

# Settlement Penalties

## Service Description Document

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~~22-OCTOBER~~<sup>10</sup> ~~NOVEMBER~~ 2025

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# 1. Introduction

The Settlement Discipline Regime (SDR) represents a pivotal component of the Central Securities Depository Regulation (CSDR), which came into effect on 1 February 2022 (cfr. Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline).

The CSDR Settlement Discipline Regime aims to improve the safety and efficiency of securities settlement and to ensure the orderly and timely execution of settlement processes. It provides a set of measures to prevent and address failures in the settlement of securities transactions. The SDR measures intend to (i) prevent settlement fails, with particular reference to the transactions hold & release mechanism; (ii) track and report settlement fails, including aggregated reporting to the supervisory authorities; (iii) manage settlement fails and regulate cash penalties; (iv) standardise the buy-in procedure.

By introducing cash penalty mechanisms, along with a robust regulatory framework and harmonisation efforts, the goal is to foster market integrity and reduce settlement failures in the European financial markets. This document outlines the Cash Penalties services provided by Euronext Securities to its clients.

These services are harmonised across the four Euronext Securities CSDs:

- VP Securities A/S (Euronext Securities Copenhagen)
- Monte Titoli S.p.A (Euronext Securities Milan)
- Verdipapirsentralen, ASA (Euronext Securities Oslo)
- Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Euronext Securities Porto)

The document is structured as follows:

- The context in which settlement penalties can be applied
- The type of cash settlement penalties
- The scope of the cash settlement penalties process
- The process of detecting, calculating, reporting and collecting/redistributing cash settlement penalties

This document reflects the status of the initiative as of September 2025 and may be subject to further amendments based on continuing discussions with clients, regulatory changes and future detailed processes definition. Any amendment to the document will be formally approved by Euronext Securities and properly communicated to clients. Euronext Securities' clients will also be updated about the progress of the initiative and the impact it will have on them throughout the project. Updates will be provided through a new version of the document, highlighting the main changes.

## 2. General information

### 2.1 General principles

The Euronext Securities cash settlement penalties service will be operated through the T2S Penalty Mechanism and, when applied, the External CSD Penalties Mechanism, specifically for penalty detection, calculation, designating the failing party, and reporting.

The Euronext Securities cash settlement penalties service will manage reference data, client penalties reporting, appeals process and collection and redistribution of penalties. Euronext Securities has implemented the penalties mechanism in line with the Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 and in line with the ECSDA framework.

To avoid duplication of penalties, only the calculating CSD (the Issuer CSD) will calculate penalties. In a T2S environment, it is exclusively the T2S Penalties Mechanism that will calculate cash settlement penalties. Penalties for instructions settling outside of the T2S platform, which are subject to the Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018, are calculated by the penalties Mechanism of the CSD where settlement takes place.

All time references in this document are in Central European Time (CET) and should be understood to refer to Central European Summer Time (CEST) in the summer months, as appropriate.

### 2.2 Other documentation

#### 2.2.1 Euronext Securities documentation

Document	Description	Link
<b>MyStandards</b>	ES settlement and reconciliation message standards	<a href="#">MyStandards – Euronext Securities</a>
<b>SDD – Client Master Data &amp; Securities Accounts</b>	Services for securities account management	<a href="#">Programme Documentation   Euronext.com</a>
<b>SDD – Settlement</b>	Services and processes in relation to settlement	<a href="#">Programme Documentation   Euronext.com</a>
<b>SDD - Connectivity</b>	Services for connectivity channels and formats	<a href="#">Programme Documentation   Euronext.com</a>

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### 2.2.2 External documentation

Document	Description	Link
<b>Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 (Settlement Discipline RTS)</b>	Supplements Regulation (EU) 909/2014 with regard to regulatory technical standards on settlement discipline	<a href="#">COMMISSION DELEGATED REGULATION (EU) 2018/ 1229 - of 25 May 2018 - supplementing Regulation (EU) No 909 / 2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline</a>
<b>ECSDA CSDR Penalties Framework</b>	Penalties Framework	<a href="#">2024_09_11 ECSDA Framework update</a>

