to NEWM in ISO 15022 (MT540-MT543), alternatively: use of MT530
- Partial Release in ISO 15022 for MT530 messages
- Modifications in ISO 15022 (MT530) "YPRE Presented"/"NPRES Not Presented"
- It is possible to use MT530 any time on instructions not yet settled to change their hold status.
- ISO 20022 (sese.030)
- Settlement client "Party Hold Status = Released" (at the same time with "Hold Quantity > 0" with a Partial Release)/"Party Hold Status = Hold"

For the submitted modifications the sender receives an MT548 /sese.031 message (depending on the definitions in the message subscription) of one of the following types: "rejected", "accepted", "denied" or "executed". All details can also be accessed on the settlement client.

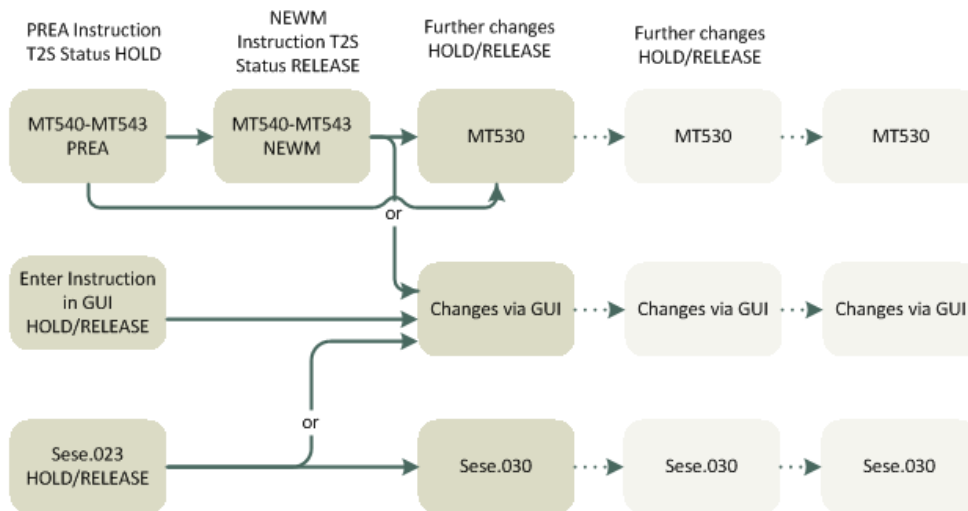


Figure 9: Hold & Release message process

7.1.3.2 Partial Settlement

Settlement instructions can be settled partially if the available quantity of units does not cover the transaction and in case of Partial Releases. (Exception: settlement of external instructions and multicurrency settlement instructions)

Prerequisites for partial settlement are:

- Partial settlement is not disallowed in either of the instructions involved.
- Partial settlements are processed in the specified settlement windows and in night-time settlement when they are permitted (see chapter 6)
- The predefined cash thresholds of T2S (Partial Settlement Threshold) are observed:
 - Face Amount-quoted Securities: EUR 100,000.00
 - Unit-quoted Securities: EUR 10,000.00
- The instructions are not linked to one another (After, Before, With or Pool) (see chapter 7.1.3.3)

For each partial settlement status messages and execution confirmations are created. The last execution confirmation contains the information that it is the "last partial settlement".

Setting the Partial Settlement Indicator

- ISO 15022 format (MT540-MT543)
- ISO 20022 format (sese.023)
- Settlement Client

Partial Settlement Indicators:

- NPAR (no partial settlement allowed)

- PART (partial settlement allowed)
- PARC (partial settlement allowed with cash threshold)
- PARQ (partial settlement allowed with quantity threshold)

If no indicator is set in the instruction partial settlement is automatically permitted ICPs can have partial settlement deactivated for each OeKB CSD participant securities account individually (the default value "NPART" is set in this case) (see chapter 4.2).

First, an attempt is made to settle an instruction completely. If the instruction cannot be settled completely the system checks whether partial settlement is possible (based on the criteria described above) during the partial settlement windows.

Then the system tries to settle as much as possible of the instructed quantity, which depends on:

- The quantity of units available on the securities account of the seller
- The cash amount available on the associated T2S cash account
- The predefined threshold values (for quantities and cash amounts)

The open part of a partially settled instruction remains on status "pending" until:

- The instruction has been settled completely
- The open part of the instruction has been cancelled

Modification of the Partial Settlement Indicator

The partial settlement indicator can be modified with an instruction MT530/sese.030.

7.1.3.3 Linking of Instructions

It is possible to link settlement instructions and intra-position movements to one another.

The following linkages are possible:

- **AFTER:** settlement after or simultaneously with the linked-to instruction
- **BEFORE:** settlement before or simultaneously with the linked-to instruction
- **WITH:** settlement in conjunction with the linked-to instruction
- **INFO:** only for information purposes

The following message types can be linked:

- Instructions
- Restrictions
- An instruction with a restriction

It is not possible to link:

- A liquidity transfer with a settlement instruction or with an intra-position movement

- Settlement instructions generated internally by T2S

For linked instructions (After, Before, With or Pool) partial settlement is not possible.

T2S automatically links instructions e.g. for realignments, auto-collateralisation messages ("INFO").

Setting a Linkage

- ISO 15022 format (MT540-MT543)
- ISO 20022 format (sese.023)
- Settlement Client

In order to be able to link settlement instructions or intra-position movements, the instruction must contain the following parameters:

- The corresponding position code (e. g. WITH, BEFO, ...)
- The reference number of the instruction to be linked and the T2S instruction reference or the T2S participant instruction reference
- If the T2S participant instruction reference is provided, T2S additionally requires the reference owner BIC of the instruction to be linked (Instructing Party BIC). In ISO 15022 messages OeKB CSD sets this field. If this field is not provided, the instruction will be rejected.

Please keep in mind that T2S verifies the link only for the instruction where it is contained and not for the instruction referred to in the link. Therefore, we recommend placing the link reciprocally in both linked instructions to ensure the desired outcome.

Examples for sending "Linked Instructions":

| Link Processing Position | Linked Instruction Reference | | Reference Owner BIC | Validation |
|--------------------------|------------------------------|-----------------------|-----------------------|------------|
| | T2S Instruction Ref. | T2S Actor Instr. Ref. | Instructing Party BIC | |
| WITH | 500543212 | | | ✓ |
| AFTE | | 44454321 | | ✗ |
| AFTE | | 44454321 | BANKITRR666 | ✓ |
| <i>Not specified</i> | 87654321 | | | ✗ |

Modification of a Linkage

There are two steps required to modify a linkage between two or several instructions (e.g. from WITH to BEFO):

The original instruction must be "unlinked". I.e. a modification instruction must be sent including the linkage type "UNLK" and the same position code as the original instruction (e. g. "WITH"). This suspends the links referenced in the instruction in question.

Then another modification instruction must be sent including the linkage type "LINK" and the new position code (e. g. "BEFO").

It is possible for a settlement instruction or an intra-position movement to include several "links" (e. g. a settlement instruction is linked to an intra-position movement using "WITH" and with another settlement instruction using "AFTE").

Adding a New Linkage to a Settlement Instruction/Intra-Position Movement

A T2S participant sends a modification instruction with the corresponding position code (e.g. WITH, AFTE, ...) and the reference of the linked instruction. If the instruction does not include these fields or the existing linkage contradicts the new linkage, the modification instruction will be rejected.

Linking of several Instructions

A "pool reference" can be used to link more than two instructions. A collective reference must be assigned to the settlement instructions or intra-position movements that shall be linked in this way. This reference number must be included in all linked instructions of the same pool. As soon as a pool reference has been assigned to an instruction, the position code can be either set to "WITH" or be left empty. All instructions included in a "pool reference" will be settled on an "all-or-none" basis.

Instructions with a pool reference must include a pool counter indicating the total number of linked instructions. T2S rejects instructions which exceed the total number of linked instructions for a pool reference.

To add a pool reference to an instruction or to modify the pool counter of an instruction, all linked instruction must be cancelled and sent new.

7.1.3.4 Prioritising of Instructions

OeKB CSD participants can choose one from two possible priority settings:

- High Priority
- Normal Priority

Setting a Priority

The priority setting is directly included in the instruction:

- ISO 15022 format (MT540-MT543)
- ISO 20022 format (sese.023)

- Settlement Client

Instructions are processed with the following sequence being observed:

- Higher priority before lower priority
- Earlier before later intended settlement day (ISD) (if priorities are identical)

For settlement instructions sent on the settlement day priorities cannot be considered in real-time settlement.

Modification of a Priority

A instruction MT530/sese.030 can be used to modify the priority or the modification can be entered directly on the settlement client.

