



Annex 28 to the GTC of OeKB CSD

# Guideline Processing of Corporate Actions

Guideline for the Processing of Corporate Actions of  
Securities Kept and Administered by OeKB CSD as Issuer  
CSD or Investor CSD

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## 1. General Information

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The present document describes the procedure used by OeKB CSD in its function as Issuer CSD or Investor CSD in the context of corporate actions both in EUR and non-EUR.

Corporate actions resulting in securities and/or cash bookings include, but are not limited to, the following events:

- BIDS – Repurchase offer
- BONU – Bonus issue
- BPUT – Put redemption
- CHAN – Change
- CONV – Conversion
- DRIP – Dividend reinvestment
- DVOP – Dividend option
- DVSE – Stock dividend
- EXOF – Exchange
- EXRI – Call on intermediate securities
- EXWA (voluntary) – Warrant exercise voluntary
- LIQU – Liquidation dividend/liquidation payment
- MRGR – Merger
- OTHR – Other event
- PARI – Pari passue
- PRIO – Priority issue
- RHDI – Intermediate securities distribution
- SOFF – Spin-off
- SPLF – Forward split
- SPLR – Reverse split
- TEND – Tender offer

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## 2. Associated Measures Related to Securities

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In regard to securities which OeKB CSD keeps and administers itself as Issuer CSD, OeKB CSD will carry out the associated measures relating to corporate actions (e.g. crediting and debiting of subscription rights, crediting of bonus shares), if it has received the necessary means to do so and if it has received the necessary instructions and information from the holders of the functions Information Agent or Corporate Action Agent.

In regard to securities which OeKB CSD keeps and administers as Investor CSD with a custodian, OeKB CSD is entitled against the custodian to all measures associated with corporate actions which the corresponding custodian provides as its services.

For the purpose of blocking securities while processing corporate actions, OeKB CSD will open a securities account ending with 89 if necessary.

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### 3. Collection of Income for Securities Due

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In the case of mandatory corporate actions with distributions in cash, the following applies:

In regard to securities which OeKB CSD keeps and administers itself as Issuer CSD (with the exception of Austrian registered shares), OeKB CSD will collect income for securities due according to clause 2.10 of the GTC of OeKB CSD unless the securities account holder gave instruction not to collect the income. Details on the collection of income for securities due can be found in Appendix 11 (Guideline Income Collection for Securities Due).

If income for securities due cannot be redeemed or cannot be collected on the maturity date in part or in full, OeKB CSD will attempt to collect, as long as this appears promising of success. In regard to securities which OeKB CSD keeps and administers as Investor CSD with a custodian, OeKB CSD is entitled to the income collection for securities due from the custodian and to the crediting of the collected amounts.

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## 4. Information About Corporate Actions

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Preadvices about corporate actions related to securities holdings can be obtained via SWIFT MT564 (Corporate Action Notification) and/or retrieved in the Asset Servicing Client.

Payment confirmations can be obtained via SWIFT MT566 (Corporate Action Confirmation) as well as via email (pdf). Information on payment confirmations is also available in the Asset Servicing Client.

### 4.1 Asset Servicing Client

In the Asset Servicing Client, OeKB CSD customers can retrieve preadvice messages and payment confirmations about current and past corporate actions.

Registration and login to the Asset Servicing Client are carried out via the OeKB CSD Online Services.

For further information please see Appendix 22 (User Manual Asset Servicing Client).

### 4.2 SWIFT messages related to corporate actions

Preadvices about corporate actions are sent as SWIFT MT564 (Corporate Action Notification). Payment confirmations are sent as SWIFT MT566 (Corporate Action Confirmation).

The SWIFT messages contain a consistent corporate action reference (qualifier CORP), which always starts with the event type followed by a unique number (SWIFT Qualifier for event code e.g. DVCA00100168). The individual SWIFT messages for an event are linked by the sender reference.

A description and explanation of the SWIFT content requirements including examples can be found in Annex 18 (SWIFT Manual).

### 4.3 Payment confirmations by email (PDF)

It is possible to obtain payment confirmations by email (with PDF attachment).

