

INSTRUCTIONS TO THE RULES

TITLE A General provisions

Article A.1.1.1 Definitions

1. The following definitions shall apply to these *Instructions*:

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«**DCA RTGS ~~PM Account~~**»: the **Dedicated Cash Account RTGS** ~~PM~~ account held by a participant to the **T2 System** ~~Target2 System~~ as indicated in the ~~ECB guideline ECB/2007/2 of 26 April 2007.~~

«**Segregated DCA RTGS ~~PM Segregated Account~~**»: the ~~PM Account~~ **DCA RTGS** held by the *Settlement Agent* for the obligations to be performed by a sole *Clearing Member*.

This change applies to the whole text of the Instructions

«**Notice of Payment**»: The notice **of ancillary procedure E** containing information on sums due from the *Clearing Member* or their cash *Settlement Agent*, notified in "broadcast" mode in ~~Target2 System~~ via ICM (Information and Control Module).

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TITLE B Central Counterparty System

CHAPTER B.1 Membership

Heading B.1.1 Membership

Article B.1.1.1 Requirements for *Clearing Members*

1. Legal persons that intend to join one or more *Sections* or modify or obtain a new membership qualification within the same *Section of the System as Clearing Members* or that intend to request to distinguish the operations of their own *Organizational Unit* must submit to CC&G:
 - a) a "Request for Services" using the form provided by CC&G, available through the CC&G Internet site (www.ccg.it);
 - b) the following documentation/information:
 - share structure and the *Group* the company belongs to;
 - membership of other central counterparty guarantee systems;
 - place of the Clearing office;
 - the referents indicated at Article B.2.1.2, paragraph 14, of the *Regulations*;
 - whether or not an application is made to activate the "Daily statement of payments" indicated at Article B.9.1.2;
 - where the application concerns membership of both the *Equity Derivatives Section* and the *Share Section*, whether separate margin calculation between *Sections* is activated as indicated at Article B.3.1.1, paragraph 3;
 - the last approved financial statement and the most recent quarterly or half-year report;
 - a description of the company's and parent company's activities and their risk management and back-office structure;
 - a copy of the last rating issued to the company and/or the parent company;
 - c) with regard to the asset requirements:
 - a declaration attesting to the applicant's *Supervisory Capital*;
 - any guarantee as indicated at compliant with the contractual form available through the CCG's website;

- d) concerning obligations that must be fulfilled in Euros, including the settlement of the amounts due as a penalty pursuant to Article B.5.3.5 of the Regulations:
- a notification of the pre-selected methods of fulfilment, directly or through a *Settlement Agent*;
 - any agreement with a *Settlement Agent* for cash, compliant with the contractual form available through the CCG's website;
 - the ~~"TARGET2 form for collection of Static Data Debit mandate for AS settlement"~~ **"Settlement Bank Account Group" form** of the European Central Bank, available from the www.ecb.eu website, that allows CC&G to debit the **DCA RTGS in T2 System** ~~in Target2 System~~ *(This change applies to the whole text of the Instructions)* of the *Clearing Member* or its *Settlement Agent*;
- e) with respect to the execution of obligations to be fulfilled with the *Settlement Service*:
- a notification of the pre-selected method of fulfilment, directly or through a *Settlement Agent*;
 - any agreement with a *Settlement Agent* for settlement compliant with the contractual form available through the CCG's website;
 - in the event of participation in the *ICSD Bond Section*, the mandate given to CC&G, signed by the *Clearing Member* or the *Settlement Agent*, if any, for the transmission of the transaction settlement instructions indicated in Annex B.117;
 - in the event of participation in the *ICSD Bond Section*, an indication of the details of the accounts to be used for settlement opened with the *Settlement Service*; in the event of participation in *Sections* other than the *ICSD Bond Section*, CC&G acquires from the *Settlement Service* details of the settlement accounts that will be used for operations on each *Section*;

f) with respect to the *Margins in Financial Instruments*:

- a notification of whether the *Margin in Financial Instruments* are handled whether directly or through a *Settlement Agent* pre-selected;
- details of the securities accounts in the *Central Depository Service* for the withdraw of *Margins in Financial Instruments*; and details of the cash account for the payment of the amounts deriving from cash distribution on *Financial Instruments* deposited as *Margins*;
- any agreement with the *Settlement Agent* compliant with the contractual form available through the CCG's website;

g) with respect to the *Technological Infrastructure*:

- the form for activation of the *ICWS*;
- the form for activation of the *BCS*, in the case of membership of one or more the *Derivatives Sections*.

h) the names of the persons appointed to perform the management activities exercisable non-electronically, using the form indicated in Annex B.111, and the names of the persons authorized to request the suspension of *Trading Clients* from participation in *Section(s)* in accordance with Article B.2.3.3, of the *Regulations*, using the form indicated in Annex B.122B

2. The information indicated at paragraph 1, letter a), c), second subsection, d) second subsection, e) second and third subsection, f) third subsection, and h), must be forwarded, in original, by means of registered letter with return receipt or by courier, and send in advance by email.

3. The information indicated at paragraph 1, letter b), first six subsections, c) first subsection, d) first subsection, e) first and fourth subsection, f) first and second subsections, and g), must be forwarded electronically using the modules

available through the CC&G Internet site (www.ccg.it), subject to provisions of Annex B.114, for legal entities operating under mutual recognition, with reference to *Supervisory Capital* information of paragraph 1, letter c).

4. The information indicated at paragraph 1, letter b), seventh and subsequent subsections, may be sent either electronically, using the "import function" available through the CC&G Internet site (www.ccg.it), or alternatively by registered letter with return receipt or by courier.
5. The form indicated at paragraph 1, letter d) third subsection, ~~must be sent in advance by email, and~~ **be received by CC&G by e-mail, with signature authorised by the competent central bank.** ~~using the following alternative methods:~~

~~— by registered letter with return receipt or by courier. The form must bear a signature corresponding to the specimen previously deposited with the relevant branch office of the Bank of Italy or, for those who access *Target2 System* through Central Banks other than the Bank of Italy, with the relevant Central Bank;~~

~~— by Certified Email to the following email address: asi.t2@pec.ccg.it. The message may be sent by persons whose names have been previously deposited with the branch office of the Bank of Italy as persons authorized to append electronic signatures to forms.~~

The form will be countersigned by CC&G and re-submitted by e-mail to the *Member* or to the *Settlement Agent* who, in turn, shall forward it to the competent central bank. The process will be finalized with the successful registration of the Settlement Bank Account Group in the *T2 System*. CC&G will also send the original form, if so requested by the competent central bank.

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