



**EURONEXT SECURITIES**

# OPERATION MANUAL

for the Centralised Securities Systems and the Settlement Systems

Manual Version - 43

/ PORTO

## Operation Manual

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## ABBREVIATIONS

ASD -	Actual Settlement Date
AWAS -	Available With no Additional Status
BATM -	Bilaterally Agreed Treasury Management
BdP -	Banco de Portugal
BIC -	Business Identifier Code
CAEV -	Corporate Action Event Indicator
CBO -	Central Bank Operations
CCP -	Central Counterpart
CET -	Central European Time
CGD -	Caixa Geral de Depósitos
CFI -	Classification of Financial Instruments
CMB -	Credit Memorandum Balance
CMVM -	Comissão do Mercado de Valores Mobiliários
CNS -	Continuous Net Settlement
CoSD -	Conditional Securities Delivery
CSD -	Central Securities Depository
CSDR -	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 and complementary rules
CVM -	Central Securities Depository
DCA -	Dedicated Cash Account
DCP -	Directly Connected Party
DFP -	Delivery free of payment
DVP -	Delivery versus payment
DWP -	Delivery with payment
ED -	Depository Entity
EE -	Issuing Entity
EOD -	End-of-Day
FISN -	Financial Instrument Short Name
FGD -	Deposit Guarantee Fund
FOP -	Free of payment
GUI -	Graphical User Interface
IB -	INTERBOLSA
ICP -	Indirectly Connected Party
IF -	Financial Intermediary
IPSC -	Entity providing custody services
ISD -	Intended Settlement Date

ISIN -	International Securities Identification Number
IRC -	Corporate Income Tax
IRS -	Personal Income Tax
ISO -	International Organization for Standardization
LTO -	Liquidity Transfer Operations
MTF -	Multilateral Trading Facility
NCB -	National Central Bank
NTS -	Night-Time Settlement
OPA -	Tender Offer
OPS -	Public Subscription Offer
OPV -	Public Offering for Sale
OTC -	Over-the-Counter
PFoD -	Payment Free of Delivery
RD -	Record Date
RFP -	Receive free of payment
RVP -	Receive versus payment
RWP -	Receive with payment
S.A. -	Public Limited Company
SD -	Settlement Day
SF -	Tax situations
SFI -	Investment Fund System
SII -	Investor Compensation System
SLME -	Foreign Currency Settlement System
SLrt -	<i>Real Time</i> Settlement System
SPME -	Foreign Currency Payment System
SRD II -	Shareholders' Directive II, Directive (EU) 2017/828 of European Parliament and of the Council of 17 May 2017 and complementary rules
STD -	Data transfer system
SWIFT -	Society for Worldwide Interbank Financial Telecommunication
TARGET -	Trans-European Automated Real-time Gross Settlement Express Transfer system
TC -	Account types
T2S -	TARGET2-Securities
UDFS -	User Detailed Functional Specifications
UHB -	User Handbook
UP -	Participation Unit
WET -	Western European Time

## INTRODUCTION

This Operational Manual aims to provide participants with a set of elements that enables the quick and easy identification of the procedures to be used in the carrying out operations in the systems managed by EURONEXT SECURITIES PORTO.

Whenever this Manual is updated, the updated versions will be made available on the **STD** – Data Transfer System (“*Manuais*” menu) and on EURONEXT SECURITIES PORTO website (<https://www.euronext.com/pt/pos-negociacao/euronext-securities/porto>) under “Documentation/Data/Operational Documentation”.

This document does not dispense with consulting the legislation and regulations in force, namely:

- **Regulation of INTERBOLSA No. 10/2003** – ISIN codification;
- **Regulation of INTERBOLSA No. 1/2016** - Participants in the systems managed by EURONEXT SECURITIES PORTO;
- **Regulation of INTERBOLSA No. 2/2016** - General operating rules of the Centralised Securities Systems and Settlement Systems managed by EURONEXT SECURITIES PORTO;
- **Regulation of INTERBOLSA No. 1/2018** – Securities Lending Management System;
- **Circular of INTERBOLSA No. 1/2016** – Exercise of rights (Securities other than debt instruments);
- **Circular of INTERBOLSA No. 2/2016** - Procedures for the deposit and withdrawal of physical securities;
- **Circular of INTERBOLSA No. 3/2016** – Collateral Management;
- **Circular of INTERBOLSA No. 4/2016** – Foreign Currency Settlement System;
- **Circular of INTERBOLSA No. 1/2019** - Open-ended investment funds: subscription and redemption operations;
- **Circular of INTERBOLSA No. 1/2022** – Settlement Discipline Regime;
- **Circular of INTERBOLSA No. 2/2024** – Exercise of rights (Securities representing debt);
- **INTERBOLSA notice No. 394/2024** – Timetables;
- **Regulation of CMVM No. 14/2000** - Securities Registration Systems;
- **Regulation of CMVM No. 5/2007** - Clearing, Central Counterparty and Settlement;
- **Regulation of CMVM No. 5/2018** - Central Securities Depositories;
- **Legal Framework of Central Securities Depositories** – approved by Law No. 35/2018, of 20 July;

- **Securities Code;**
- **Companies Act;**
- **Regulation (EU) 909/2014, of the European Parliament and of the Council, of 23 July (CSDR)** on improving securities settlement in the European Union and on Central Securities Depositories and complementary rules.
  
- All EURONEXT SECURITIES PORTO regulations are available on the EURONEXT SECURITIES PORTO website (<https://www.euronext.com/en/post-trade/euronext-securities/porto/legislation-and-regulation>).
- The reports referred to in this Manual are made available on the **STD** - Data Transfer System, under the item "*Mapas*" of the "*Diversos*" menu.
- The format of the **STD** files/messages referred to in this Manual are available in the **STD** Manual - Data Transfer System that can be found in the **STD** under the menu "*Manuais*" and on EURONEXT SECURITIES PORTO website under "Documentation/Operational Documentation" (<https://www.euronext.com/en/post-trade/euronext-securities/porto/documentation/operational-documentation>).
- The layout of the ISO 15022 messages referred to in this Manual are available in the "ISO 15022 Messages" Manual which is available on the EURONEXT SECURITIES PORTO website under "Documentation/Operational Documentation" (<https://www.euronext.com/en/post-trade/euronext-securities/porto/documentation/operational-documentation>) and in My Standards ([ES Porto ISO15022 Corporate Actions community](#)), for messages related to the processing of debt security events
- Other manuals related to **STD** - Data Transfer System:
  - the User Manual - available in the "*Manuais*" menu of the **STD** - mnemonic **STDvxEN/STDvxPT** and on the EURONEXT SECURITIES PORTO website under "Documentation/Operational Documentation";
  - the Technical User Manual - available in the "Manuals" menu of the **STD** - mnemonic **STDtcEN** (only English version is available);
  - the Technical User Manual (Batch Client) - available in the "*Manuais*" menu of the **STD** - mnemonic **STDbcEN** (only English version is available).

For Directly Connected Participants (**DCPs**):

- The layout of the ISO 20022 messages referred to in this Manual are available in the "T2S User Detailed Functional Specifications (UDFS)" document which can be found on the ECB

(European Central Bank) website under "Documents and links" / "Technical/functional documents" [link](#).

- The T2S GUI screens referred to throughout the Manual are available in the T2S User Handbook (UHB) document, which is available on the ECB (European Central Bank) website under "Documents and links" / "Technical/functional documents" [link](#).

## **INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.**

### **Purpose**

INTERBOLSA – *Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.* (hereinafter, abbreviated to EURONEXT SECURITIES PORTO) is a limited liability company which purpose is the management of settlement systems and centralised securities systems.

