



**INTERBOLSA CIRCULAR No. 3/2009 – Procedures concerning non-compliance with financial settlement obligations**

Due to the transition of the Portuguese financial system to TARGET2 – *Trans-European Automated Real-time Gross-settlement Express Transfer system*, it has become necessary to establish a new Liaison Agreement between Interbolsa and *Banco de Portugal*, as the entity operating TARGET2-PT. The content set forth in the mentioned Agreement derives and corresponds to the dispositions stated in the TARGET2-PT Regulation, including other matters regarded by *Banco de Portugal* as essential for the successful functioning of the referred payment system, such as the creation of a system of penalties which applies to the participants in the settlement system managed by INTERBOLSA when delays in the execution of the financial settlement occur.

Therefore, considering the aforementioned and under the dispositions set forth by no. 6 of Article 22 and no.6 of 24, both in INTERBOLSA Regulation no. 3/2004, regarding the general operational rules for the securities settlement system, the Managing Board of INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (INTERBOLSA), approved the present Circular:

- 1.** The present Circular sets the procedures to apply to the financial intermediaries affiliated to the settlement system managed by INTERBOLSA when delays in the execution of the financial settlement, through TARGET2, occur concerning the compensating balances resulting from the General Settlement System intraday processing.
- 2.** The dispositions set forth in the present Circular are applicable, without prejudice of the defined in articles 22 and 24 in Interbolsa Regulation no. 3/2004, concerning the operational procedures to fulfill whenever an insufficiency of funds in the accounts in TARGET2 is detected.
- 3.** The financial information deriving from the General Settlement System intraday processing is sent, for purposes of financial settlement, by INTERBOLSA to TARGET2-PT at 12 o'clock, considering that whenever an insufficiency of funds in the accounts is detected by the payment system, INTERBOLSA will define, per affiliated financial intermediary responsible for the delay/time lag in the settlement of the above mentioned compensating balances, the following penalties:



<b>Settlement time lag</b>	<b>Penalty (Euros)</b>
P1 – Up to 60 minutes .....	700
P2 – From 60 minutes to 120 minutes .....	1 750
P3 – From 120 minutes to 180 minutes .....	3 500
P4 – Over 180 minutes .....	7 000

4. For purpose of penalties applicability, as stated in the previous number, it will be considered the delay/time lag between the predefined moment for the financial settlement (12 o'clock) and the moment when it effectively takes place.

5. Before INTERBOLSA, the responsible party for the settlement delay/time lag above mentioned and consequently responsible for the payment of the penalties due under the terms set forth in the present Circular is, at all times, the affiliated financial intermediary, even if this entity is other than the settling bank, considering the affiliated in question does not hold an open account in TARGET2 and has communicated to *Banco de Portugal* and to INTERBOLSA an open account held by a different entity within the referred system.

6. INTERBOLSA sends to the defaulting financial intermediary, until the 8<sup>th</sup> working day of each month, an invoice stating the amounts calculated concerning the penalties due, in relation to the previous month as set forth in no.3.

7. The invoice payment described in no.6 must be carried out by debiting the account open in TARGET2 that have been designated by the financial intermediary in question, without prejudice to any other means which may come to be agreed upon between both entities.

8. The present Circular comes into force on the 2<sup>nd</sup> March 2009.

INTERBOLSA  
*The Managing Board*