7.1.4 Validation of Instructions

7.1.4.1 Advance Validation of Instructions issued by Participants as ICP

Instructions of the transaction types Intra and Cross issued by participants as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022/ISO 20022)

will be validated in advance according to the validation rules as described in detail in Annex 17 User Manual Settlement Client and Annex 18 SWIFT Manual.

7.1.4.2 Validation of Instructions in the IT Platform T2S

All instructions of the transaction types Intra and Cross, regardless whether they have been issued by participants as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022/ISO 20022)

or whether they have been issued by participants as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022)

will be validated by OeKB CSD on the T2S IT platform for their compliance with the T2S technical rules.

7.1.5 Settlement Allegement

Allegement notifications are sent to the counterparty if an instruction could not be matched in the first matching attempt.

Settlement Allegement (MT578/sese.028)

Allegation notifications are sent after the "standard delay period" has elapsed or by the "before cut-off" time.

- Standard delay period = 1 hour after the first matching attempt
- Before cut-off = 5 hours prior to the intended settlement day's FOP cut-off time. This time will be calculated only on the intended settlement day. This should prevent allegations from being sent too closely before the end of the ISD.

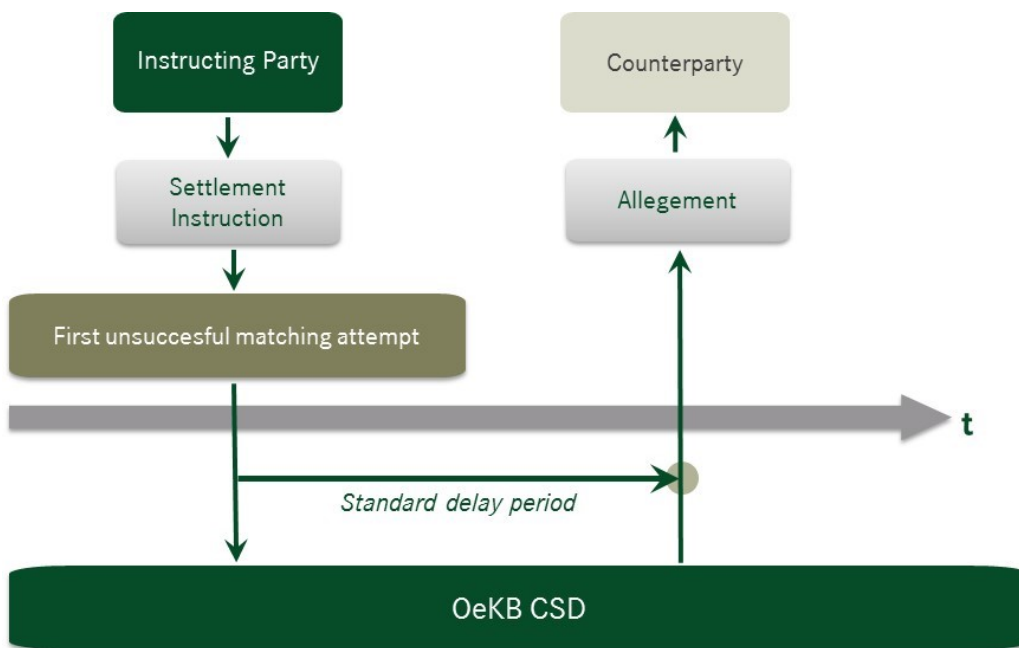


Figure 10: Standard delay period

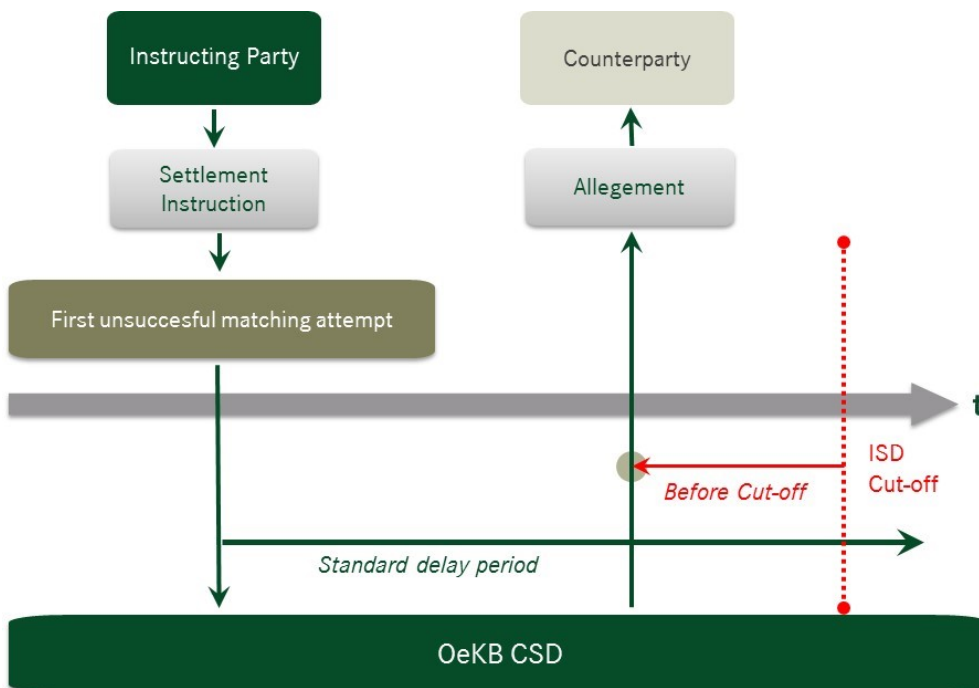


Figure 11: Before cut off period

Therefore, if an instruction is sent within five hours before cut-off time on the intended settlement day, the allegation is created immediately.

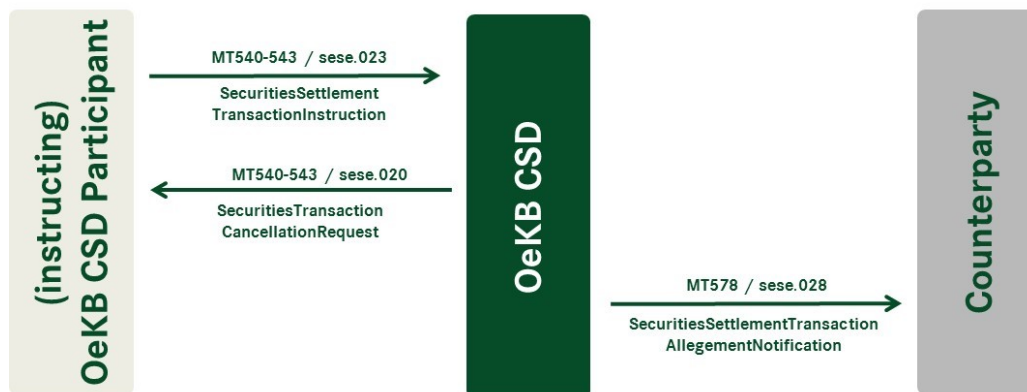


Figure 12: Exchange of instructions - Settlement allegation

Other Allegement Messages:

- Cancellation of an allegation message (MT578/semt.020) – sent if the original instruction of the counterparty has been cancelled
- Removal of an allegation message (MT578/sese.029) – sent if the own instruction was successfully matched with the instruction of the counterparty
- Cancellation allegation (MT548/sese.024) – sent if the counterparty submits an instruction to cancel a matched instruction (cancellation request)

7.1.6 Matching of Instructions of the transaction type Intra

OeKB CSD carries out the matching of instructions of the transaction type Intra on the IT platform T2S. The matching process combines corresponding instructions into a transaction.

Matching is effected based on:

- Mandatory Matching Fields
- Additional Matching Fields
- Optional matching fields

7.1.6.1 Mandatory Matching Fields

The mandatory matching fields are those fields for which it is compulsory to correspond for the individual instruction types DVP, DWP or FOP (see chapter 7.1.1).