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## 5. Submitting Instructions for Corporate Actions

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### 5.1 Instructions to OeKB CSD to participate in corporate actions (optional corporate actions)

In case of corporate actions in which participation is optional for the holders of the securities (optional corporate actions), the securities account holder may instruct OeKB CSD, enclosing all required documents, to participate in the corporate action to the extent of the participating holdings administered and in accordance with the information forwarded as specified in clause 6.1.1 of the GTC. The means required for that purpose have to be provided to OeKB CSD by the holder of the securities account in due time. Such instructions will be issued to OeKB CSD according to the procedure as described in Annex 23 (Issuing of Instructions Asset Servicing) and cannot be cancelled after OeKB CSD instructed the subscription agent or the custodian (exception: events for which the right of cancellation has been expressly agreed). This applies e.g. also to instructions which were issued to OeKB CSD in error.

### 5.2 Status information on instructions to OeKB CSD to participate in corporate actions (optional corporate actions)

OeKB CSD securities account holders will receive status information on instructions pursuant to clause 6.1 by means of a SWIFT MT567.

An OeKB CSD securities account holder can only expect that its instruction will be processed if it has received a corresponding SWIFT MT567 from OeKB CSD. The participant must ensure that for each instruction sent via SWIFT MT565 a corresponding SWIFT MT567 exists. If a SWIFT MT567 was not received for an invalid instruction, the participant has no claim to the execution of the instruction.

### 5.3 Instructions not to collect income for securities due which OeKB CSD keeps and administers itself as Issuer CSD (mandatory corporate actions)

Instructions not to collect the income for securities due for a certain quantity of securities of a specified category which OeKB CSD keeps and administers itself as Issuer CSD may be issued by securities account holders to OeKB CSD in the Asset Servicing Client. Income for securities not collected by OeKB CSD in accordance with the instruction will in the following be considered in the same way by OeKB CSD as income collected for the same category, and therefore be deemed collected by OeKB CSD.

Corresponding instructions will be accepted up until 1 Target day before the maturity date by 18:00 (6 p.m.), Viennese time.

## **5.4 Instructions not to collect income for securities due which OeKB CSD keeps and administers as Investor CSD with a custodian (mandatory corporate actions)**

If considered administrable by OeKB CSD and if respective agreements have been made with custodians of OeKB CSD, it will be possible for a securities account holder not to have payments made out of mandatory corporate actions affecting securities of the respective securities account holder.

Instructions not to collect the income for securities due for a certain quantity of securities of a specified category which OeKB CSD keeps and administers with a custodian may be issued by securities account holders to OeKB CSD pursuant to Annex 23 (Issuing of Instructions Asset Servicing). Income for securities not collected by OeKB CSD in accordance with the instruction will in the following be considered in the same way by OeKB CSD as income collected for the same category, and therefore be deemed collected by OeKB CSD.

Corresponding instructions are only accepted upon request.



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## **6. Credit and Debit Bookings on Securities Accounts and Cash Accounts Related to Corporate Actions Affecting Every Holder of the Securities (Mandatory Corporate Actions)**