## 2.3 Roles in Settlement Penalties

Role	Description
<b>CSD Participant</b>	<p>A CSD Participant is a legal entity that opens and maintains securities accounts on its own behalf or on behalf of its clients with the relevant Euronext Securities CSD, and/or maintains custody services and/or participates in the settlement services provided by Euronext Securities. (Also used as <b>Settlement Participant</b> in T2S documentation)</p> <p><del>A legal entity having a direct contractual relationship with a CSD</del>, authorized to maintain securities accounts, submit settlement or custody instructions, and access CSD and T2S services.</p> <p><del>CSD Participants typically include banks, custodians, investment firms, or central counterparties acting on their own behalf or for clients.</del></p>

For more detailed information on the client roles, please refer to the Service Description Document (SDD) of Client Master Data and Account Management.

External Actors	Description
<b>Calculating CSD</b>	To avoid duplication of penalties calculation and reconciliation issues between linked CSDs, penalties shall be calculated exclusively by the Calculating-CSD (the Issuer CSD). For

External Actors	Description
	<p>settlement in T2S, it is the T2S platform that centrally calculates and reports to each T2S CSD (and counterparty CSD in case of cross-CSD fails) the penalties involving its and the counterparty CSDs' Participants.</p> <p>For External CSD settlement, it is the External CSD that will calculate penalties.</p>
<b>External CSD</b>	CSD outside of T2S (T2S-Out CSD). In the context of this document, it refers to an external CSD where settlement fails on CSDR eligible instructions and instruments.
<b>External CSD Penalties Mechanism</b>	<p>The External CSD Penalties Mechanism is responsible for the calculation of penalties for failed settlement outside of T2S on eligible instruments and instructions.</p> <p>It should be noted that each External CSD may have its own Penalties Mechanism.</p>
<b>T2S Penalties Mechanism</b>	The T2S Penalties Mechanism is responsible for the calculation of penalties for failed settlement in T2S on eligible instruments and instructions.

## 2.4 Types of Settlement Fail Penalty

There are two types of CSDR settlement penalties that can be applied for failing settlement instructions on eligible instructions: the Late Matching Fail Penalty (LMFP) and the Settlement Fail Penalty (SEFP). Each is due based on the type of failure detected and to the party causing the fail. The formula to calculate LMFP and SEFP is, however, identical.

The T2S Penalties Mechanism and the External CSD Penalties Mechanism calculate daily penalties for each instruction that either:

- Failed to settle on its intended settlement date
- Matched after its intended settlement date

### 2.4.1 Settlement Fail Penalty

Settlement Fail Penalty (SEFP) is calculated for all eligible settlement instructions that are matched and that fail to settle on their Intended Settlement Date (ISD), and every following penalty business day until they are settled or cancelled. The party due to pay the SEFP is the party that is causing the failure.

A cash penalty will be imposed if, at the settlement cut-off time, any of the following conditions are met:

- The instruction is 'on hold' (note: if an instruction is 'on hold', no further checks for 'lack of cash' or 'lack of securities' of the counterparty instruction are done);
- The instruction fails the settlement eligibility or provision check, with fail reasons being 'lack of securities' or 'lack of cash' (note: if 'lack of securities' is identified, no further checks for 'lack of cash' of the counterparty instruction are done).

## 2.4.2 Late Matching Fail Penalty

Settlement instructions (SIs) must be sent as early as possible and at the latest, before the cut-off time on the Intended Settlement Date. Instructions that are sent and matched after the cut-off time on the ISD (or later) are subject to the Late Matching Fail Penalty. These penalties are applied retroactively for each past business day between the ISD and the day the instruction is matched.

If a CSD Participant is last to enter or modify an SI, meaning the accepted timestamp of the SI is later than its counterpart's SI, the CSD Participant is charged with the penalties incurred for the period between the ISD and the day the instruction is matched. Even if both the CSD Participant and its counterparty submit instructions late, only one party will receive a Late Matching Fail Penalty as defined in section [2.4.12.4.1 Settlement Fail Penalty](#).

For instructions already matched but sent after the Delivery Versus Payment or Free of Payment cut-off on ISD, the penalty applies to the party who sent the instructions. If a third party, like an electronic trading platform, is involved (Power of Attorney on the CSD Participant account), the penalty will apply to the delivering party by default. The delivering party can engage with the receiving party to request the Euronext Securities CSD to reallocate the penalty if the receiving party was the actual defaulting party.