The following table lists the mandatory matching fields for each instruction type.

| Mandatory Matching Field | DVP/DWP | FOP |
|---------------------------|---------|-------|
| Payment Type Code | ✓ | ✓ |
| Securities Movement Type | ✓ | ✓ |
| Intended Settlement Date | ✓ | ✓ |
| Trade Date | ✓ | ✓ |
| Settlement Quantity | ✓ | ✓ |
| ISIN Code | ✓ | ✓ |
| Delivering Party BIC Code | ✓ | ✓ |
| Receiving Party BIC Code | ✓ | ✓ |
| Delivering CSD BIC Code | ✓ | ✓ |
| Receiving CSD BIC Code | ✓ | ✓ |
| Currency | ✓ | n. a. |
| Settlement Amount | ✓ | n. a. |
| CREDIT/DEBIT Code | ✓ | n. a. |

7.1.6.2 Additional Matching Fields

Additional matching fields become mandatory matching fields if one of the instructions contains values in the following fields:

| Additional Matching Field | DVP/DWP | FOP |
|---------------------------------------------|---------|-----|
| Opt-out ISO transaction condition indicator | ✓ | ✓ |
| Ex/Cum ISO transaction condition indicator | ✓ | ✓ |
| Currency | n. a. | ✓ |
| Settlement Amount | n. a. | ✓ |
| CREDIT/DEBIT Code | n. a. | ✓ |

Matching scenarios for the opt-out indicator are:

| Deliverer's Instruction | Receiver's Instruction | Matching Process |
|-------------------------|------------------------|------------------|
| Blank | Blank | Matching |
| Opt-out | Blank | No matching |
| Blank | Opt-out | No matching |
| Opt-out | Opt-out | Matching |

Possible scenarios for the Ex/Cum indicator are:

| Deliverer's Instruction | Receiver's Instruction | Matching Process |
|-------------------------|------------------------|------------------|
| Blank | Blank | Matching |
| Ex | Ex | Matching |
| Ex | Blank | No matching |
| Blank | Ex | No matching |
| Cum | Ex | No matching |
| Ex | Cum | No matching |
| Cum | Cum | Matching |
| Cum | Blank | No matching |
| Blank | Cum | No matching |

7.1.6.3 Optional Matching Fields

Optional matching fields become mandatory matching fields if both of the instructions contain values in the following fields:

If only one instruction shows values in these fields but not the counterparty instruction, this field is not a mandatory matching field.

| Matching Field | DVP/DWP | FOP |
|-------------------------------------------------------|---------|-----|
| Common Trade Reference | ✓ | ✓ |
| Client of delivering CSD participant | ✓ | ✓ |
| Client of receiving CSD participant | ✓ | ✓ |
| T2S securities account number of the delivering party | ✓ | ✓ |
| T2S securities account number of the receiving party | ✓ | ✓ |

7.1.6.4 Matching Tolerances

Instructions are matched according to the amount of the settlement cash value, with the following matching tolerances considered:

- < EUR 100,000 = EUR 2
- > EUR 100,000 = EUR 25
- < CHF 100,000 = CHF 2
- > CHF 100,000 = CHF 27
- < GBP 100,000 = GBP 2
- > GBP 100,000 = GBP 22
- < USD 100,000 = USD 2
- > USD 100,000 = USD 31

7.1.6.5 Matching Process

It is always the instructions with the smallest difference in cash amounts which are matched with one another.

If there are several instructions with identical amount differences, the instructions with the smallest entry time difference are matched.

Matching is always carried out within the tolerance limits based on the sellers settlement amount submitted by the deliverer.

If there are instructions which could not be matched with a counterparty instruction after this first matching attempt, the system creates allegation messages to the counterparty for these instructions.

7.1.7 Auto Receive

For FOP receive instructions, OeKB CSD offers participants connected as ICPs an "Auto Receive" functionality. This functionality allows OeKB CSD participants to decide whether an automatic counterparty instruction should be generated for the instructions of counterparties and for own account transfers.

These parameters are defined on an OeKB CSD participant level.

- Own account transfer settings on an OeKB CSD participant level
- Counterparty delivery settings on a securities account level

Auto receive is triggered by an allegation.

If an OeKB CSD participant did not activate auto receive, the allegation notification is forwarded to the participant.

If an OeKB CSD participant did activate auto receive, an automatic counterparty instruction is generated. No allegation message is sent to the customer.

As soon as the instruction has been settled, a confirmation is generated and sent to the OeKB CSD participant via settlement SWIFT interface. The confirmation can also be accessed on the settlement client.

7.1.8 Modification of Instructions

Modifications of instructions can be carried out by participants connected as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022 [MT530]/ISO 20022 [sese.030])

or by participants connected as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022 [sese.030])

It is possible to modify the following indicators for an instruction:

- Hold/Release Indicator
- Partial Settlement Indicator
- Linkages
- Priority

In the case of partially settled instructions only the "priority" of the part still open can be modified.

Only one indicator can be modified in a single modification instruction.

To modify other fields of an instruction the instruction must be cancelled and a new instruction must be sent.

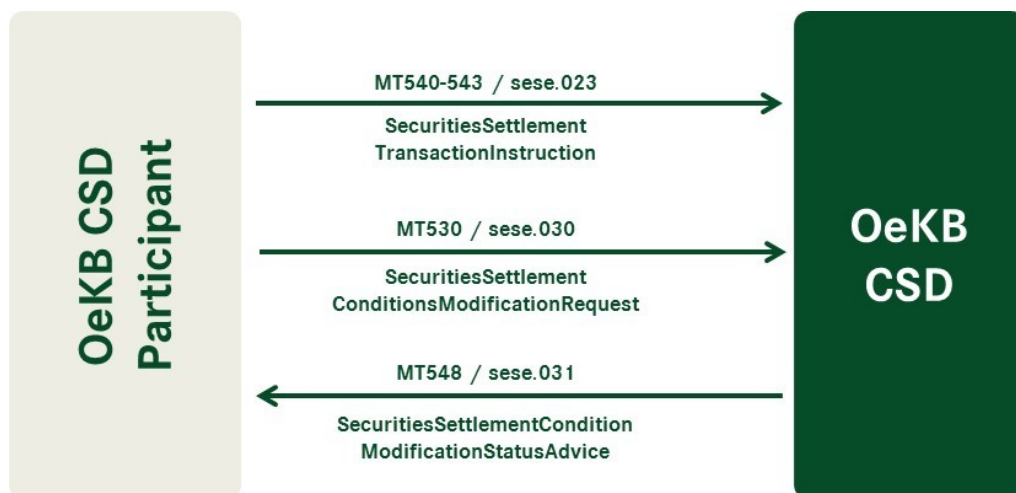


Figure 13: Instruction exchange - Modification of an instruction

7.1.9 Cancellation of Instructions by the OeKB CSD Participant

OeKB CSD participants can cancel their instructions of the transaction type Intra unilaterally (the possibilities of cancelling instructions of the transaction type Cross depend on the common practice of the custodian with OeKB CSD), as long as they have not been successfully matched. If they are already matched but not finally settled, a bilateral cancellation is necessary. In this case, both counterparties must cancel their own instructions.

Cancellation can be carried out using the connection types:

- Settlement SWIFT (ISO 15022 [MT540 - MT543]/ISO 20022 [sese.020]),
- T2S A2A (ISO 20022 [sese.020]),
- Settlement Client or
- T2S U2A

OeKB CSD participants can access cancellation messages on the settlement client or set the message subscription to receive them via settlement SWIFT interface.

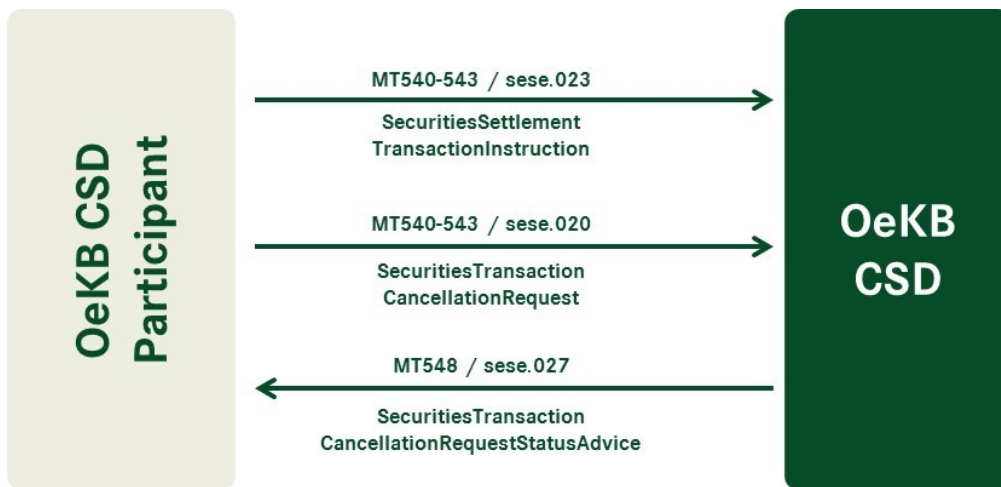


Figure 14: Instruction exchange - Cancellation of an instruction

If an OeKB CSD participant cancels a matched instruction but the counterparty doesn't cancel his instruction within 20 T2S Opening Days (days of operation), the unilaterally created cancellation instruction is recycled and denied in the end-of-day processing.