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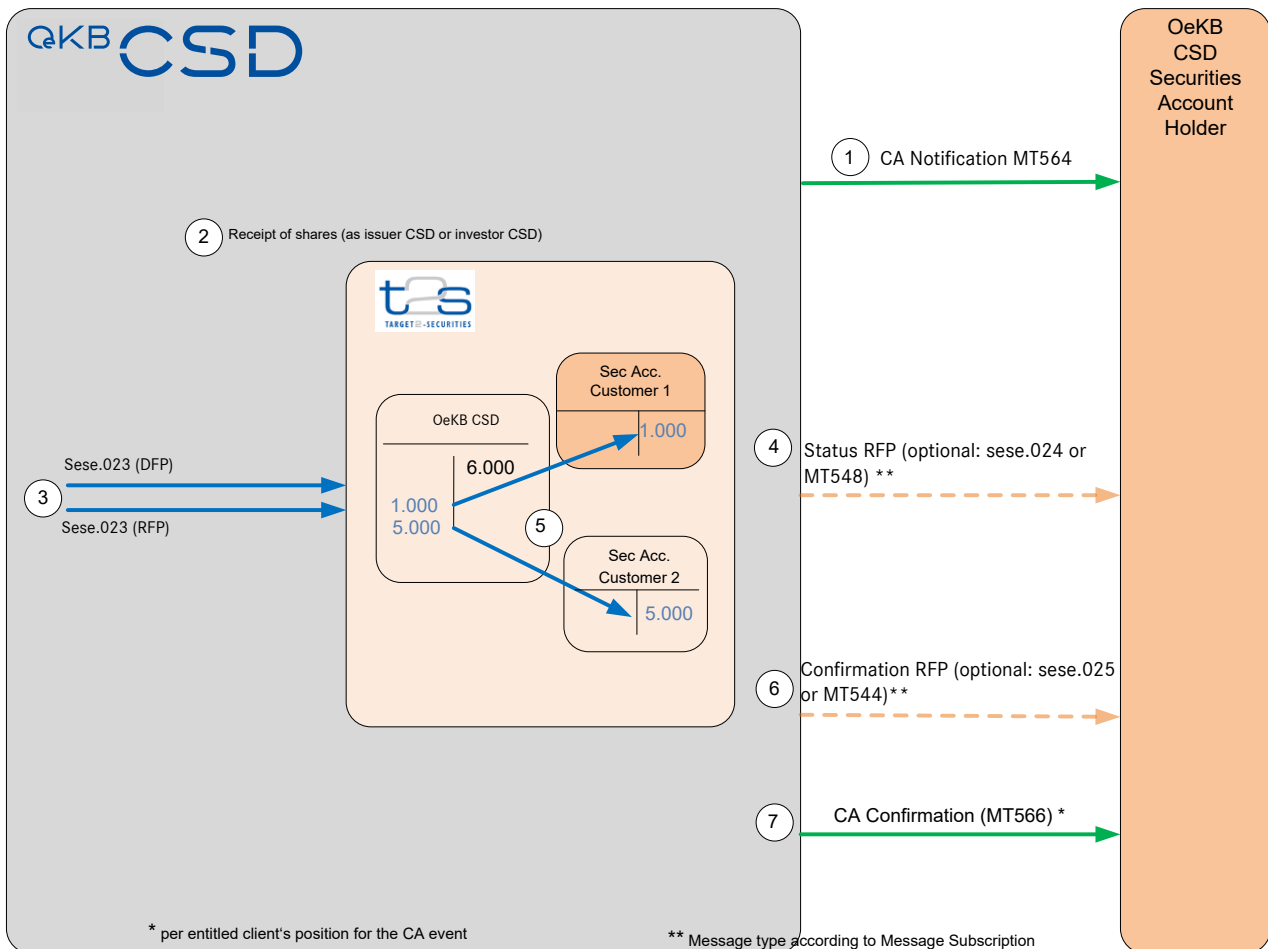
In regard to securities which OeKB CSD keeps and administers itself as Issuer CSD, OeKB CSD will credit and debit securities accounts and cash accounts as a consequence of corporate actions corresponding to the credit balances on the securities accounts at the end of day on the record date or, if applicable, at the start of day on the ex date.

In regard to securities which OeKB CSD keeps and administers as Investor CSD with a custodian, OeKB CSD will credit and debit securities accounts and cash accounts as a consequence of corporate actions corresponding to the credit balances on the securities accounts at the end of day on the record date or, if applicable, at the start of day on the ex-date to the extent that it received credits and debits on its accounts held with its custodian. The credits and debits on securities accounts and cash accounts will be booked on the same day as the credits and debits on the securities account and cash account of OeKB CSD, if these bookings have been confirmed to OeKB CSD prior to the deadline as stipulated in clauses 6.1 (securities) or 6.2.1 and 6.2.2 (cash). Otherwise, the securities account and cash account will be credited or debited on the following T2S Opening Day (day of operation).

### **6.1 Processing of securities bookings**

OeKB CSD processes the credit and debit bookings of securities related to corporate actions to and from the securities accounts as settlement instructions (DFP/RFP and DVP/RVP) in the T2S System.

In the following example of "bonus shares" there is only a delivery of securities and therefore settlement takes place via DFP/RFP.