The services that may be provided by EURONEXT SECURITIES PORTO are set out in the Annex to Regulation (EU) No 909/2014 of 23 July (List of services)

### **Legal Regime**

EURONEXT SECURITIES PORTO is governed by the provisions of its Statutes, Regulation (EU) No. 909/2014 of 23 July and complementary regulations (CSDR for short), the Legal Framework for Central Securities Depositories, approved by Law No. 35/2018 of 20 July, the Securities Code and the Companies Code.

### **Capital and Shareholders**

The share capital of EURONEXT SECURITIES PORTO is five million five hundred thousand euros, represented by five million five hundred thousand registered book-entry shares with a nominal value of one euro each. EURONEXT LISBON - *Sociedade Gestora de Mercados Regulamentados, S.A.* (hereinafter EURONEXT LISBON) is the sole shareholder of EURONEXT SECURITIES PORTO.

**Functions**

(cf. Article 2 of INTERBOLSA Regulation No. 2/2016)

EURONEXT SECURITIES PORTO, as the Central Securities Depository (CSD), has the following functions:

- a)** The organisation and management of centralised securities systems in order to ensure, the core services referred to in the Annex to Regulation (EU) No. 909/2014 of 23 July (abbreviated as CSDR) concerning:
  - a1)** the provision of services related to the initial recording of securities in the centralised registration system ("account entry service");
  - a2)** the structuring and administration of centralised securities systems (first level of registration) ("centralised registration system administration service").
- b)** The organisation and management of securities settlement systems in order to ensure the provision of core services referred to in the Annex to Regulation (EU) No. 909/2014 on the management of securities settlement systems ("settlement service"), namely, the execution of cash transfers associated with transfers of securities or rights attached thereto and collateralisation of securities transactions.

Pursuant to Regulation (EU) No. 909/2014, EURONEXT SECURITIES PORTO may also provide the non-banking ancillary services that do not entail credit or liquidity risks, as well as banking ancillary services provided for in Section B of the Annex to that Regulation, pursuant to the authorisation granted by the Competent Authority. Among the ancillary services related to account registration services and administration of centralised registration systems, it is worth mentioning its role as National Numbering Agency for the allocation of ISIN codes, as defined by ISO (International Organization for Standardization) in its standard 6166, as well as CFI codes (Classification of Financial Instruments), in accordance with ISO standard 10962 and FISN (Financial Instrument Short Name) codes, in accordance with ISO standard 18774.

Information on the services EURONEXT SECURITIES PORTO is authorised to provide is published in the Central Register maintained by ESMA - European Securities and Markets Authority (CSD Register), under and pursuant to Articles 21 and 58 of Regulation (EU) No. 909/2014 (CSDR) accessible through this [link](#).

## **CHAPTER 1. AFFILIATION TO THE SYSTEMS MANAGED BY EURONEXT SECURITIES PORTO**

(cf. INTERBOLSA regulation No. 1/2016)

In order to access the settlement systems and/or centralised securities systems managed by EURONEXT SECURITIES PORTO, participants will have to proceed with their affiliation, in accordance with the rules provided for in INTERBOLSA Regulation No. 1/2016.

The requirements for becoming an affiliate (cf. article 4 of the aforementioned regulation) are the following:

- To have the technical and operational conditions, as well as the human resources determined by EURONEXT SECURITIES PORTO, that are essential to access the systems managed by EURONEXT SECURITIES PORTO and the platforms with which it establishes a connection, such as the TARGET2-Securities (T2S) platform, and to guarantee their efficient and safe operation;
- Sign a contract with EURONEXT SECURITIES PORTO, according to the model attached to the aforementioned regulation;
- To be registered, if applicable, with the Portuguese Securities Market Commission (CMVM) or to have obtained the necessary and adequate recognition to operate in Portugal;
- Indicate a cash account opened in the TARGET2 platform (RTGS Account) and one or more cash accounts opened in the TARGET2-Securities platform (Dedicated Cash Accounts - DCAs);
- Pay the affiliation fee.

The above-mentioned requirements are considered both for obtaining and maintaining affiliation to EURONEXT SECURITIES PORTO.

For the purposes of submitting the application for affiliate, EURONEXT SECURITIES PORTO provides the applicant entities with a detailed dossier containing the various documents that must be completed and information that must be provided for the affiliation to take place, namely, general information about the entity in question, the updated articles of association and proof of trade register, evidence of the category in which the entity intends to participate in the systems managed by EURONEXT SECURITIES PORTO, copy of the annual reports for the last three years, including the legal certification of accounts, as well as all the necessary forms needed to participate in the T2S platform, either directly (as DCPs) or indirectly (as ICPs), namely to apply for the opening of securities accounts and their connection to the cash accounts, as well as the agreements to be

signed for access and connection to EURONEXT SECURITIES PORTO private communication network.

EURONEXT SECURITIES PORTO affiliates participate in the centralised securities systems and settlement systems.

In the context of the management by EURONEXT SECURITIES PORTO of securities settlement systems and the participation of this managing entity in the T2S platform, the participants in the settlement systems managed by EURONEXT SECURITIES PORTO, may assume the quality of a directly connected participant (DCP - Directly Connected Party) or indirectly connected participant (ICP - Indirectly Connected Party) to the referred T2S platform, being both qualities subject to EURONEXT SECURITIES PORTO supervision and oversight powers, provided in INTERBOLSA Regulation No. 1/2016.

ICPs have a connection to EURONEXT SECURITIES PORTO local systems, through communication channels provided by EURONEXT SECURITIES PORTO, and access the T2S platform through the same means. DCPs only maintain technical access to the T2S platform for settlement and related services.

Entities from other Member States of the European Union, as well as entities from other Non Member States of the European Union, may become affiliates of EURONEXT SECURITIES PORTO provided that they meet the requirements for access to the quality of affiliate mentioned above.

Affiliation may be suspended (cf. article 9 of the aforementioned regulation), on the initiative of EURONEXT SECURITIES PORTO or on the initiative of the affiliate, and may cease (cf. article 10 of the aforementioned regulation), in the following situations:

- For non-compliance with the obligations incumbent upon the affiliates;
- At the request of the affiliate;
- If, at the end of the suspension period, the reasons that determined it remain;
- If the affiliation requirements are no longer met.

EURONEXT SECURITIES PORTO publishes on its Internet portal the various information relating to admission, suspension and cancellation of affiliation.

## Identification of the participants

Participants in EURONEXT SECURITIES PORTO are identified by a 3-digit numerical code and the participant's SWIFT BIC code (BIC-11).

On the T2S platform, EURONEXT SECURITIES PORTO participants are identified by the participant BIC code (BIC-11) and the EURONEXT SECURITIES PORTO BIC-11.

### Example:

EURONEXT SECURITIES PORTO BIC-11 (*Parent BIC*) IBLSPTPPXXX

Participant BIC-11 (*Party BIC*):        ABCDEFGHXXX

T2S participant ID:                        IBLSPTPPXXX + ABCDEFGHXXX

In order to collect the necessary static data the participants in the EURONEXT SECURITIES PORTO systems, DCPs and ICPs, must complete the following forms:

- *Form 001 - Parties (ICP);*
- *Form 002 - Parties (DCP).*

These forms have information in common for DCPs and ICPs: Participant code, Participant name, Participant address and Participant contact details.

Form 002 has additional information regarding DCPs having a technical connection to the T2S platform:

- Connectivity to T2S (A2A/U2A; Value-Added Network Service Provider);
- Technical address;
- Default Routings;
- Administrator User (Login Name; Name; System User Reference);
- User Names (Certificate Distinguished Name; Default);
- Management of Access Rights - Roles to be assigned by EURONEXT SECURITIES PORTO.