7.1.10 Multicurrency Settlement in the Currencies CHF, GBP and USD

As an ICP, the OeKB CSD participant can issue instructions of the transaction type Intra for the instruction types DVP and RVP against payment in the following currencies: CHF, GBP and USD. For DWP/RWP instructions, a multicurrency settlement is not possible.

The bookings of cash are carried out on multicurrency cash accounts held with OeKB CSD. For this purpose, each OeKB CSD participant requires multicurrency accounts for the desired currencies, where only one multicurrency account can be assigned to one securities account per currency each.

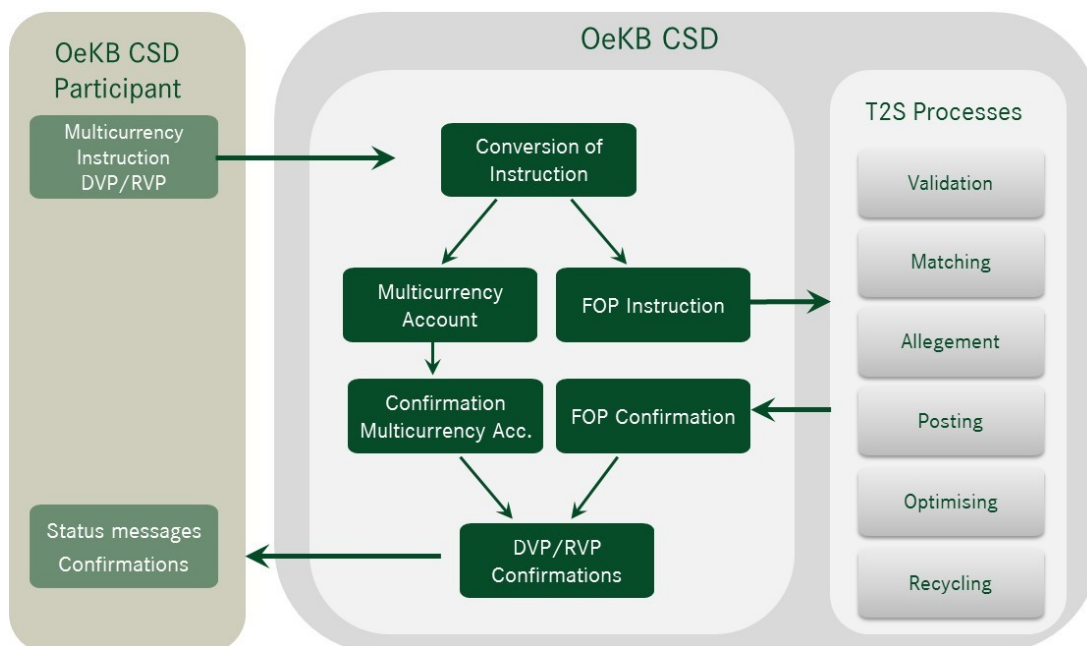


Figure 15: Multicurrency settlement

The field "Common Reference" (Optional Matching Field) in the instruction should not be used. OeKB CSD uses this field to specify the currency and the multicurrency amount. This is done to ensure that the FOP instructions will be matched with certainty. The system overwrites any values contained in this field. A comprehensive description is available in Annex 18 SWIFT Manual and in Annex 17 User Manual Settlement Client.

The DVP instruction is split into a FOP settlement instruction and a payment order.

If settlement on the multicurrency accounts cannot be effected, e. g. because of insufficient coverage, the OeKB CSD participant receives the corresponding status message as SWIFT message and can display it on the settlement client (reason code: MONY).

In addition the following deviations exist:

- No matching tolerance
- No partial settlement
- No possibility to link instructions
- No allegements

7.1.11 Settlement of Instructions

On the settlement day all matched instructions are subjected to the settlement process.

Settlement Process

The settlement process includes several checks and verifications:

- Existing restrictions (hold status, intra-day restrictions, blockings)

- Available positions on the securities account
- Available cash amount on the DCA (Dedicated Cash Account)
- Priorities
- Linked instructions
- Partial Settlement Indicator
- Realignments ("line of custodians involved") in case of cross-CSD and external-CSD settlement

Depending on the result of the checks and verifications the instructions can receive one of the statuses "settled", "unsettled" or "partial settled".

If the checks and verifications could not be concluded with any positive result, the instruction receives the status "unsettled".

Possible reasons are:

- The securities account is blocked – BLOC (Account Blocked)
- The securities positions are blocked – SBLO (Securities Blocked)
- The instruction has status "Party Hold" – PREA (Your Instruction on Hold)
- The instruction of the counterparty has a "Hold" status – PRCY (Counterparty Instruction on Hold)
- The coverage on the securities account is insufficient - LACK (Lack of Securities)
- The coverage on the cash account is insufficient - MONY (Insufficient Money)

For a complete list of all reason codes, please refer to Annex 18 SWIFT Manual.

With insufficient coverage on the cash account but auto-collateralisation permitted the instruction can be settled (see chapter 10).

If all checks and verifications have been concluded with a positive result, the instructions are processed and receive status "settled". The corresponding bookings on the securities account and on the DCA are effected.

If an instruction cannot be settled completely due to lacking coverage and partial settlement is allowed, the instruction is settled in part. The instruction receives status "partial settled".

Depending on the relevant message subscriptions, all status messages (MT548/sese.024) and settlement confirmations (MT544-MT547/sese.025) are sent to the OeKB CSD participant via SWIFT or can be accessed on the settlement client.

7.1.12 Recycling and Automatic Cancellation by System

Settlement instructions are recycled during end-of-day processing until an automatic cancellation by the system occurs.

Cancellation by the system for transaction type Intra:

- An unmatched instruction will be automatically cancelled by OeKB CSD at the end of the 20th T2S Opening Day (day of operation) after its validation.

- A matched instruction will be automatically cancelled by OeKB CSD after the Intended Settlement Date, if there has been no change in the status of the instruction over a period of sixty T2S Opening Days (days of operation) after the Intended Settlement Date.

Cancellation by the system for transaction type Cross:

- An unmatched instruction is automatically cancelled by OeKB CSD, if the custodian of OeKB CSD automatically cancels those instruction with status “unmatched” which OeKB CSD gave it on the basis of the received instruction of the transaction type Cross.
- A matched instruction is automatically cancelled by OeKB CSD, if the custodian of OeKB CSD automatically cancels those instruction with status “matched” which OeKB CSD gave it on the basis of the received instruction of the transaction type Cross.

OeKB CSD participants can access cancellation messages on the settlement client or set the message subscription to receive them via settlement SWIFT interface.

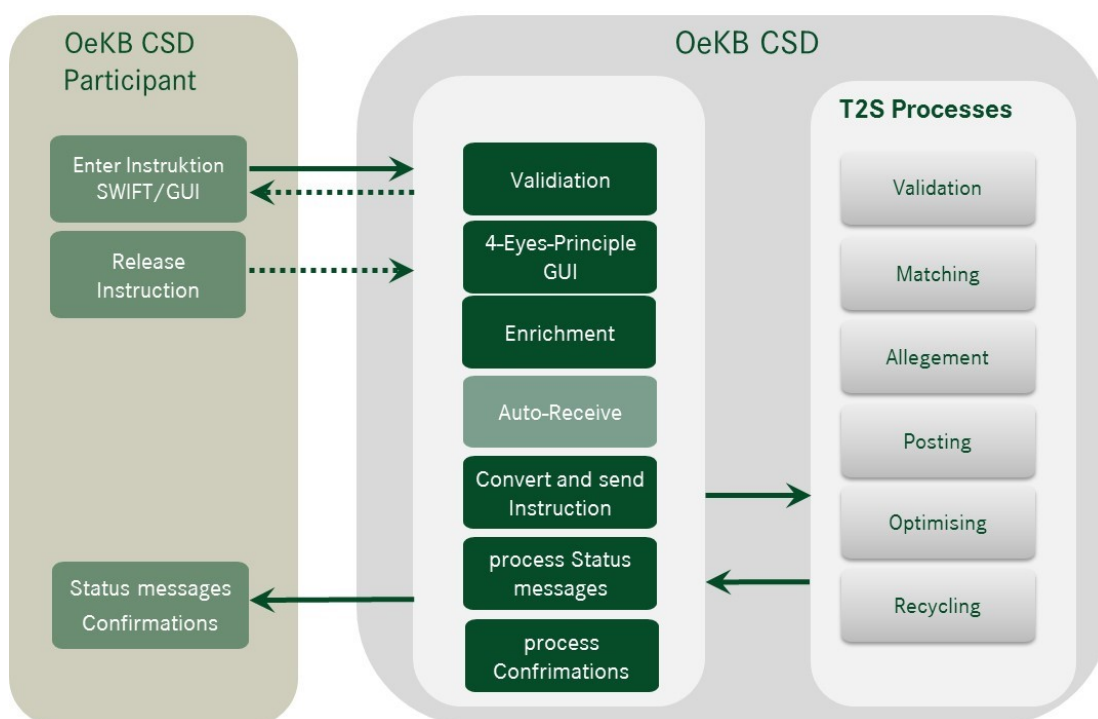


Figure 16: Messageflow between ICPs and OeKB CSD

7.2 Transaction Type External

By instructions of the transaction type External the OeKB CSD participant orders bookings between a securities account held with OeKB CSD and a securities account held with a custodian of OeKB CSD that does not use T2S to administrate OeKB CSD's securities account in securities which OeKB CSD keeps and administers as Investor CSD by a custodian.