*Example bonus shares*

- Corporate Action Notification to OeKB CSD securities account holders (MT564) (1)
- Subject to the receipt of the securities by OeKB CSD or its custodian (2), the instruction is issued by OeKB CSD
  - DFP (“Deliver Free of Payment”); debiting of OeKB CSD’s securities account in favour of the securities account of the securities account holder (3)
  - RFP (“Receive Free of Payment”); crediting in favour of the securities account of the securities account holder at the expense of OeKB CSD’s securities account (3)
- Status information for the submitted instruction (4)
- After processing (5) information to the securities account holder:
  - RFP confirmation-message (MT544) (6)
  - Corporate Action Confirmation (MT566) (7)

The bookings are processed on the maturity date provided that the relevant securities have been made available by 14:30 (2:30 p.m.), Viennese time, on the maturity date at the latest.

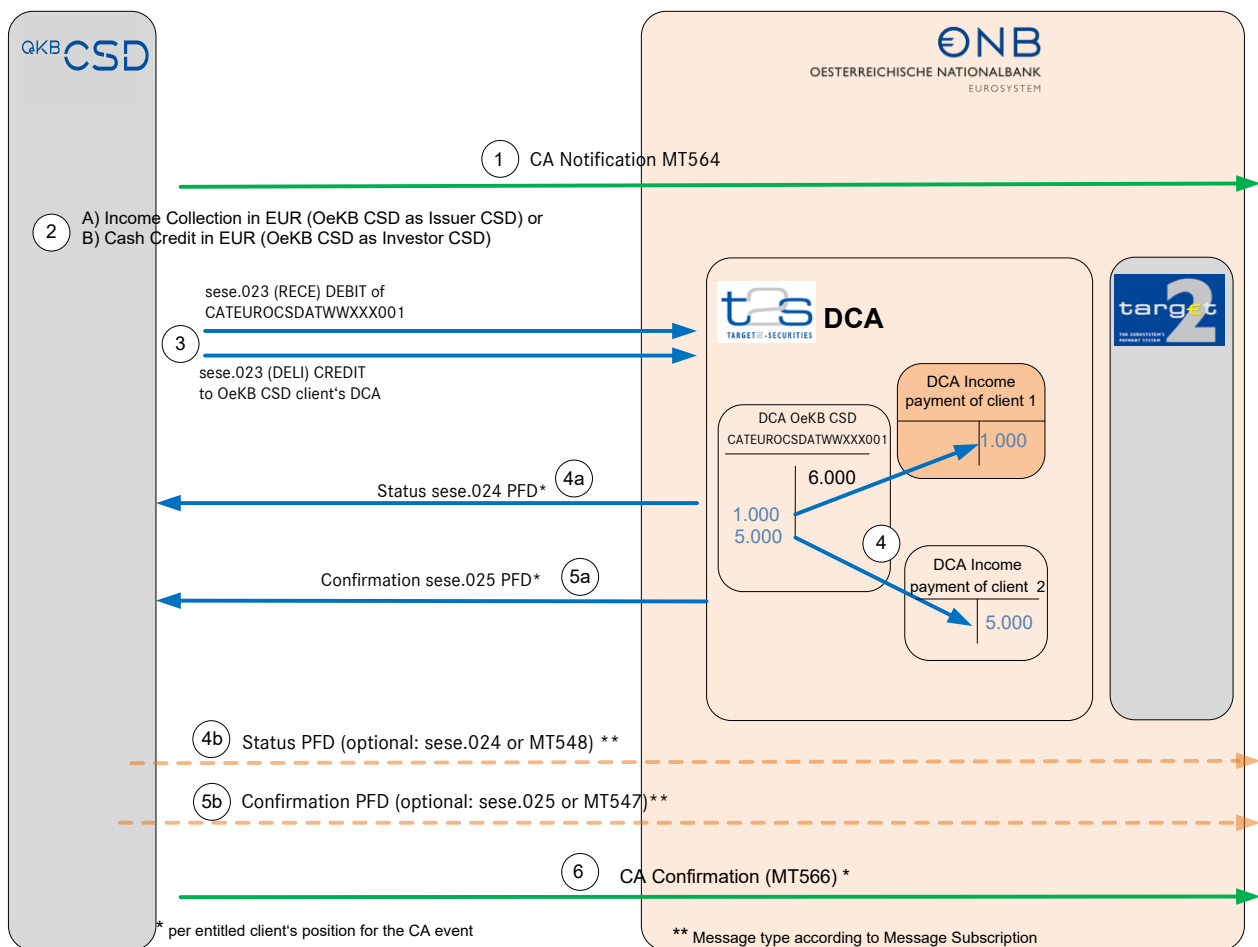
## 6.2 Processing of cash bookings

The forwarding of amounts received in the course of income collections from mandatory corporate actions is made to the securities account holders in proportion to the credit balances shown on the securities accounts held with OeKB CSD at the end of day on the respective record date or, as relevant, at the start of day on the respective ex date.