The number of business days used in the formula to calculate the LMFP depends on whether the instruction is matched before or after the relevant cut-off time of the business day when it is received. If the instruction is sent before the cut-off time, the SI will not incur LMFP for that day. If the SI fails to settle after matching, SEFP will be due.

If the instruction matches after the cut-off time, meaning it can no longer settle on the day it matched, LMFP will be calculated.



## 2.4.3 Scenario LMFP and SEFP

### 2.4.3.1 Scenario 1: No penalty, Matching and Settlement ISD

As long as an instruction is matched before or at the latest on the ISD, before the cut-off time of the settlement window, no LMFP are due to be paid. If the instruction settles on the ISD, no SEFP are due to be paid.

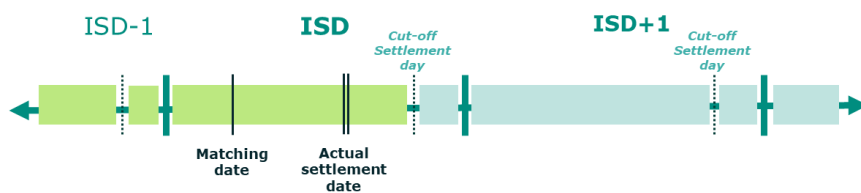


Figure 1 - SI matched and settled on ISD

### 2.4.3.2 Scenario 2: LMFP, Matching after cut-off ISD and settles ISD+1

When an instruction is matched after the cut-off time on ISD and settles the next business day, LMFP are due to be paid for the day of the ISD. No SEFP are due to be paid.

Note: SEFP are only due for the business day if the instruction is matched before the cut-off time and it does not settle. See 2.4.3.3 [Scenario 3: SEFP, Matching before cut-off ISD and Settlement ISD+2](#)

~~Scenario 3 — SEFP: Matching before cut-off on ISD and Settlement~~

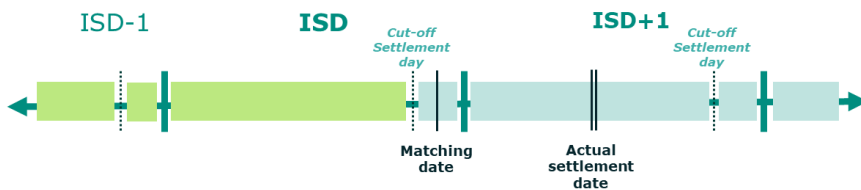


Figure 2 - SI matched after cut-off ISD

~~on ISD+2.~~

### 2.4.3.3 Scenario 3: SEFP, Matching before cut-off ISD and Settlement ISD+2

When an instruction is matched on ISD and fails to settle on ISD and ISD+1, SEFP are due for every business day that the instruction could have settled but did not settle. In this example, it is on ISD and on ISD+1. Therefore, SEFP are due for two business days.

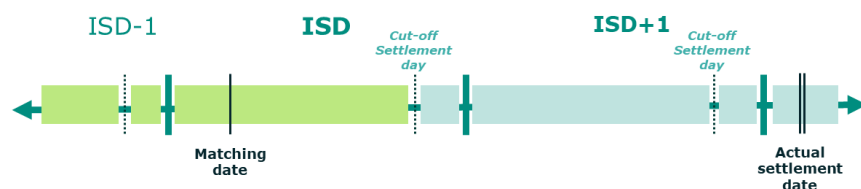


Figure 3 - SI matched on ISD, settled on ISD+2

#### 2.4.3.4 Scenario 4: LMFP & SEFP, Matching and Settlement after ISD

When an instruction fails to match on ISD, matches on ISD+1 but fails to settle, LMFP are due for ISD, and SEFP are due for every following PBD that it fails to settle. In this example, LMFP are due for ISD, and SEFP are due to ISD+1.