The following chapters describe the communication between the OeKB CSD participants and OeKB CSD with consideration of the common practice of the corresponding custodian of OeKB CSD.

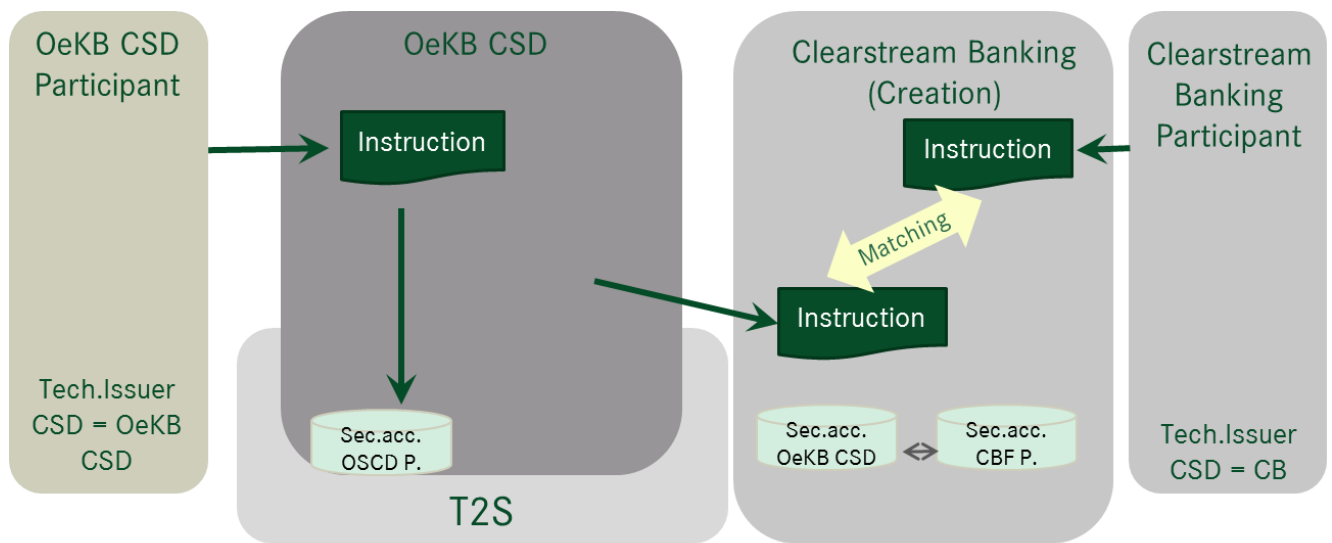


Figure 17: Settlement of an instruction with a custodian that does not use T2S for the administration of the security account of OeKB CSD

7.2.1 Instruction Types

OeKB CSD supports instructions of the transaction type External for the following instruction types:

- Delivery Free of Payment (FOP): Securities are delivered or received without payment
 - DFP (Delivery Free of Payment)
 - RFP (Receive Free of Payment)

7.2.2 Submitting of Instructions

Instructions of the transaction type External can only be issued by participants connected as ICP and only using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022/ISO 20022)

Instructions of the transaction type External can only be issued for securities accounts without blocking “No constraints” (see 4.2.1 Options to block the processing of instructions).

For the order placement of FOP instructions for the transaction type External the cut-off time is 03:30 p.m. at OeKB CSD.

It is essential for this transaction type that - as opposed to instructions of the transaction types Intra and Cross - the securities account must be specified for the receiving/delivering agent. For specification details, please refer to Annex 18 SWIFT Manual and Annex 17 User Manual Settlement Client.

7.2.2.1 Submitting Instructions using the Connection Type Settlement SWIFT (ISO 15022/ISO 20022)

The following SWIFT messages are used for the instruction types listed above:

| Inst. Type | ISO 15022 | ISO 20022 | Payment Type Code | Securities Movement Type Code | Settlement Quantity | Settlement Amount | Credit/Debit Code |
|------------|-----------|-----------|-------------------|-------------------------------|---------------------|-------------------|-------------------|
| RFP | MT540 | sese.023 | FREE | RECE | above zero | - | - |
| DFP | MT542 | sese.023 | FREE | DELI | above zero | - | - |
| RVP | MT541 | sese.023 | APMT | RECE | above zero | above zero | DBIT |
| DVP | MT543 | sese.023 | APMT | DELI | above zero | above zero | CRDT |

Payment Type Code, Securities Movement Type Code and Credit Debit Code are only relevant for ISO 20022.

Specific content requirements for SWIFT messages are explicitly detailed in Annex 18 SWIFT Manual.

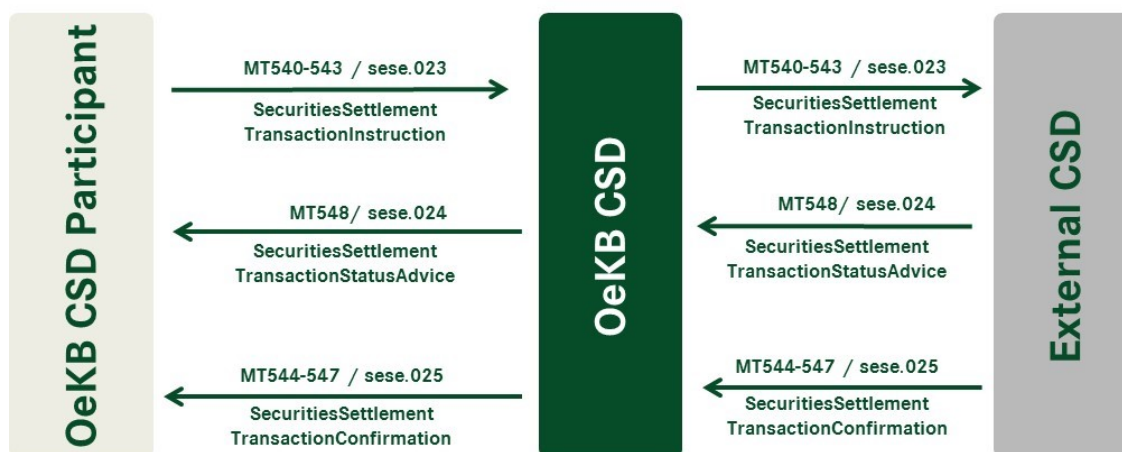


Figure 18: Instruction exchange between OeKB CSD participant, CSD, custodian

7.2.2.2 Submitting Instructions using the Connection Type Settlement Client

For a detailed description of the settlement client, please refer to *Annex 17 User Manual Settlement Client*.

7.2.3 Possible Characteristics of Instructions

7.2.3.1 Hold/Release (PREA/NEWM) Functionality

The Hold/Release functionality can be used in the same way as for instructions of the transaction types Intra and Cross (see chapter 7.1.3.1), however, it depends on the possibilities supported by the external custodian.

Basically, there are the following models:

- For custodians offering the PREA (Preadvices) option, the system in a first step forwards an OeKB CSD Participant's NEWM message to the external custodian as a preadvice. This allows an immediate matching. Only shortly before the settlement run at the external custodian will take place OeKB CSD settlement services perform the coverage checks and release the actual instruction.

- For custodians, who do not offer the option of a PREA (Preadvices), OeKB CSD settlement services will include a table of the times for each custodian when to forward the NEWM message. The times will be set in such way as to allow the matching to take place in time whilst keeping the blocking period as short as possible.

7.2.3.2 Partial Settlement

Partial settlement is not possible for instructions of the transaction type External.

7.2.3.3 Linking of Instructions

Linking of instructions is not possible for instructions of the transaction type External.

7.2.3.4 Prioritising of Instructions

Prioritising of instructions is not possible for instructions of the transaction type External.

7.2.3.5 Cum/Ex Opt-out Indicators

Using the cum/ex and opt-out indicators is not possible for instructions of the transaction type External.

7.2.3.6 External-CSD Settlement Process

OeKB CSD settlement services include a table where each security is associated with a certain custodian. The system therefore automatically knows by checking the security given in the settlement instruction whether an external custodian is involved and which.