These amounts will be forwarded to the securities account holders pro rata to the credit balances, even if the amount received in the process of income collection does not correspond to the amount due.

### 6.2.1 Processing of corporate action payments in EUR

Payments from corporate actions in EUR are credited to the Dedicated Cash Account (DCA) of the respective holder of a securities account with OeKB CSD. The following example shows a liquidation payment (without securities bookings):



Example liquidation (without securities bookings)

- Corporate Action Notification to OeKB CSD securities account holders (MT564) (1)
  - Subject to the successful collection of income for securities due with OeKB CSD being the Issuer CSD or the crediting of funds with OeKB CSD being the Investor CSD: (2)
  - By means of PFD DBIT ("Payment free of Delivery – Cash Delivery") with the debiting of OeKB CSD's DCA in favour of the DCA of the securities account holders (4)
  - By means of PFD CRDT ("Payment free of Delivery – Cash Receipt") with the crediting of the payment to the DCA of the OeKB CSD securities account holders; and (4)
- After processing of the PFD:
  - PFD confirmation-message (MT545)
  - Corporate Action Confirmation (MT566)

The actual time of crediting of the funds to the DCAs of the securities account holders at the Euro Central Bank is the maturity date, provided that the income amount due from the corporate action has been available on the maturity date by 14:30 (2.30 p.m.), Viennese time, at the latest

- In regard to securities, which OeKB CSD keeps and administers itself as Issuer CSD, on the cash account as indicated by OeKB CSD; and
- In regard to securities, which OeKB CSD keeps and administers as Investor CSD with a custodian, on OeKB CSD's cash account at the custodian.

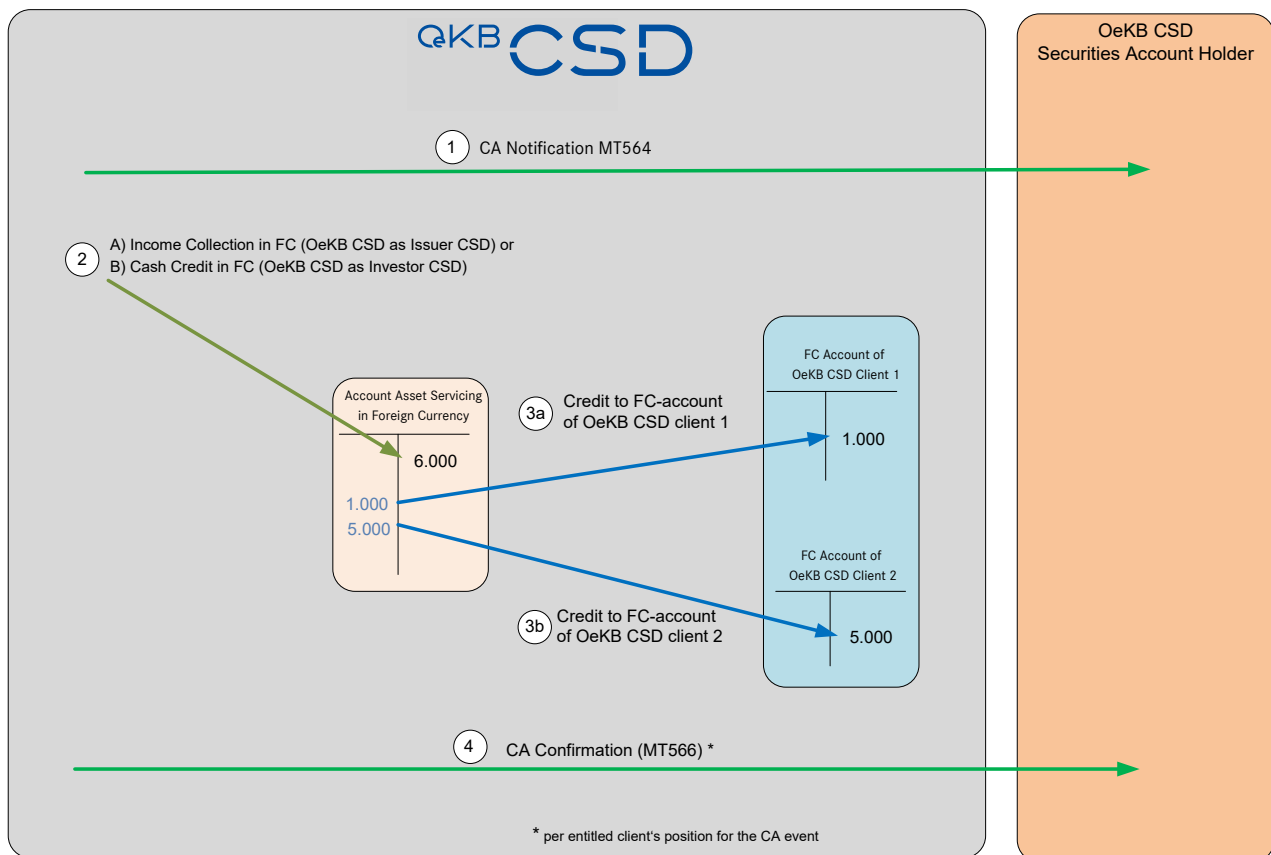
## **6.2.2 Processing of corporate action payments in non-EUR**