## CHAPTER 2. SECURITIES

(cf. INTERBOLSA regulation No. 2/2016)

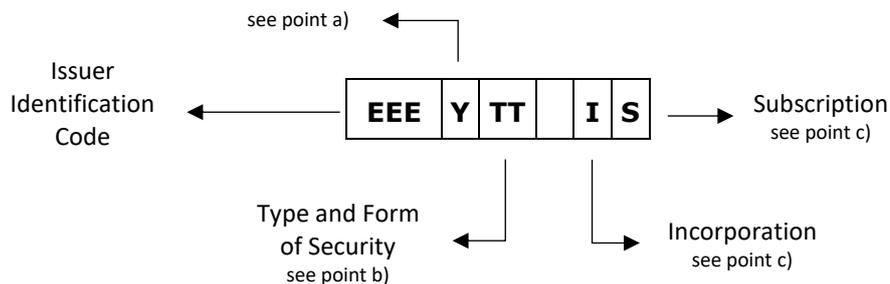
### 2.1 SECURITIES CODIFICATION

(cf. article 19 of INTERBOLSA regulation No. 2/2016)

Each category of security (group of securities conferring the same rights) corresponds to a local code, to be assigned by EURONEXT SECURITIES PORTO (CVM code).

At the same time an ISIN code will be allocated by the National Numbering Agency. Where an issue is composed of more than one category there will be as many codes assigned as there are categories making up the issue.

#### CVM code structure of securities:



**a)** The "Y" position of the code makes it possible to distinguish the various possible issues by the same issuing entity

- In case of equities:

space – indicates a normal situation;

alphanumeric character - indicates a special case (for instance, different rights situation);

- In case of other types of securities:

alphanumeric character – identifies an issue, series of an issue, etc.

**b)** Type and form of securities (positions "TT"):

1st Character position (see note below)		2nd Character position	
A	Ordinary Shares	N	Registered Securities in certificate form
V	Preference/Privileged Shares	P	Bearer Securities in certificate form
Y	Certificates	M	Registered Dematerialised Securities
O	Bonds (includes Credit Linked Notes)	E	Registered/Bearer Dematerialised Securities*
G	Treasury Bills	T	Materialised Securities (Global Certificate)
J	Commercial paper		
P	Participation Bonds		
I	Participation units of closed end funds (Real Estate and Mutual)		
H	Participation units of open end funds (Real Estate and Mutual)		
B	Structured securities		
Z	VMOC – Convertible Securities		
K	Reverse Convertible Securities		
W	Warrants		
2	Other Detached Securities		

(\*) Law No. 15/2017, of May 3 prohibits the issuance of bearer securities and created a transitional regime aimed at the conversion, into nominative securities of bearer securities existing on the date of its entry into force (May 4, 2017), which had to be converted into nominative securities within 6 months after the entry into force of the said Law, according to the rules defined in Decree-Law No. 123/2017, of September 25 and, in the case of bearer securities in a centralised system, INTERBOLSA Instruction No. 1/2017.

It is further informed that the letters P and E continue to exist even after the entry into force of the aforementioned law as the ISIN and CVM codes were not altered due to the conversion from bearer to nominative. Thus, there will be nominative securities with the letters P, E, N and M.

It should be noted that bearer securities issued by entities not subject to Portuguese law, as well as Portuguese public debt (cf. Decree-Law No. 81-B/2017 of 7 July, with regard to the latter case) were not covered by the regime prohibiting the issuance of bearer securities and the mandatory conversion of those issued to date.

As there were initially more letters assigned in the 1st character position (corresponding to greater segregation of securities types), it was decided that the existing codes with these letters - see table below - would remain in force until the amortisation/cancellation of these issues.

1st Character position (in force only for old codes)	
R	Redeemable Preferred Shares
D	Privileged Shares (Other)
U	Participation Bonds
X	Cash Bonds
F	Securitised Bonds
1	Mortgage Bonds

c) Meaning of the "IS" positions of the code:

- The 8<sup>th</sup> character position (related to incorporation and similar corporate actions) can only have a **space** or letter "D";
- The 9<sup>th</sup> character position (related to subscription) can only have a **space** or letter "D";
- Where:

' '	Indicates the security in its normal situation
'D'	Refers to the right detached from the principal security

**Examples of security codes in the format EEEYTT IS:**

A	B	C		A	N				Registered shares in certificate form of the company ABC
A	B	C	1	A	N				Registered shares in certificate form that differ from the shares above (ABC AN) by having right to a different dividend (or no dividend) during the year of issuance
A	B	C		A	N		D		Incorporation rights of registered shares in certificate form of the company ABC
A	B	C		A	N			D	Subscription rights of registered shares in certificate form of the company ABC
A	B	C	A	O	M				Dematerialised registered bonds of company ABC – 1 <sup>st</sup> issue
A	B	C	B	O	M				Dematerialised registered bonds of company ABC – 2 <sup>nd</sup> issue

## 2.2 REGISTRATION AND CANCELLATION OF SECURITIES ISSUES

(cf. articles 16 to 21 of INTERBOLSA regulation No. 2/2016)

## **Registration**

EURONEXT SECURITIES PORTO provides a securities registration service for issuers who wish to make use of the services provided by this management entity. Registration in the centralised system is compulsory for issues admitted to trading on a regulated market.

The issuer, or its representative, requests the registration of an issue by sending to EURONEXT SECURITIES PORTO the necessary documentation to characterize both the issuer and the security issue. EURONEXT SECURITIES PORTO analyses all the information provided and assigns an identification code. There are cases in which registration is carried out automatically, namely in the case of securities issues resulting from corporate actions of already registered securities and of detached rights of integrated securities.

If the securities are in physical certificate form, custody services are provided to the issuer (see Chapter 5 - Securities Deposits and Withdrawals).

For debt issues, there are two methods for register positions, according to the type of redemption and the form of representation of the securities:

- Registration in units for securities in form;
- Registration in nominal amount for dematerialised securities and securities represented by a global certificate.

For issues that have had one or more partial redemptions, a *pool factor* is used to limit the number of decimal places in the account positions. In such issues, the registry will maintain the initial par value until maturity but with an indication of the percentage of the amount still to be redeemed (the designated *pool factor*).

In all other issues (not considered debt) registration is carried out in units.

On the day of registration of the securities, the following occurs:

- For dematerialised securities: EURONEXT SECURITIES PORTO sends settlement instructions to T2S platform to credit participants' securities accounts in real time;
- For securities in certificate form: the certificates have to be deposited by participants in the EURONEXT SECURITIES PORTO system; the settlement instructions are only sent to the T2S platform to credit the participants' securities accounts when the securities are received and verified by EURONEXT SECURITIES PORTO;
- In the case of securities represented by a single certificate there are special procedures (see Chapter 5.2.2 - Issue represented by a Single Certificate).

After the credit to the securities accounts, participants receive information in the STD - "**ISSUANC**" query (registration of securities/credit movements and cancellation of securities/debit movements).

When registering covered warrants, EURONEXT SECURITIES PORTO provides a daily file (**WEC file**) with information, namely on the style (American/European), the exercise period and the securities account to which they must be transferred if exercised before maturity (in the case of American warrants).

In the case of registration of closed-end funds, Euronext Securities Porto provides a new functionality that is aimed at both Issuers and Participants holding Participation Units. Thus, the procedure for requesting registration of closed-end funds is now carried out directly in the area reserved for Euronext Securities Porto – My INTERBOLSA clients, in an automated, fast and secure manner. To do this, the clients need to request users to access the reserved area of My INTERBOLSA. The manuals supporting this functionality are available on My INTERBOLSA, in the "My Useful Information" menu.

### **Cancellation**

The request for cancellation of securities (made by the issuer or its representative) registered in the EURONEXT SECURITIES PORTO centralised system may be partial or total.

In the case of total cancellation, EURONEXT SECURITIES PORTO sends, in advance, a restriction to the T2S platform to block the ISIN code and request all positions in the securities accounts of its participants. Next:

- For **dematerialised securities**, the EURONEXT SECURITIES PORTO system automatically generates settlement instructions and sends them to the T2S platform, in real time, to cancel the securities in the participants' securities accounts;
- For securities in certificate form, depending on the reason for cancellation, different procedures will be carried out, as appropriate:
  - a) Extinction of the issue/category of the securities;
  - b) Request for cancellation of registration/Other.