Settlement instructions involving external custodians are processed in two steps in OeKB CSD settlement services:

- Processing of the settlement instruction of the OeKB CSD participant
- Submittal of the instruction at the external custodian

Depending on the instruction type, the involved positions or the cash amount is blocked until settlement at the external custodian has been completed. OeKB CSD settlement services attempt to carry out the blocking of securities and the reservation of the cash amount at the latest possible time in order to keep the blocking/reservation time as short as possible. For custodians offering the PREA (Preadvices) option the blocking is executed on the intended settlement day (see also chapter 7.2.3.1).

The instruction of the OeKB CSD participant can be settled only after settlement at the custodian has been confirmed. The OeKB CSD settlement services process the instruction's status codes according to the information received from the external custodian and from T2S and forward this status information to the OeKB CSD participant.

The status codes of the instruction are displayed on the settlement client, or reported to the OeKB CSD participant via SWIFT MT548/sese.024.

The time line of the process largely depends on the system used by the custodian.

7.2.4 Validation of Instructions

All messages are validated. This applies to messages for instructions submitted on the settlement client and for instructions sent via settlement SWIFT interface.

7.2.4.1 Advance Validation

Instructions of the transaction type External will be validated in advance according to the validation rules as described in detail in Annex 17 User Manual Settlement Client and Annex 18 SWIFT Manual.

7.2.4.2 Validation of Instructions in the IT Platform T2S

Instructions of the transaction type External will be validated by OeKB CSD on the T2S IT platform for their compliance with the T2S technical rules.

7.2.5 Settlement Allegement

Whether allegement messages are sent depends on the common practice of the custodian. If the custodian sends an allegement, it is forwarded to the OeKB CSD participant, provided that an identification of the customer is possible.

7.2.6 Matching of Instructions

Basically the same matching rules as for instructions of the transaction types Intra and Cross (see chapter 7.1.6) apply also to instructions of the transaction type External. Additionally, it also depends on the common practice of the custodian whether matching is possible.

7.2.7 Auto Receive

Auto Receive is never possible for instructions of the transaction type External. Some custodians, however, require no matching for FOP instructions. In this case the positions are booked without a counterparty instruction.

7.2.8 Modification of Instructions

Whether it is possible to modify instructions depends on the common practice of the custodian.

Modifications of instructions can be carried out using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022 [MT530]/ ISO 20022 [sese.030])

It is possible to modify the following indicators for an instruction:

- Hold/Release Indicator

To modify other fields of an instruction the instruction must be cancelled and a new instruction must be sent.

7.2.9 Cancellation of Instructions

7.2.9.1 Cancellation by the OeKB CSD Participant

The possibilities of cancelling instructions depend on the common practice of the custodian. OeKB CSD participants can cancel their instructions, as long as settlement at the custodian has not been reported and if cancellation is permitted.

Cancellation can be carried out using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022 [MT540 - MT543]/ISO 20022 [sese.020])

7.2.9.2 Cancellation by System

The possibilities of cancelling instructions by the system depend on the common practice of the external custodian.

OeKB CSD participants can access cancellation messages on the settlement client or set the message subscription to receive them via settlement SWIFT interface.

7.2.10 Settlement of Instructions

Basically, settlement of instructions of the transaction type External is carried out much in the same ways as instructions of the transaction types Intra and Cross (see chapter 7.1.11), considering the limitations for certain functionalities as described in the previous chapters (no partial settlement, ...) and the common practice of the custodian.

8. Intra-Position Movement (Settlement Restrictions)

By instructions of the transaction type Intra-Position Movement the OeKB CSD participant orders a special type of identification of a position in a securities account. Sub-balances are created.

OeKB CSD supports instructions of the transaction type Intra-Position Movement for the following restriction types:

- Blocking
- Reservation
- Earmarking for auto-collateralisation

OeKB CSD participants can submit intra-position movements themselves. In certain cases, OeKB CSD settlement services will generate settlement restrictions automatically.

8.1 Submitting of Instructions

Instructions of the transaction type Intra-Position Movement can be issued by participants connected as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022/ISO 20022)

or by participants connected as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022)

Blocking

A securities position is blocked for a certain reason. Blockings must not exceed the quantity of securities held in the position. If the quantity of the restriction exceeds the quantity in the position, the instruction will not be carried out ("pending instruction"). The "blocking" is executed as soon as a sufficient quantity of units is available.

Blocking instructions are submitted as follows:

- ISO 15022 (MT524)
- ISO 20022 (semt.013)
- Settlement Client
- T2S U2A

Reservation

A securities position is reserved for a certain reason. Reservation instructions may exceed the quantity of securities held in the position. In this case partial settlement is carried out and all securities booked later on the securities account are automatically "reserved" until the total quantity of the reservation is reached.

Reservation instructions are submitted as follows:

- ISO 15022 (MT524)
- ISO 20022 (semt.013)
- Settlement Client
- T2S U2A

Earmarking

Positions are earmarked for a certain reason (e.g. auto-coll). If the quantity of an intra-position movement exceeds the quantity of securities, the system carries out a "partial execution". However, no further executions are carried out after a partial execution.

Earmarking instructions are submitted as follows:

- ISO 15022 (MT524)
- ISO 20022 (semt.013)
- Settlement Client or
- MT540, MT541/sese.023 (directly within the settlement instruction) - in this case the delivered quantity is booked as earmarked position or used for auto-collateralisation "on flow" (see chapter 10.1.1).

The system returns MT548/semt.014 status messages and MT508/semt.015 execution confirmations for all these instructions. A restriction reference number is added in the case of blockings and reservations.

Actions

The following actions are possible:

| Action | Description |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Set-up | A new position is created. A restriction reference number is generated for blockings and reservations. This reference number is included in the execution confirmation. It must be included in case of modifications or when the flagged positions are used. |
| Increase | Increase of the quantity of an existing restriction. The restriction reference number of blockings and reservations must be included. |
| Decrease | Decrease of the quantity of an existing restriction, i. e. the position is deallocated. The restriction reference number of blockings and reservations must be included. |
| Use | Using of an allocated position in an instruction. The restriction reference number of blockings and reservations must be included in the settlement instruction MT540-MT543/sese.023. |

OeKB CSD participants can use different restriction types⁵ to flag the sub-balances:

- **AWAS** = position available without restriction
- **BLO1** = blocked position
- **RES1** = reserved position
- **EEUR** = earmarked position for auto-collateralisation
- **EAR1** = earmarked position

All available positions on a securities account are automatically assigned the type "AWAS". To carry out a restriction the intra-position movement must include the source and target positions between which to move the securities (intra-position movement).

Example of "Set-Up":

On a securities account there is a position of 1000 units (AWAS). 600 units shall be blocked.

The intra-position movement includes the following:

- Quantity: 600
- Sub-balance from: AWAS
- Sub-balance to: BLO1

The execution confirmation includes the restriction reference no. 123456.

After execution of the intra-position movement the securities account shows 2 sub-balances: 400 units AWAS and 600 units BLO1 (with restriction ref. 123456).

⁵ More types might be added or the listed types might get modified.

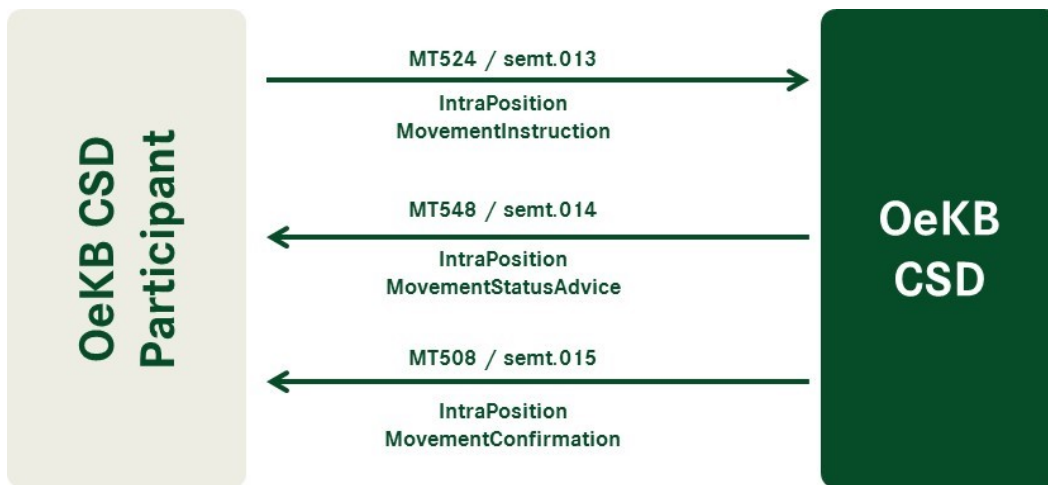


Figure 19: Exchange of instructions - Intra position Movement

Example of "Use":

The blocked position BLO1 with restriction ref. no. 123456 shall be used in a settlement instruction.