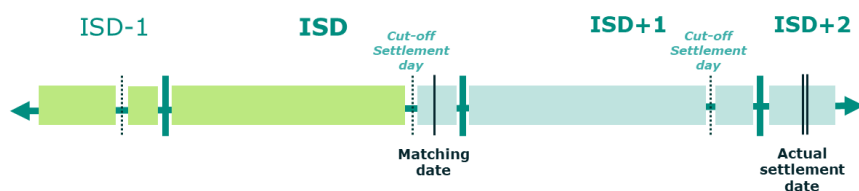


Figure 4 – Matching and settlement after ISD

## 3. Scope of CSDR Settlement Penalties

### 3.1 Instruments subject to penalties

According to CSDR, the financial instruments subject to cash penalties are:

- transferable securities [i.e. equity- and bond-like) instruments (including ETFs) and giving the right to buy or sell any of those;
- money-market instruments;
- units in collective investment undertakings, and;
- emission allowances.

Financial instruments that are subject to CSDR Penalties are:

- Listed in the Financial Instruments Reference Data System (FIRDS) Database.
  - The FIRDS database contains both EU and non-EU securities traded or admitted to trading on an EU trading venue
  - The FIRDS may contain securities that were eligible but are no longer available for settlement. Penalties are only applied for the period when the security was still active
- Not part of the list of exempted instruments as per the EU Short Selling Regulation (SSR)

Shares that have their principal trading venue located in a third country, which is not subject to CSDR, are excluded from CSDR Settlement Penalties.

### 3.2 Settlement Instructions subject to Penalties

Penalties for late settlement will be calculated, provided the instruction and instrument fall within the scope of the settlement penalties regime. Penalties are calculated for all instructions that:

- Are matched (before, on, or after their Intended Settlement Date)
- failed to settle on and after their ISD

Instructions exempted from penalties:

- Settlement instructions that are not considered transfer orders under the second indent of point (i) of Article 2 of Directive 98/26/EC [Settlement Finality Directive]
- Corporate actions on stock instructions. These are tagged with the ISO transaction code CORP

- Technical instructions (e.g. automatic realignments generated by T2S)
- Settlement restrictions

Note: T2S auto-collateralisation operations, although automatically generated, are considered within scope.

## 4. Cash Penalties Process

The cash penalties process consists of a number of key steps leading to the actual collection and redistribution of penalties. These are the following events:

Daily events:

- Daily Calculations by the calculating CSD (executed by T2S for T2S-In markets and by the External CSD for T2S-Out markets on eligible instruments and instructions). T2S-In markets are all CSDs in T2S; T2S-Out markets are all CSDs outside of T2S.
- Daily Penalty Reporting

Monthly events:

- Monthly Appeal Period
- Monthly Aggregated Amounts Provision
- Monthly Collection and Redistribution

The penalty process is closed with the monthly collection and redistribution of penalties in line with the aggregated amounts reported.

### 4.1 Cash Penalties Calculation

Cash penalties are calculated daily by the T2S Penalties Mechanism for all settlements taking place in T2S (T2S-In) or by the External CSD when settlement takes place in a T2S-Out market.

Business days are those days on which an instruction can settle on the settlement platform, and in the relevant payment system in case of settlement versus payment.

With regards to the Penalties Calendar, the ECSDA Member CSDs, which include Euronext CSDs, agreed on common principles for a harmonised process in the definition and counting of business days for the CSDR penalties management. Business days in the context of Penalties are referred to as Penalties Business Days (PBD). PBDs are not always aligned with the business days of the Euronext Securities CSD settlement system or of a relevant payment system's calendar.

For the daily calculation, the calendar of the settlement system where the instruction is due to settle will be considered. This implies that a failing instruction does not incur penalties if no settlement can take place on that day in the relevant settlement system.

There is a possibility that previously calculated penalties are amended or removed prior to the monthly report generation. This may occur due to changes in the penalties reference data.

Settlement Fail Penalty (SEFP) and Late Matching Fail Penalty (LMFP) follow the same calculation formula. The following table summarises the basis for calculating the cash penalty amount for each type of transaction:

Type of transaction	Settlement Fail Penalty
<ul style="list-style-type: none"> <li>▪ Delivering versus Payment (DVP)</li> <li>▪ Delivering Free of Payment (DFoP/DFP)</li> <li>▪ Receiving Free of Payment (RFoP/RFP)</li> </ul>	Penalty based on the quantity of securities failed to be delivered and the Security penalty rate of the relevant asset type (Penalty rate as determined in the Settlement Discipline RTS)
<ul style="list-style-type: none"> <li>▪ Receiving versus Payment (RVP)</li> </ul>	Penalty based on the quantity of securities failed to be delivered and the discount rate of the relevant currency.
<ul style="list-style-type: none"> <li>▪ Debiting Payment Free of Delivery (DPFOD)</li> <li>▪ Crediting Payment Free of Delivery (CPFOD)</li> </ul>	Penalty based on the amount of cash that failed to be delivered and the discount rate of the relevant currency.
<ul style="list-style-type: none"> <li>▪ Delivering with Payment (DWP)</li> <li>▪ Receiving with Payment (RWP)</li> </ul>	Penalty will be the sum of: <ul style="list-style-type: none"> <li>▪ Penalty based on the quantity of securities failed to be delivered and the Security penalty rate of the relevant asset type; and</li> <li>▪ Penalty based on the amount of cash that failed to be delivered and the discount rate of the currency.</li> </ul>

(Source ECSDA CSDR Penalties Framework)

#### 4.1.1 DVP, DFoP or RFoP

Formula applied for Delivery versus payment, Delivery Free of Payment, Receipt free of Payment:

- $SEFP = \text{Security Penalty Rate} * \text{Reference Price} * \text{Quantity}$

**Security Penalty Rate:** penalty rate for the relevant asset type (derived from the ISIN and Place of trade) and the business day for which the penalty is calculated.

**Reference Price:** price for the ISIN of the instruction and the business day for which the penalty is calculated.

**Quantity:** quantity of securities failed to be delivered, which is the quantity of the instruction remaining to be settled at the time of the end of processing of the relevant cut-off.

(Source ECSDA CSDR Penalties Framework)

#### 4.1.2 RVP

Formula applied for Receipt Versus Payment

- $SEFP = \text{Cash Discount Penalty Rate} * \text{Reference Price} * \text{Quantity}$

**Cash Discount Penalty Rate:** discount rate of the relevant currency divided by 360 and the business day for which the penalty is calculated.

**Reference Price:** price for the ISIN of the instruction and the business day for which the penalty is calculated.

**Quantity:** quantity of securities failed to be delivered, which is the quantity of the instruction remaining to be settled at the time of end of processing of the relevant cut-off.

(Source ECSDA CSDR Penalties Framework)

### 4.1.3 PFOD

Formula applied for Payment Free of Delivery:

- $SEFP = \text{Cash Discount Penalty Rate} * \text{Amount}$

**Cash Discount Penalty Rate:** the discount rate of the relevant currency, divided by 360 and the business day for which the penalty is calculated.

**Amount:** the cash amount failed to be delivered, which is the amount of the instruction remaining to be settled at the time of end of processing of the relevant cut-off.

(Source ECSDA CSDR Penalties Framework)

### 4.1.4 DWP, RWP

Formula applied for Delivery and Receipt with Payment instructions:

- $SEFP = \text{Security Penalty Rate} * \text{Reference Price} * \text{Quantity} + \text{Cash Discount Penalty Rate} * \text{Amount}$

Security Penalty Rate\*Reference Price\*Quantity: as described under DVP, DFP and RFP

Cash Discount Penalty Rate\* Amount: as described under RVP

(Source ECSDA CSDR Penalties Framework)

## 4.2 Penalties Reporting

CSD Participants will receive daily and monthly penalty reports through ISO15022 (MT537 Statement of Transactions) and/or ISO20022 (semt.044), depending on the subscription preferences.

### 4.2.1 Daily Penalty Reporting

Each Euronext Securities CSD will send to its CSD Participants a daily penalty report when there are new, updated, removed or re-included penalties during the day.

For each business day, Euronext Securities will generate two separate reports:

- Daily Penalties Report: contains the penalties calculated for the fails of the previous Penalties Business Day, and;
- Modified Penalties Report: contains penalties of the previous penalties business days (multiple days possible) due to removal, reallocation or recalculation. This report may also contain new penalties that were not previously calculated because of missing prices or other reasons.

### 4.2.2 Monthly Penalty Reporting

Each Euronext Securities CSD will also send to its CSD Participants a monthly penalty report. The penalty calculation period will cover one calendar month.

This monthly report will contain:

- Aggregated penalties of the reporting period;
- A breakdown contains per CSD, currency and party, the bilateral and 'global' net amounts of the penalties against each of its counterparties, computed for all the business days of the previous month

In the event a penalty is appealed, and the appeal is accepted, the update will be provided in the Modified Penalties Report on the following business day, prior to the monthly penalty report.