These procedures can be found in chapter 10.2.9 - Cancellation of the Registration of securities in certificate form.

The securities integrated in the EURONEXT SECURITIES PORTO systems can be consulted:

- in the STD - MovConta (see Chapter 21 - Tables): VM-SOD = Securities information - start of day;
- on the EURONEXT SECURITIES PORTO website, under "Documentation / Securities under Custody".

The following file is also available with the valuation of the integrated securities at the end of each day, which is used for the calculation of maintenance fees:

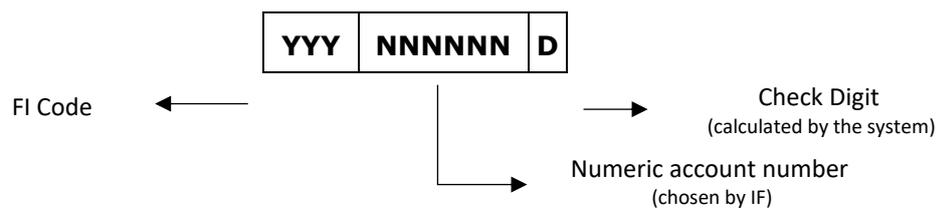
- **VM-VAL** = Securities information at the end of the day - valuation (see STD manual - Layouts).

### CHAPTER 3. SECURITIES ACCOUNTS

(cf. INTERBOLSA regulation No. 2/2016)

Each participant shall request EURONEXT SECURITIES PORTO to open securities accounts, as many as necessary to carry out its activity and ensure the segregation needs.

The coding of the account is made up of 10 digits: the first three indicate the participant code and the tenth is a check digit (obtained from the STD\CHECKdig - Check Digit Calculator).



Participants are free to choose the remaining 6 digits ("NNNNNN"), with the exception of the account **YYY999995x** - "default" account, to be used by EURONEXT SECURITIES PORTO in the registration of new issues of book-entry securities and other services.

The following account types and tax situations exist, available only in the local systems of EURONEXT SECURITIES PORTO:

#### Account Types (TC):

TC	Description
0	Residents, not considered foreigners for privatisation purposes and not exempt from IRS or IRC under Decree Law No. 193/2005.
1	Residents, foreigners for privatisation purposes and not exempt from IRS or IRC under Decree Law No. 193/2005.
2	Non-residents, foreigners for privatisation purposes and not exempt from IRS or IRC under the terms of Decree-Law No. 193/2005.
3	Non-residents, foreigners for privatisation purposes and exempt from IRS or IRC under the terms of Decree-Law No. 193/2005.
4	Non-residents, not considered foreigners for privatisation purposes and exempt from IRS or IRC under the terms of Decree-Law No. 193/2005.
5	Non-residents, not considered foreigners for privatisation purposes and not exempt from IRS or IRC under the terms of Decree-Law No. 193/2005.

### Tax Situations (SF):

SF	IR – Income Tax (IRS/IRC)	IE – Other Income Tax
A(*)	liable	non-liable
C	non-liable	non-liable
E	does not earn income (**)	
G	liable	liable
I	non-liable	liable
L	80% - IRS (***)	non-liable
M	70% - IRC (***)	non-liable
N	80% - IRS (***)	liable
O	70% - IRC (***)	liable

(\*) default situation

(\*\*) Securities held by the Issuer itself

(\*\*\*) For residents of the Autonomous Region of the Azores (Regional Legislative Decree No. 33/99/A)

### Account segregation

EURONEXT SECURITIES PORTO keeps records and accounts that allow, in accordance with article 38 of the CSDR (Protection of the securities of participants and their clients), participants in the

systems of the management entity to segregate their securities ('own account' - "OW") from the securities of their clients (compulsory segregation), as well as, voluntarily:

- Hold, in a single securities account opened in the centralised system, securities belonging to different clients ('omnibus client segregation' - "OM");
- Segregate individually, in accounts opened in the centralised system, the securities of its clients, if and when requested by them ('individual client segregation' - "IS").

For their part, EURONEXT SECURITIES PORTO participants must also give their clients the choice between full client segregation and individual client segregation, and inform them of the costs and risks associated with each option.

Individual Client Segregation:

- Ensures an adequate level of segregation of the securities registered between own and client securities, and between the securities of the participant's various clients;
- It recognises a patrimonial separation effect, in particular, in a scenario of insolvency of a participant in the systems managed by EURONEXT SECURITIES PORTO, without prejudice to the procedures to be adopted in the event of participant insolvency;
- Safeguard, speed up and expedite the process of identification and, where appropriate, transferring the values to another participant, particularly in the event of insolvency, without prejudice to the provisions of the following point and the procedures to be adopted in the event of the insolvency of the participant;
- It does not confer on the participant's client any right, legitimacy or capacity to give direct instructions to EURONEXT SECURITIES PORTO in relation to any account identified with its name and the securities held therein, even in a situation of insolvency of the participant.

The opening, maintenance and closing of securities accounts, of 'global client segregation' or 'individual client segregation' is, in both cases, the responsibility of the participant, who creates and operates the account opened in the centralised system, in accordance with the indications of the client and the information contained in the individual registration account, EURONEXT SECURITIES PORTO not assuming any type of responsibility before, namely, the participant's client, nor providing any type of guarantee.

In the event of the insolvency of the participant, and taking into account the segregation of account per client, EURONEXT SECURITIES PORTO shall only act in accordance with the indications of the insolvency administrator, namely with regard to the transfer of the securities registered in the accounts of clients with 'individual client segregation' of the insolvent participant to another participant.

### 3.1 CREATION/AMENDMENT/EXCLUSION OF ACCOUNTS

Participants must always complete the form - EURONEXT SECURITIES PORTO Form 003 - Securities Accounts - depending on whether they wish to:

- Set up new accounts;
- Modify accounts, whether in terms of name, type or tax situation;
- Delete accounts.

The form should be sent to EURONEXT SECURITIES PORTO at the following e-mail address `ibls-forms@euronext.com`

The securities accounts opened by participants with EURONEXT SECURITIES PORTO are reflected in T2S, with one-to-one correspondence, and are composed of 35 digits, according to the following structure:

- EURONEXT SECURITIES PORTO BIC-4 (IBLS) (4 characters);
- Code BIC-11 (11 characters) of the participant;
- Account Type - SA – Securities Account (2 digits);
- Field of 8 digits filled with zeros;
- Participant Account with 10 digits.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
IBLS				Participant BIC-11											SA		Zeros								YYY.NNNNNN.D									

In order for EURONEXT SECURITIES PORTO to comply with its reporting obligations under the CSDR, when opening a securities account, in addition to other necessary information, participants must inform whether it is a:

- Own Account - "OW"; or
- Clients Omnibus Account - "OM"; or
- Client Individual Account - "IS".

### **3.2 ACCOUNTS QUERY**

The securities accounts opened by participants with EURONEXT SECURITIES PORTO may be viewed through the file **SACs** made available daily on the STD, under the heading "MovAccount".

This file is made available daily and lists all the participant's securities accounts with the following elements:

- Securities Account;
- T2S Securities Account;
- Account Description;
- Account Type;
- Tax Situation;
- Direct Ownership Indicator;
- Segregation Account Type;
- DCA - Default;
- DCA - Corporate Actions;
- DCA - Market Claims;
- DCA - Others;
- DCA - Penalties
- Information date.

The SACs file is updated the day after EURONEXT SECURITIES PORTO enters the instruction for alteration/constitution/cancellation of the account at the request of the participant.

