

Clearing Notice SIX x-clear AG

Introduction of the CSDR change

1.0 Overview

As participants in CSDs, CCPs must follow the matching criteria for settlement instructions as laid out under the CSDR and the corresponding RTS. CCPs and their clearing Members are particularly impacted by the following matching fields:

- Trade date
- Transaction type
- Place of clearing
- Place of trading

CCPs and their clearing Members are obliged to complete these fields in their settlement instructions. SIX x-clear ensures settlement instructions are completed appropriately with all necessary fields in all of their own settlement instructions as well as in Members' instructions that are created by SIX x-clear under a PoA (Power of Attorney) agreement. For Members that do not have a PoA agreement in place with SIX x-clear, the Member itself or the Member's settlement agent will be responsible for populating the appropriate transaction type in the settlement instruction.

As SIX x-clear utilizes a trade date netting model (TDN), Members must populate the trade date field with the day of trading. The full list of values that are and will be used by SIX x-clear as the transaction type can be found in the Business Partner Specifications – Volume 5 (SIX SIS Private Site > Business Partner Specifications). SIX x-clear will use the BIC to specify the PoC (place of clearing), TRAD for transaction type and VARI for place of trading, unless the PoT is an SME growth market and the change of netting rules applies for the SME growth market accordingly. Settlement instructions related to SME growth market transactions will need the actual segment MIC of that growth market as the PoT.

SIX x-clear will introduce the following chapter 16.3 "Technical CSDR requirements" in the Operational Manual (xcl-510-e).

2.0 Effective date

1 February 2022.

3.0 Update from December 2021

The European Commission (EC) confirmed on 24 November 2021 that mandatory buy-ins (MBIs) would be delayed. The delay is to be included in the DLT Regulation and further enforced by a 'no-action' letter by ESMA, although the extent of the delay is as yet unknown. The DLT Regulation announces that Articles 7(3) to 7(8) CSDR will be postponed. This implies that buy-ins as a whole (for cleared and non-cleared

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transactions) will be delayed. SIX x-clear and the other interoperable CCPs will therefore continue with the current existing mandatory buy-in regime under the short-selling regulation. Any changes to the proposed amendments to SIX x-clear's contractual framework due to this delay are marked in yellow.

4.0 Impact on Members

All clearing Members are obliged to complete these relevant fields in their settlement instructions as of this date.

The changes in the Operational Manual will be published on the SIX x-clear website by 1 February 2022.

5.0 Contacts

Please contact your respective Relationship Manager or the Risk Operations team for any questions related hereto.

All contact details are listed at www.six-securities-services.com > Clearing > Contacts > Clearing > Risk Management.

In this context, SIX x-clear AG draws the Members' attention to **clause 7.1, chapter 17.0 and clause 24.1** (liability) of the Rulebook of SIX x-clear AG stipulating that the Member is responsible for compliance with the applicable laws (in particular domestic and foreign tax, foreign exchange and stock market regulations as well as with company law and articles of association) with respect to the Clearing services obtained from SIX x-clear AG.