## 4.3 Appeal process

A Participant may appeal a penalty on an exceptional basis and within the defined appeal period. In such cases, Euronext Securities will assess if the appeal is for a valid reason. Appeals should be raised after receipt of the daily penalty when an error or other situation justifying an appeal is detected. The appeals must be raised within the defined appeal period.

Reasons for requesting a removal of penalties are limited to three scenarios:

- The ISIN was suspended from trading and/or settlement (e.g. due to 'undue creation or deletion of securities' reconciliation issues)
- The cash leg settling outside of the settlement system could not settle as the relevant payment system was closed for settlement on that day
- Technical issues at the CSD were blocking settlement (e.g. failure of the infrastructure components, a cyber-attack, and network problems)



Appeals with a reason different from the above cannot be accepted by Euronext Securities CSDs as defined by the [ECSDA framework](#) and the [ESMA CSDR Q&As Settlement Discipline](#).

The Euronext Securities CSD may also detect a need to update the list of penalties after an incident without receiving an appeal from a Participant; in such event, the appeal will be raised and processed by the Euronext Securities CSD.

An appeal can be requested through a standardised process, providing the necessary information to handle the appeal. These are:

- Reference of the penalty as well as the failed transaction details;
- Reason for the appeal, and;
- Expected penalty amount and calculation formula used.

If the appeal is valid, it will be processed, and a penalty update report will be provided with the updated penalty details. The update in the Modified Penalties Report will be provided before the monthly penalty reporting is generated.

## 4.4 Collection and redistribution

The collection and redistribution process will be carried out monthly by the Euronext Securities CSD, being that the settlement day is on the 18<sup>th</sup> Penalties Business Day (PBD), using credit Payment Free Of Delivery (cPFOD) and debit Payment Free of Delivery (dPFOD) settlement instructions. The amount debited from or credited to the CSD Participant account will be equal to the aggregated amount reported in the monthly penalty report. These PFODs are created automatically by the Euronext Securities CSD in line with the monthly penalty reporting. The collection and redistribution instructions cannot be modified.

The Dedicated Cash Account (DCA) used to debit or credit penalties is the default DCA linked to the CSD Participant Securities Account. CSD Participants may choose a different DCA to be used for the settlement of penalties if they wish to do so. Please refer to SDD – Client Master Data & Securities Accounts for more details.

The instructions created for the collection and redistribution of cash penalties will be reported through A2A (ISO15022, ISO20022) and/or U2A (MyEuronext) as per the subscription set up. They will be created on the 15<sup>th</sup> Business Day for settlement on the 18<sup>th</sup> Business Day.

Characteristics PFOD:

- Trade date: 16th PBD of the following month
- Intended Settlement Date: 18th PBD of the following month
- Dummy ISIN code: LU2128008567
- NPAR No Partial Allowed
- Top priority
- Already matched

- No modification allowed
- Released status
- Securities and Cash Accounts identified for penalties (please refer to 'SDD – Client Master Data & Securities Accounts' for more details).

Note:

For penalties in SEK, it is expected that Euronext Securities Copenhagen will maintain the same approach as today. This is to exchange SEK into EUR and from EUR into DKK and include these in the PFOD for DKK penalties. The exchange takes place on a daily basis using the exchange rates of the European Central Bank (ECB). The approach will be confirmed in due time in an updated version of this document.

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## 5. Appendix

### 5.1 Glossary

Term/Acronym	Description
<b>A2A</b>	Application to Application
<b>CET</b>	Central European Time
<b>CSD</b>	Central Securities Depository (CSD): an entity that: 1) enables securities transactions to be processed and settled by book entry; 2) provides custodial services e.g. the administration of corporate actions and redemptions; and 3) plays an active role in ensuring the integrity of securities issues.
<b>CSDR</b>	Regulation (EU) 909/2014 of the European Parliament and of the Council of 23 July 2014 and complementary rules
<b>DCA</b>	Dedicated Cash Account (DCA): a cash account in T2S operated by a central bank.
<b>DCP</b>	Directly connected party (DCP) is a T2S user, which has been authorised by its contracting CSD or central bank to access T2S directly when it needs to use T2S services, i.e. without the contracting CSD or central bank acting as a technical interface.
<b>DFoP</b>	Delivery free of payment (DFP or DFoP) is a delivery of securities which is not linked to a corresponding transfer of funds.
<b>DvP</b>	Delivery versus payment (DvP) is a securities settlement mechanism which links a securities transfer and a funds transfer in such a way as to ensure that delivery occurs if - and only if - the corresponding payment occurs.
<b>DwP</b>	Delivery with payment (DwP) is a type of instruction and settlement mechanism that requires a delivery of securities and a corresponding cash payment.