The settlement instruction must include the following:

- **Lot Number:** 123456
- **Securities Sub-balance Type Indicator:** BLO1

For a complete description of the message formats, please refer to Annex 18 SWIFT Manual and Annex 17 User Manual Settlement Client.

8.2 Validation of Instructions

8.2.1 Advance Validation

Instructions of the transaction type Intra-Position Movement issued by participants connected as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022/ISO 20022)

will be validated in advance according to the validation rules as described in detail in Annex 17 User Manual Settlement Client and Annex 18 SWIFT Manual.

8.2.2 Validation of Instructions in the IT Platform T2S

In addition, all instructions of the transaction type Intra-Position Movement, regardless whether they have been issued by participants connected as ICP using the connection types

- Settlement Client or

- Settlement SWIFT (ISO 15022/ISO 20022)

or by participants connected as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022)

will be validated by OeKB CSD on the T2S IT platform for their compliance with the T2S technical rules.

8.3 Modification of an Intra-Position Movement

Modifications of instructions of the transaction type Intra-Position Movement can be issued by participants connected as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022 [MT530]/ISO 20022 [sese.030])

or by participants connected as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022 [sese.030])

It is possible to modify the following indicators for a restriction:

- Priority
- Linkage (Linkages Block)

In the case of partially settled intra-position movements only the "priority" of the part still open can be modified.

Only one process indicator can be modified in a single modification instruction.

To modify other fields of a restriction the intra-position movement must be cancelled and a new instruction must be sent.

8.4 Cancellation of an Intra-Position Movement

Instructions of the transactions type Intra-Position Movement can be cancelled as long as the modification of the position has not yet been carried out.

Cancellations can be issued by participants connected as ICP using the connection types

- Settlement Client or
- Settlement SWIFT (ISO 15022 [MT524]/ISO 20022 [sese.020])

or by participants connected as DCP using the connection types

- T2S U2A or
- T2S A2A (ISO 20022 [sese.020])

9. OeKB CSD Market Specific Attributes and Rules

OeKB CSD aligns its settlement processes as much as possible with the T2S standard. Therefore, the use of Market Specific Attributes (MSA), i.e. CSD-specific extensions of participant master data, securities accounts, securities and rules is limited.

MSAs

Securities account: Securities Account Settings (see chapter 4.2)

Rules

Rules in connection with settlement instructions can have the following consequences:

- **Rejection:** The system automatically rejects the instruction and returns the rule accompanied by a descriptive text.
- **CSD Validation Hold:** The instruction in question is stopped until the CSD has completed a validation or an external process.
- **CoSD Hold (Conditional Securities Delivery):** A CoSD Hold is carried out on the intended settlement day and simultaneously blocks the required quantities (cash or units).

| Trigger | Description | Rule |
|-----------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Blocking the processing of instructions | Technically blocked | Reject |
| | Customer-specific deposit and withdrawal blocks | CSD Validation Hold until completion of individual validation process |
| | Special Holding Type | CSD Validation Hold until completion of registration |
| Multicurrency (only for ICPs) | Special settlement for DVPs in CHF, GBP and USD (see chapter 7.1.10) | CoSD Hold until completion of cash leg |

Blocking

For the following transaction types it is necessary to block positions:

- External
- Certain corporate actions

10. Auto-Collateralisation

Auto-collateralisation supports granting an intra-day credit of a Euro Central Bank in central bank funds to facilitate the processing of instructions of the transaction types Intra and Cross, instruction type RVP, in cases of temporarily insufficient liquidity on the DCA (Dedicated Cash Account).

For auto-collateralisation to be possible, certain settings must be made in the securities account master data as well as on the cash side.

The cash-side settings are effected on the part of the Euro Central Bank (DCA settings).

The following descriptions are relevant for participants who authorised a Euro Central Bank and OeKB CSD to configure auto-coll for the linkage between their securities accounts to the relevant DCA.

The Euro Central Bank determines the securities which are admitted as collateral. It transfers a list of securities admitted as collateral and their prices to T2S daily before 7 p.m.

10.1 Types of Auto-Collateralisation

There are two types of auto-collateralisation:

- Auto-Collateralisation "on flow"
- Auto-Collateralisation "on stock"

First, the Euro Central Bank attempts to settle RVP instructions using the cash available on the DCA. If DCA liquidity is insufficient, it verifies whether auto-coll "on flow" would be possible. If this is not the case, auto-coll "on stock" is effected.

10.1.1 Auto-Collateralisation "On Flow"

In the case of auto-coll "on flow" the security specified in the purchase instruction is used as collateral.

The prerequisites are:

- The security must be admitted as collateral by the Euro Central Bank.
- The DCS specified in the purchase instruction must be earmarked.
- The settlement instruction itself indicates that the position shall be earmarked as collateral (restriction type Earmarking included in the instruction, e.g. Securities Sub Balance Type Indicator: EEUR).

Process

1. The settlement instruction is sent
2. Insufficient coverage on the DCA

3. Auto-collateral "on flow" is possible
4. Securities are transferred and simultaneously booked as collateral on the Euro Central Bank's securities account held with the OeKB CSD
5. At the same time the Euro Central Bank provides the corresponding liquidity on the DCA which is then used for the settlement of the RVP instruction.

10.1.2 Auto-Collateralisation "On Stock"

Auto-coll "on stock" is carried out if auto-coll "on flow" is not possible.

The prerequisites are:

- The link between the securities account and a DCA enabled for auto-coll exists.
- One or several positions can be earmarked directly by the OeKB CSD participants by means of intra-position movements (see chapter 8).
- The positions earmarked for auto-coll are admitted as a collateral by the Euro Central Bank.

Process

1. The settlement instruction is sent
2. Insufficient coverage on the DCA
3. Auto-collateral "on flow" is not possible
4. Securities are transferred from the Collateral Securities Account/Position to the Euro Central Bank's securities account held with the OeKB CSD
5. The Euro Central Bank provides liquidity on the DCA
6. The settlement instruction is settled if the cash provided by the collateral is sufficient

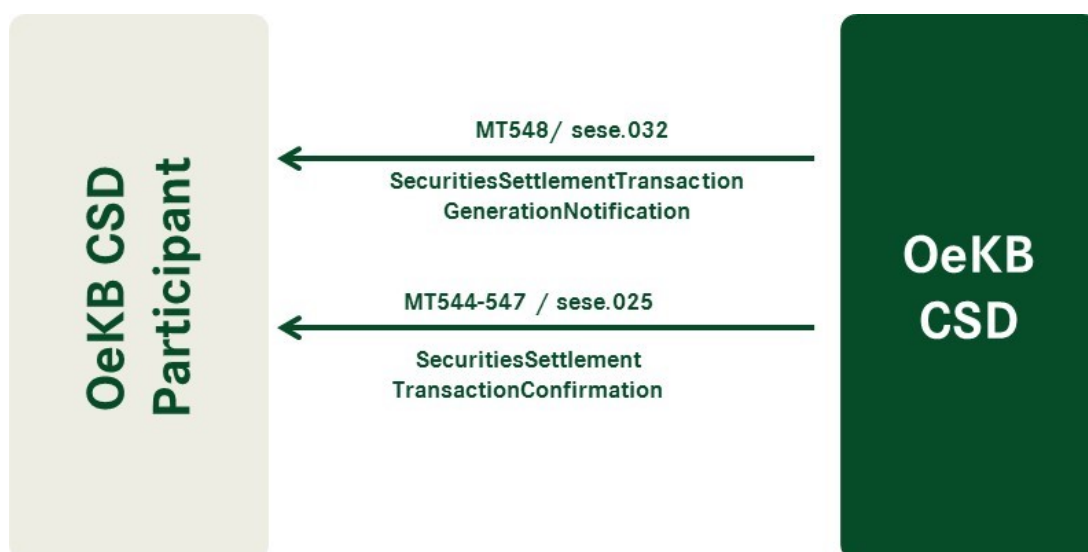


Figure 20: Auto Collateralisation Opening leg

10.1.3 Reimbursement of the Collateral

With auto-collateralisation being an intra-day credit, reimbursement is effected daily.

The system automatically generates a "Reimbursement" instruction with the status Party Hold (MT548/sese.032) for reimbursement of the collateral. The instruction can be released by the OeKB CSD participant at any time. If not, it is released automatically by the system at the end of the day.

The prerequisite for successful reimbursement is sufficient liquidity on the DCA.