### **3.3 CONNECTION BETWEEN THE SECURITIES ACCOUNTS AND DEDICATED CASH ACCOUNTS (DCA)**

As regards the cash accounts to be operated on the T2S platform, the relevant Central Bank is responsible for opening, maintaining and cancelling on the T2S platform the cash accounts of its participants dedicated to the financial settlement of instructions (also referred to as T2S Dedicated Cash Accounts or DCAs for short).

EURONEXT SECURITIES PORTO, for its part, is responsible for parameterising on the T2S platform the link between its participants' securities account(s) and their respective cash account(s) (DCAs), according to the information provided by the participants using a specific form (Form 004 - Link - Securities Account (SAC) and Dedicated Cash Account (DCA)).

The form must be sent to EURONEXT SECURITIES PORTO at the e-mail address [ibls-forms@euronext.com](mailto:ibls-forms@euronext.com)

EURONEXT SECURITIES PORTO allows its participants:

- Associate a securities account with a single DCA;
- Associate multiple securities accounts to a single DCA;
- Associate a securities account to several DCAs, in which case the participant must identify the DCA to be used by default (*default* account);
- Indicate, per securities account, a specific DCA for cash settlement purposes for *Corporate Actions on Stocks* (Rights Exercise) and *Corporate Actions on Flows* (Market Claims/Transformations). In this case, all cash debits and credits in eligible currency in T2S will be made to the indicated DCA.
- Indicate a specific DCA for the purpose of the monthly collection and distribution of Penalties. For that the participant needs to send the Form 005 (Optional DCA - Penalties);
- In this case, the default securities account (YYY999995x) will be linked to this DCA, as the default account is the securities account that EURONEXT SECURITIES PORTO uses in the settlement instructions for the collection and distribution of penalties.

Should the participant wish the financial movements as paying agent/receiving agent to settle in a specific DCA, they must request EURONEXT SECURITIES PORTO to link the *default securities* account (**YYY999995x**) to that DCA, as the *default* account is the securities account that EURONEXT SECURITIES PORTO uses for settlement instructions regarding paying agent/receiving agent movements.

### 3.4 SECURITIES ACCOUNTS POSITIONS

The positions held in participants' securities accounts can be in different situations, within the same securities account, such as free (or available for settlement) or blocked for specific situations.

The following table shows the different situations:

Type	Description
AWAS	AVAILABLE (without restrictions)
BL02	BLOCKED FOR WITHDRAWAL
BL03	BLOCKED FOR PLEDGE

BL04	BLOCKED FOR GUARANTEE
BL09	GENERIC BLOCKING
BL10	JUDICIAL BLOCKING
BL11	BLOCKED FOR SETTLEMENT
BL24	PLEDGED IN FAVOUR OF SII
BL25	EXECUTION OF PLEDGE IN FAVOUR OF SII
BL26	BLOCKED FOR CORPORATE ACTIONS (RIGHTS)
BL27	PLEDGED IN FAVOUR OF FGD
BL29	BLOCKED FOR REDEMPTION (PARTICIPATION UNITS)
COLL	COLLATERAL

Type	Description
COSP	BLOCKED FOR CONDITIONAL DELIVERY OF SECURITIES
EA40	EARMARKED FOT SETTLEMENT
EA43	EARMARKED FOR SECURITIES RESULTING FROM CORPORATE ACTIONS (movement carried out by EURONEXT SECURITIES PORTO)
EXXX	EARMARKED FOR AUTO-COLLATERALISATION (OTHER CURRENCIES)
EEUR	EARMARKED FOR AUTO-COLLATERALISATION (EURO)
RE35	RESERVED FOR SETTLEMENT
<b>AGGR</b>	<b>AGGREGATE (Total of all situations) - AVAI + NAVL</b>
<b>AVAI</b>	<b>AVAILABLE (AWAS; EA40; EA43; EXXX; EEUR)</b>
<b>NAVL</b>	<b>NOT AVAILABLE (BL02; BL03; BL04; BL09; BL10; BL11; BL24; BL26; BL27; BL29; COLL; COSP; RE35)</b>

EURONEXT SECURITIES PORTO participants have access, whenever necessary, to their account balances in real time as follows:

- **DCPs:** have access to the balance of their securities accounts directly from T2S via ISO 20022 messages (A2A) or T2S-GUI (*Securities/Securities Accounts/Securities Positions*)
- **ICPs:** have access to the balance of their securities accounts through the STD (**POSqry**).

EURONEXT SECURITIES PORTO also provides its participants with account position information at two different times of the day:

- At the *end* of the T2S settlement day (*End-of-Day*), based on the information received from the T2S platform;
- After the physical settlement of the corporate actions (rights exercise), during the night-time settlement period on the T2S platform - in this case only information is given on the account positions that have been updated following the physical settlement of corporate actions.

Therefore, EURONEXT SECURITIES PORTO participants can obtain the information regarding the account position:

- **Via STD:**
  - **POS-EOD** file - File showing the balance of the securities accounts at the end of the settlement day
  - **POS-CA** file - File with the balance of the securities accounts that were updated in the physical settlement of the corporate actions in the NTS;
  - **POSZ** file - File with the balance of securities accounts for securities that have

not been migrated to the T2S platform, namely debt instruments maturing before the T2S migration date (29/03/2016) and not reimbursed by the insolvent issuer;

- **Via ISO 15022:**
  - o Message **MT535** (*Statement of Holdings*), if subscribed;
- **Via ISO 20022:**
  - o Message **semt.002** (*Securities Balance Custody Report*), sent directly by T2S to the DCPs, if subscribed.

## **CHAPTER 4. TIMETABLE AND SCHEDULES**

### **4.1. WORKING DAYS**

The operating calendar is available on the EURONEXT SECURITIES PORTO website under Timetable and Operating Hours <https://www.euronext.com/en/post-trade/euronext-securities/porto/about-us/working-days-operating-hours> with the calendar currently in force being published annually.

### **4.2. OPERATING HOURS**

The opening hours of the systems managed by INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. as well as the timetables relating to certain moments of the settlement process are available on the EURONEXT SECURITIES PORTO website (<https://www.euronext.com/en/post-trade/euronext-securities/porto>) under EURONEXT SECURITIES PORTO / Timetable and Operating (<https://www.euronext.com/en/post-trade/euronext-securities/porto/about-us/working-days-operating-hours>) and through Notice.

## CHAPTER 5. DEPOSITS AND WITHDRAWALS OF PHYSICAL SECURITIES

(cf. Articles 23 e 24 of INTERBOLSA Regulation No 2/2016 and INTERBOLSA Circular No 2/2016)

### 5.1. GENERAL INFORMATION

All services related to the custody of securities in physical form are provided through the EURONEXT SECURITIES PORTO systems. Only debits/credits relating to the settlement in participants' securities accounts are settled on the T2S technical platform.

Pursuant to the provisions of article 1(2) of INTERBOLSA Circular No. 2/2016, EURONEXT SECURITIES PORTO contracted Banco Comercial Português (BCP) to act as an Institution Providing Custody Services (IPSC), and thus carry out the provision of services and procedures related to the safekeeping of physical securities.

However, EURONEXT SECURITIES PORTO guarantees:

- The management of the Vault;
- The computing procedures and handling of physical securities, related to the validation and updating of the securities certificates.

BCP, as the IPSC, undertakes the safekeeping of securities, which includes the management of the physical space and the movement of securities between partitions/volumes.

BCP also acts as the Depository Attendance Counter, having two different locations for this purpose:

Porto	Lisboa
MILLENNIUM BCP Praça D. João I, nº 28 4000-295 PORTO Phone: 220 040 243	MILLENNIUM BCP Rua Augusta, nº 62 1100-053 LISBOA Phone: 211 146 992

Any delivery of securities to the Counter of the CSD shall be made using envelopes duly sealed by the participants/issuing entities or by EURONEXT SECURITIES PORTO.