Term/Acronym	Description
<b>Euronext Securities (ES)</b>	<p>Euronext Securities refers to the four Euronext CSDs:</p> <ul style="list-style-type: none"> <li>▪ Euronext Securities Copenhagen, or ES-CPH (VP Securities A/S)</li> <li>▪ Euronext Securities Milan, or ES-MIL (Monte Titoli, S.p.A)</li> <li>▪ Euronext Securities Oslo, or ES-OSL (Verdipapirsentralen, ASA)</li> <li>▪ Euronext Securities Porto, or ES-PTO (Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.)</li> </ul>
<b>Euronext Securities CSD (ES CSD)</b>	Euronext Securities CSD refers to one Euronext CSD, i.e., Euronext Securities Copenhagen (VP Securities A/S), or Euronext Securities Milan (Monte Titoli, S.p.A), or Euronext Securities Oslo (Verdipapirsentralen, ASA), or Euronext Securities Porto (Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.)
<b>FoP</b>	Free of payment (see DFoP and RFoP for more details).
<b>GUI</b>	Graphical user interface
<b>ICP</b>	An indirectly connected party (ICP) is a CSD Participant or payment bank which uses the technical interface of its contracting CSD or central bank to access T2S Services.
<b>ISD</b>	The intended settlement date (ISD) is the date on which the parties to a securities transaction agree that settlement is to take place. This is also referred to as the contractual settlement date or the value date.
<b>ISIN</b>	The international securities identification number (ISIN) is a code uniquely identifying a specific security, based on the ISO 6166 standard. The number consists of 12 digits, with the first two digits containing the ISO 3166 country code, followed by 9 NSIN digits (national security identification number) and a final check digit.
<b>LMFP</b>	Late Matching Fail Penalty: LMFPs are applied to instructions within the scope of CSDR that fail to match on or after the ISD. This is one of the two types of penalties under the CSDR Settlement Discipline Regime.
<b>PBD</b>	Penalties Business Day: The business days used for penalties management may differ from the business day of a CSD or payment system calendar. Hence, the term Penalties Business Day was introduced by ECSDA. This is any business day an eligible settlement instruction can settle in the place of settlement and the relevant payment system in case of against-payment instructions.

Term/ Acronym	Description
<b>PFoD</b>	Payment free of delivery (PFoD) is a transfer of funds without a simultaneous delivery of securities in return.
<b>RFoP</b>	Receive free of payment (RFoP or RFP) is a receipt of securities which is not linked to a corresponding transfer of funds.
<b>RvP</b>	Receive versus payment (RvP) is a securities settlement mechanism which links a securities transfer and a funds transfer in such a way as to ensure that receipt occurs if - and only if - the corresponding payment occurs.
<b>RwP</b>	Receive with payment (RwP) is a type of instruction and settlement mechanism that requires a receipt of securities and a corresponding cash payment.
<b>SAC</b>	Securities account
<b>Settlement day</b>	A day on which settlement takes place according to the daily processing schedule of the settlement system.
<b>SEFP</b>	Settlement Fail Penalty: SEFPs are applied to matched instructions within the scope of CSDR that fail to settle on or after the ISD. This is one of the two types of penalties under CSDR Settlement Discipline Regime.
<b>T2S settlement day</b>	A day on which T2S settlement takes place according to the daily processing schedule.
<b>T2S</b>	TARGET2-Securities (T2S) is the set of hardware, software and other technical infrastructure components through which the Eurosystem provides the services for CSDs and central banks that allow core, neutral and borderless settlement of securities transactions in central bank money.
<b>U2A</b>	User to Application
<b>UDFS</b>	User Detailed Functional Specifications (for T2S)



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