During end-of-day processing the Euro Central Bank checks all DCAs of an OeKB CSD participant and balances them to be able to reimburse all open intra-day credits. If this is not possible, a relocation is carried out.

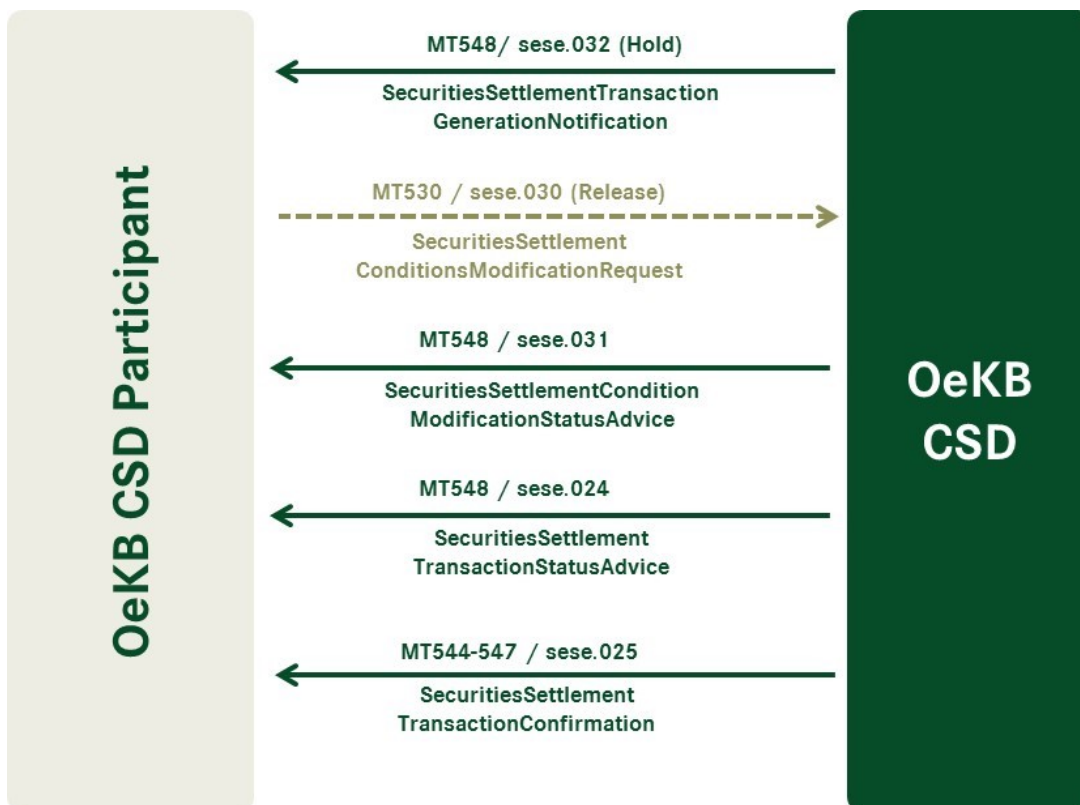


Figure 21: Auto collateralisation reimbursement Closing leg

10.1.4 Relocation

During relocation the collateral of the OeKB CSD participant already used is booked on the regular securities account of the Euro Central Bank held with OeKB CSD. For further information, please see the documentation provided by the Euro Central Bank.

The reimbursement must be instructed manually with the Euro Central Bank, because there is no automatic process to do so.

10.1.5 Auto-Collateralisation Settlement Messages

In the auto-collateralisation process settlement messages are generated automatically. This includes the sending of notifications and executions about transfer bookings from the OeKB CSD participant's securities account to the securities account of the Euro Central Bank held with OeKB CSD.

- Notification of the transfer booking MT548/sese.032
- Execution confirmation of the transfer booking MT547/sese.025
- If there is an intra-day restriction (= block) during the day for the financial instrument used as a collateral, the transaction type code for the reimbursement settlement instruction is "AUTO".

For the reimbursement another notification with indicator "Hold" is sent. After the instruction has been properly released the system sends a confirmation if cash coverage on the DCA is provided.

- Notification of the transfer booking MT548/sese.032 "Hold"
- Manual release with MT530/sese.030
- Status information about release MT548/sese.31
- Status information about reimbursement instruction MT548/sese.31
- Execution confirmation of the transfer booking MT547/sese.025

The same message types are used for the notifications sent during the execution of a relocation.

OeKB CSD participants can access the messages on the settlement client or set the message subscription to receive them via settlement SWIFT interface.

For a description of the messages, please refer to *Annex 18 SWIFT Manual*.

10.1.6 Substitution of Collateral Positions

If a position earmarked as collateral is required for a delivery instruction, the position is automatically substituted by another collateral.

As a precondition sufficient positions must be earmarked for auto-collateralisation and the delivery instruction must be earmarked as well. If the checks have been completed with a positive result, the system automatically substitutes the collateral position and the delivery instruction can be settled successfully.

10.1.7 Auto-Collateralisation Details and Settings

Positions earmarked for auto-coll are available via the securities positions enquiry functionality on the settlement client. The positions are displayed according to the existing sub-balances (AWAS, EEUR, ...). This makes it easy to identify positions earmarked for auto-collateralisation.

OeKB CSD participants can access all generated settlement instructions on the settlement client (or T2S U2A). Similarly, all SWIFT messages are sent to the OeKB CSD participant, if the message subscription is configured accordingly.

11. Billing

The settlement client provides a billing functionality for OeKB CSD participants, which includes the following features:

- All fees due in a certain category are listed on one invoice issued by OeKB CSD to the OeKB CSD participant.
- The fees invoiced are as follows, according to the latest OeKB CSD price list:
 - Fees for the settlement of instructions
 - Fees for securities custody and administration
 - Fees for corporate actions
 - Communication fees
 - Manually calculated fees
- Display of invoice data on the settlement client.
 - Display and archiving of the invoice copies (PDF)
 - Detailed analysis functionalities for the invoiced charges per OeKB CSD participant and per period

12. Reporting

12.1 Statement of Holdings

12.1.1 Format

The statement of holdings will be available in the following formats:

- SWIFT MT535 (ISO 15022) or semt.002 (ISO 20022)
- Report (for online download with an option for PDF download)

Fax and print-out versions are no longer available.

12.1.2 Scope

Securities Accounts

A separate statement of holdings will be generated for each individual securities account. There is no possibility to compile the data of several securities accounts in one statement of holdings.

Fees for securities custody and administration

The statement of holdings does not contain information about fees for the safekeeping and administration of securities. Those are available in the Billing module (see chapter 11).

Value

The value of securities account positions is calculated using the current securities price.

Custody Type

Individual Custody: Positions in individual custody will be held in a securities account of type "special holding". The statement of holdings will indicate the custody type ST in these cases.

All other securities accounts show either custody type GS (collective clearing custody) or WR (fiduciary collective custody) for the positions. The custody type is defined for the ISIN.

12.1.3 SWIFT Statement of Holdings

A statement of holdings can be sent to several BIC addresses. It is possible for each combination of BIC and securities account to set the frequency of SWIFT message sending (daily, weekly, monthly).

Sending via SWIFT can be configured in the message subscription (rule type: statements of holdings) by OeKB CSD. Any subscription changes will be active immediately.

Depending on its volume the statement of holdings may be split among several messages.

Sub-Balances

For each securities account the total positions, available positions and not available positions are indicated. Sub-balances, i.e. positions available without restriction and positions allocated to the different restriction types (e.g. for earmarking, blocking or reservation), are indicated separately. If positions allocated to a restriction type (e.g. blocking) show different sub-balance identifiers (e.g. separate blocking positions), they are indicated separately.

12.1.4 PDF Statement of Holdings

It is possible to access the statement of holdings online in the settlement client, from where it can be downloaded as a PDF.

The content structure of the statement of holdings available online in PDF format is similar to the SWIFT message, with all legal requirements considered (e.g. specification of the safekeeping location Vienna). However, the PDF-format statement of holdings will not identify sub-balances (see also 12.1.2).

12.2 Statement of Transactions

12.2.1 Form

The statement of transactions is generated daily during EOD Reporting by MT536 (semt.017). The statement of transactions report is available only via SWIFT, as opposed to the statement of holdings.

12.2.2 Scope

A separate SWIFT message will be generated for each individual securities account. Depending on its volume the statement of transactions report may be split among several messages. There is no possibility to compile the data of several securities accounts in one statement of transactions report.

12.2.3 Control of SWIFT Message Sending

A separate statement of transactions report can be sent to several BIC addresses. Sending via SWIFT can be configured individually in the message subscription (rule type: statements of transactions) by OeKB CSD. Any subscription changes will be active immediately. Sending via SWIFT occurs once per day.