Procedures for delivery of sealed envelopes to the BCP, through the depository attendance counters:

- a) The delivery and receipt of the sealed envelopes by the participants in Oporto is made directly at the location of the Depository Attendance Counter of the CSD - Oporto area;
- (b) The delivery and receipt of sealed envelopes by participants in Lisbon will take place at the Depository Attendance Counter of the CSD - Lisbon area;
- c) Whenever necessary and in accordance with instructions from EURONEXT SECURITIES PORTO, the Counters of the CSD may receive/deliver envelopes duly sealed to the issuing entities.

## 5.2. DEPOSIT OF SECURITIES CERTIFICATES

(cf. Chapter I of INTERBOLSA Circular No 2/2016)

The deposit of physical securities in the centralised securities systems takes place from the date of registration of the issue and, given the specific nature of the issue, can be divided into two procedures:

- of an issue represented by physical certificates represented by more than one physical certificate;
- of an issue represented by a single certificate.

### 5.2.1. ISSUE REPRESENTED BY PHYSICAL SECURITIES CERTIFICATES

(cf. Chapter II of INTERBOLSA Circular No 2/2016)

<b>Participant</b>	<b>System (EURONEXT SECURITIES PORTO)</b>	<b>CSD's depository attendance counter/Vault</b>	<b>T2S</b>
<p>On receiving securities for deposit, the certificates shall be checked to ensure that all necessary conditions are satisfied to establish their authenticity and that they do not contain any unexercised rights. The securities are stamped with the stamp of entry into the depository system.</p> <p><b>Article 2 of INTERBOLSA Circular No 2/2016</b></p>			

Participant	System (EURONEXT SECURITIES PORTO)	CSD's depository attendance counter/Vault	T2S
<p>Information on the securities to be deposited is gathered (numbering, number of securities and securities units, CVM or ISIN code) and organised in the <b>DPIfile</b>.</p> <p>The file is sent to EURONEXT SECURITIES PORTO using STD.</p>	<p>The following validations are performed by the system:</p> <ul style="list-style-type: none"> <li>✓Security code;</li> <li>✓Existence of duplicate numbering;</li> <li>✓Existence of misplaced numbering.</li> </ul> <p>If no errors are detected, a two-part deposit note is generated immediately and made available in the STD.</p> <p>If errors are detected, see <b>Note A</b>.</p>		
<p>The deposit note is checked against the original securities and, if no irregularity is detected, it is delivered to the Depository Attendance Counter of the CSD within a maximum period of <u>two working days</u> from the date of receipt of the deposit note.</p> <p>If errors are detected, see <b>Note B</b>.</p> <p><b>Article 3 of INTERBOLSA Circular No 2/2016</b></p>		<p>Once the securities have been received with the accompanying delivery document, the Depository Attendance Counter shall send them to the Vault of the CSD.</p> <p>The CSD's Vault shall check the securities, namely:</p> <ul style="list-style-type: none"> <li>✓Conformity between the securities and the Deposit Note;</li> <li>✓Situation with regard to the rights that should correspond to them;</li> <li>✓Note of the entry in the safekeeping vault.</li> </ul>	

		If no errors are detected, the vault validates and confirms the deposit note through the system and files it. If errors are detected, see <b>Note C.</b>	
	Instructions for crediting the depositor's account are immediately generated and sent to T2S.		The participant's account is credited in the AWAS situation.

**Note A:**

Should any irregularity be detected, the system shall issue appropriate information mentioning the irregularity, and the participant in question shall, where necessary, clarify and regularise the situation on the same day, immediately informing EURONEXT SECURITIES PORTO thereof.

**Note B:**

If any irregularity is detected, the participant must proceed to the immediate cancellation of the deposit request, by sending a new DPIfile, with the respective cancellation option.

**Note C:**

Whenever, in compliance with the provisions of the previous number, the Vault shall detect any irregularities, EURONEXT SECURITIES PORTO shall clarify the situation with the participant and, taking into account the nature of the irregularities in question, determine the terms of the regularisation that should take place.

**General Notes:**

- **Deposit cancellation:**

Until the securities are checked by the Central Vault, the participant may proceed to the exclusion and re-inclusion of the deposit request.

▪ **DPIfile:**



▪ **Deposit Note:**



Example of a deposit slip (fictitious data):

<b>INTERBOLSA, S.A.</b> <b>GUIA DE DEPOSITO (CENTRAL DE VALORES MOBILIARIOS) - 2016072500000317</b>			
<b>IF: 182 - IF 182</b>			
<b>CVM/ISIN: MKG AN - 001 / PTMKG0AN0005</b> <b>MAKGEITOS - RESTAURACAO RAPIDA</b>			
<b>CNT: 1829999959 QTD TIT.: 4 QTD UVM : 4000000</b>			
<b>N. Inicial</b> <b>3000001</b>	<b>N. Final</b> <b>7000000</b>	<b>Qtd. Tit.</b> <b>4</b>	<b>Qtd. UVM</b> <b>4000000</b>
<b>DATA/ASSINATURA:</b>			
<b>IF</b>	<b>INTERBOLSA</b>		
____/____/____			

**5.2.2. ISSUE REPRESENTED BY A SINGLE CERTIFICATE**

(cf. Chapter IV of INTERBOLSA Circular No 2/2016)

Participant	System (EURONEXT SECURITIES PORTO)	CSD's Counter/Vault	T2S
<p>On receipt of the certificate for deposit it shall be verified to ensure that it meets all the necessary requirements to establish its authenticity.</p> <p>The certificate is stamped with the stamp of entry into the depository system.</p>			
<p>The certificate is sent, in <b>digitized format</b>, to EURONEXT SECURITIES PORTO in order to be verified and validated.</p> <p><b>Article 9 of INTERBOLSA Circular No 2/2016</b></p>		<p><b>The CSD's Vault verifies and validates the certificate and, if no errors are detected, sends this information to the participant.</b></p> <p>If errors are detected, see <b>Note A.</b></p>	
<p>Data related to the certificate to be deposited is gathered (numbering, quantity of securities and securities units, CVM code or ISIN code) and is organised in the <b>AIFfile</b>.</p> <p>The file is sent to EURONEXT SECURITIES PORTO using the STD.</p>	<p>The necessary validations are performed and, <b>if no errors are detected</b>, the instructions to credit the participant's account are immediately generated and sent to T2S.</p> <p>If errors are detected, see <b>Note B.</b></p>		<p>The participant's account is credited in the AWAS situation.</p>
	<p>A two-part deposit note is generated immediately and</p>		

Participant	System (EURONEXT SECURITIES PORTO)	CSD's Counter/Vault	T2S
	made available in the STD.		
<p>The deposit note is checked against the corresponding certificate and, if no irregularity is detected, it is delivered to the CSD's Counter within a maximum period of <u>two working days</u> from the date of receipt of the deposit note.</p> <p>If errors are detected, see <b>Note B.</b></p>		<p><b>Once the certificate and the accompanying deposit note have been received, the Counter shall send them to the CSD's Vault.</b></p> <p>The CSD's Vault verifies them and, if <b>no errors are detected</b>, files the deposit note signed by the participant.</p> <p>If errors are detected, see <b>Note C.</b></p>	

### Notes A, B, C:

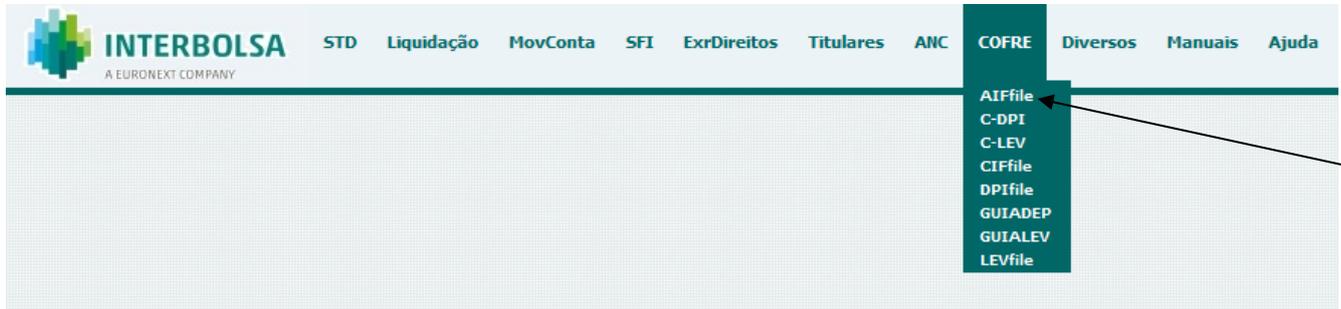
If errors are detected, the participant shall be informed in order to rectify the situation.