Payments from corporate actions in non-EUR are credited to the foreign currency account (FC account) held with OeKB CSD of the corresponding holder of a securities account with OeKB CSD.

If OeKB CSD receives payments from corporate actions in one of the currencies mentioned in Annex 15 (Guideline for Cash Account Administration), the corporate action payment will be credited to the account in foreign currency of the respective OeKB CSD securities account holder kept with OeKB CSD.

All other currencies will be converted into EUR and the corporate action payments will be credited to the DCA of the respective OeKB CSD securities account holder (see 6.2.1).

If the holder of a securities account with OeKB CSD does not maintain a corresponding account in foreign currency at OeKB CSD and expects a corporate action payment in non-EUR, OeKB CSD will automatically open such an account. In this case, the delivery type of the account statement for the new foreign currency account will be taken over from the existing EUR account.



*Example liquidation payment (without securities booking) in non-EUR (without conversion)*

- The actual time of crediting of non-EUR corporate action payments in original currency to the cash accounts of the securities account holders at OeKB CSD is the maturity date, provided that the income amount has been available on the maturity date by 14:30 (2.30 p.m.), Viennese time, at the latest
  - In regard to securities, which OeKB CSD keeps and administers itself as Issuer CSD, on the cash account as indicated by OeKB CSD; and
  - In regard to securities, which OeKB CSD keeps and administers as Investor CSD with a custodian, on OeKB CSD's cash account with the custodian.
- The actual time of crediting of non-EUR corporate action payments in currencies which are converted into EUR to the DCAs of the securities account holders at the Euro-Central Bank normally is the 2<sup>nd</sup> T2S Opening Day (day of operation) after the maturity date, provided that the amount has been available on the maturity date by 11:00 (11.00 a.m.), Viennese time, at the latest
  - In regard to securities, which OeKB CSD keeps and administers itself as Issuer CSD, on the cash account as indicated by OeKB CSD; and
  - In regard to securities, which OeKB CSD keeps and administers as Investor CSD with a custodian, on OeKB CSD's cash account with the custodian.

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## 7. Expenses

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Expenses of OeKB CSD are debited in EUR from the cash account which the corresponding securities account holder keeps with OeKB CSD.

Any third-party expenses in EUR, irrespective of the time of the issuer/paying or agent/custodian announcing them, will be debited in EUR from the DCA of the corresponding securities account holder kept with OeKB CSD.

Any third-party expenses in non-EUR, irrespective of the time of the issuer/paying agent or agent/custodian announcing them, will be debited in non-EUR from the foreign currency account of the corresponding securities account holder kept with OeKB CSD.

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## **8. Compensations / Adjustments and Transformations**

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A comprehensive description of compensations or adjustments and transformations can be found in Annex 25 (Guideline Using T2S for Transaction Management), which is available for download on OeKB CSD's website.