### General Notes:

- **Cancellation of the deposit:**

Until the securities are checked by the CSD's Vault, the participant may proceed to the exclusion and re-inclusion of the deposit request (No 5 of article 4 of INTERBOLSA Circular No 2/2016 - Procedures for deposit and withdrawal of securities certificates).

▪ **AIFfile:**



▪ **Deposit Note:**



### 5.3. WITHDRAWAL OF SECURITIES IN CERTIFICATE FORM

(cf. Chapter III of INTERBOLSA Circular No 2/2016)

Participant	System (EURONEXT SECURITIES PORTO)	CSD's Counter/Vault	T2S
<p>The participant that has been requested to withdraw securities deposited in the centralised system must register the corresponding withdrawal request by sending the <b>LEVfile</b> using the STD.</p>			
	<p>The following validations are performed:            ✓Security code;            ✓Existence of securities balance in the account indicated.</p> <p>If no errors are detected, an instruction to block securities in the participant's account is generated and sent to T2S, and a corresponding withdrawal note is generated.</p> <p>If errors are detected, see <b>Note A</b>.</p> <p><b>If there are not sufficient securities in the account to satisfy the withdrawal request see Note B.</b></p>		<p>The participant's account is credited in the situation BL02 and debited in the situation AWAS.</p>
		<p><b>The CSD's Vault shall prepare the securities, attach the withdrawal</b></p>	

Participant	System (EURONEXT SECURITIES PORTO)	CSD's Counter/Vault	T2S
		<p><b>note and sends them, within seven working days from the date of receipt of the note, to the Depository Attendance Counter.</b></p>	
<p>At the Depository Attendance Counter the participant receives the securities and the respective withdrawal note. The received securities and note are verified and if no errors are found confirms the receipt by signing the withdrawal note.</p> <p>If errors are detected, see <b>Note C.</b></p> <p><b>Article 7 of INTERBOLSA Circular No 2/2016</b></p>		<p>Once the withdrawal note is duly signed, the Depository Attendance Counter will send one of the copies of the note to the CSD's Vault.</p> <p>The vault proceeds to the confirmation of the exit of the securities from the system and instructions are generated for T2S to update the participant's account.</p>	
			<p>The participant's account is debited in situation BL02.</p>

**Note A:**

If errors are detected, the participant shall be informed in order to regularise the situation.

**Note B:**

If there are not sufficient certificates to fully satisfy the withdrawal request, EURONEXT SECURITIES PORTO shall promote, with the issuer, the exchange for certificates with smaller denominations, in

accordance with the provisions of article 6 of INTERBOLSA Circular no. 2/2016 - Procedures for the deposit and withdrawal of securities certificates.

**Note C:**

If errors are detected, the participant shall annotate on the withdrawal note the irregularity detected and return it to the CSD’s Counter, and the CSD’s Vault shall regularise the situation as soon as possible, taking into account the provisions contained in article 7 of INTERBOLSA Circular no. 2/2016 - Procedures for the deposit and withdrawal of securities certificates.

**General Notes:**

- **Withdrawal of securities**

Only securities that are in AWAS situation can be withdrawn (available securities).

- **Cancellation of withdrawals:**

The participant may cancel the withdrawal request only on the day on which it was registered (Article 5(4) of INTERBOLSA Circular No 2/2016 - Procedures for deposit and withdrawal of securities certificates).

- **LEVfile:**



- **Withdrawal Note:**



Example of a withdrawal note (fictitious data):

```

-----
| INTERBOLSA, S.A.                                     |
| GUIA DE LEVANTAMENTO (CENTRAL DE VALORES MOBILIARIOS) - 2017101100000444 |
|-----|
IF: 959 - CENTRAL DE VALORES MOBILIÁRIOS - IF 959

CVM/ISIN: PKB AN - 001 / PTPKB0AN0009
PARKURBIS - PARQUE DE CIENCIA E TECNOLOGIA DA COVILHA

CNT: 907 QTD UVM : 40000000

      N. Inicial                               N. Final
      1                                             5000000
      5000001                                       10000000
      10000001                                      40000000

DATA/ASSINATURA:

      IF                                             INTERBOLSA

____/____/____      ____/____/____
-----
Interbolsa, S.A.
Avenida da Boavista, 3433 - 4100-138 Porto - Portugal
-----

```

## CHAPTER 6. INTERNAL MOVEMENTS ON ACCOUNT - FOP (FREE OF PAYMENT)

(cf. Title II, Chapter V of INTERBOLSA Regulation No 2/2016)

### 6.1. MOVEMENT WITHIN THE SAME ACCOUNT OF A PARTICPANT

Instructions concerning settlement restrictions (*restrictions* or *intra-positions*) are movements made within the same securities account of the participant, for *blocking*, *reserving* and *earmarking* securities. Blocking, reserving and earmarking allow the movement of securities to a certain situation within an account for a specific purpose.

Type of restrictions
Blocking
Reservation
Earmarking

EURONEXT SECURITIES PORTO allows its participants to register blocking, reservation and earmarking instructions, through EURONEXT SECURITIES PORTO local systems or directly on the T2S platform (DCPs).

- **Blocking:** The securities positions are transferred from an available situation (**AWAS**) to a blocked situation:
  - **BL03** - Blocking for pledge;
  - **BL04** - Blocking for guarantee;
  - **BL09** - Generic blocking;
  - **BL10** - Judicial blocking;
  - **BL11** - Blocking for settlement.

The securities balance existing in situations BL03, BL04, BL09 and BL10 are considered unavailable and cannot be used for settlement

The securities balance securities in the **BL11** situation can be used for settlement; in this case the 'restriction type' **BL11** and the restriction reference shall be indicated in the settlement instruction.

- **Reservation:** the securities positions are transferred from an available situation (**AWAS**) to the reserve for settlement situation (**RE35**) - the balance in this status can be used for settlement; in this case, the "Blocking type" **RE35**, and the restriction reference must be indicated in the settlement instruction.
  
- **Earmarking:** securities positions can be transferred from an available-situation (**AWAS**) to be used as collateral in the event of auto-collateralisation or for settlement, according to the following situations:
  - **EA40** - Earmarking for settlement (the balance in this situation can be used for settlement; in this case, the "Blocking type" **EA40**, must be indicated in the settlement instruction);
  - **EEUR** - Earmarking for auto-collateralisation (EUR currency);
  - **EXXX** - Earmarking for auto-collateralisation (for other currencies).

In the case of the blocking and reservation of securities positions, a **restriction reference** is generated by T2S and must be indicated in the **settlement restriction** instructions:

- For decreasing the amount of blocked or reserved securities;
- For increasing the amount of securities already blocked or reserved; in case the restriction reference is not provided, a new restriction reference is generated by T2S.

These transfers can be registered via EURONEXT SECURITIES PORTO, using STD or SWIFT (ISO 15022) messages, or via T2S (only for DCPs).

<b>System</b>	<b>Interface</b>	<b>Input</b>	<b>Output</b>	<b>Layouts</b>
<b>EURONEXT SECURITIES PORTO</b>	STD menu "MovConta"	<b>TRFmsg/TRFfile</b> Reason code 376 - Internal regularization	<b>MVI</b>	STD Manual "Annex A1"
	SWIFT - ISO 15022	<b>MT524</b>	<b>MT508</b>	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	<b>Intra-position movement</b>		T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	<b>semt.013</b>	<b>semt.014</b> <b>semt.015</b>	T2S: UDFS - <i>User Detailed Functional Specifications</i>

The reason code for the transfer registered via STD is:

Description	Reason Code
Internal Regularization Transfer	376

### 6.1.1. SETTLEMENT

Participants may book internal account movements for same-day settlement or for settlement at a future date (via the STD: within the next 2 business days):

- If the Intended Settlement Date (ISD) is on the same day, the instruction settles immediately, if there is a balance available in the securities account, within the time frame for settlement of FOP (*Free of Payment*) transactions;
- If the Intended Settlement Date (ISD) is a future date (forward settlement) or if, although the ISD is the same day, the flow has been recorded/accepted after the cut-off of the FOP settlement, the instruction settles during the Night-Time Settlement (NTS) of the intended settlement day if there is available balance in the securities account.
- If the Intended Settlement Date (ISD) has been exceeded, i.e. if the instruction has not settled on ISD, the status PENF (pending settlement failing on intended settlement date) is reported.

### 6.1.2. PARTIAL SETTLEMENT

#### Blocking:

- Partial settlement for blocking of securities positions is not allowed: the securities position is blocked only, if and when, there is a sufficient quantity in the securities account;
- The unsettled instruction is recycled for further settlement attempts until full settlement or cancellation of the instruction.

#### Reservation:

- Partial settlement is allowed for reservation of securities positions: it is possible to reserve more securities than are available in the securities account position;
- The securities position is reserved for the available quantity and the quantity of securities received thereafter is automatically reserved until the total quantity of securities to be reserved is reached.

**Earmarking:**

- Partial settlement is allowed for earmarking securities positions: the securities position is earmarked only for the available quantity in the account;
- The instruction, relating to the unsettled quantity, is not recycled for further settlement attempts.

Partial settlement windows and limits do not apply to settlement restrictions.

**6.1.3. QUERIES**

System	Interface	Queries		
		Accepted, rejected, settled and cancelled transfers during the day	Transfers pending settlement Available after EOD/Change of Business Day	Settled transfers Available after EOD/Change of Business Day
EURONEXT SECURITIES PORTO	STD menu "MovConta"	<b>MVI</b>	<b>MVI-PND</b>	<b>MVI-RES</b> (also includes cancelled ones) <b>LIQ-RES</b>
	SWIFT - ISO 15022	<b>MT508</b>	-	<b>MT538</b>
T2S	T2S GUI	<b>Intra-Position Movements</b>  Settlement Status: "Partially settled", "settled", "Unsettled" Cancellation Status: "Cancelled", "Not cancelled"	<b>Intra-Position Movements</b>  Settlement Status: "Unsettled" Cancellation Status: "Not cancelled"	<b>Intra-Position Movements</b>  Settlement Status: "Partially settled", "Settled" Cancellation Status: "Not cancelled"
	SWIFT - ISO 20022	<b>semt.014</b> <b>semt.015</b>	<b>semt.034</b>	<b>semt.016</b>

## 6.2. MOVEMENTS BETWEEN ACCOUNTS OF THE SAME PARTICIPANT

In this type of movement, the source and destination participant is the same and can be used to register:

- Movements between the same holder:

Transfers in which the holder is both originator and destination, occurring between different accounts of the same participant;

- Internal regularization movements:

Transfers where the participant has to proceed with the distribution of an initial balance credited by EURONEXT SECURITIES PORTO in the default account (**YYY999995**) or in any other situation of reorganization of a participant's accounts or realignment between participant's accounts.

These transfers can be registered via EURONEXT SECURITIES PORTO, using STD or using SWIFT (ISO 15022) messages, or via T2S (only for DCPs).

<b>System</b>	<b>Interface</b>	<b>Input</b>	<b>Output</b>	<b>Layouts</b>
<b>EURONEXT SECURITIES PORTO</b>	STD menu "MovConta"	<b>TRFmsg/TRFfile</b> Reason Code 376 – Internal Regularization	<b>MVI</b>	STD Manual "Annex A1"
	SWIFT - ISO 15022	<b>MT540</b> <b>MT542</b>	<b>MT544</b> <b>MT546</b> <b>MT548</b>	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	<b>Settlement Instructions</b>		T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	<b>sese.023</b>	<b>sese.024</b> <b>sese.025</b>	T2S: UDFS - <i>User Detailed Functional Specifications</i>

### 6.2.1. SETTLEMENT

Participants may instruct movements between accounts for same-day settlement or for settlement at a future date (via the STD: within the following 2 business days):

- If the Intended Settlement Date (ISD) is the same day, the instruction settles immediately, if there is available balance in the securities account, within the time frame for settlement of FOP (*Free of Payment*) transactions;
- If the Intended Settlement Date (ISD) is a future date (*forward settlement*) or if, although the ISD is the same day, the instruction has been recorded/accepted after the *cut-off* of the FOP settlement, the flow settles during the *Night-Time Settlement* (NTS) of the intended settlement day if there is available balance in the securities account.
- If the *Intended Settlement Date* (ISD) has been exceeded, i.e. if the instruction has not settled in ISD, the status PENF (*pending settlement failing on intended settlement date*) is reported.

Immediately after registration through the EURONEXT SECURITIES PORTO systems and validation of the movement between accounts of the same participant, EURONEXT SECURITIES PORTO sends the instructions as *already matched* to the T2S platform.

### 6.2.2. PARTIAL SETTLEMENT

Partial settlement of this type of instructions is allowed.

For instructions registered via the STD (mnemonic TRFmsg/TRFfile), EURONEXT SECURITIES PORTO sends the instructions to T2S as *already matched* with the partial settlement flag not filled. Thus, the *default* partial settlement rules are applied by T2S; in this case, for FOP transactions, partial settlement is allowed (quantity of securities), i.e. the available quantity in the securities account is settled and the instruction remains pending and is recycled for further full or partial settlement attempts or cancellation of the instruction.

Partial settlement is only possible at specific times – “partial settlement windows” (see Schedule).

### 6.2.3. QUERIES

System	Interface	Queries		
		Accepted, rejected, settled and cancelled transfers during the day	Transfers pending settlement  Available after EOD/Change of Business Day	Settled transfers  Available after EOD/Change of Business Day
<b>EURONEXT SECURITIES PORTO</b>	STD menu “MovConta”	<b>MVI</b>	<b>MVI-PND</b>	<b>MVI-RES</b> (also includes cancelled ones) <b>LIQ-RES</b>

System	Interface	Queries		
		Accepted, rejected, settled and cancelled transfers during the day	Transfers pending settlement Available after EOD/Change of Business Day	Settled transfers Available after EOD/Change of Business Day
	SWIFT - ISO 15022	<b>MT548 MT544 MT546</b>	<b>MT537</b>	<b>MT536</b>
<b>T2S</b>	T2S GUI	<b>Settlement Instructions</b>	<b>Settlement Instructions</b>	<b>Settlement Instructions</b>
	SWIFT - ISO 20022	<b>sese.024 sese.025</b>	<b>semt.018</b>	<b>semt.017</b>

### 6.3. COLLATERAL MANAGEMENT

(cf. Article 35 of INTERBOLSA Regulation No 2/2016 and INTERBOLSA Circular No 3/2016)

EURONEXT SECURITIES PORTO provides specific services to SII - Investor Compensation System (managed by CMVM), Banco de Portugal, FGD - Deposit Guarantee Fund (managed by Banco de Portugal) and Central Counterparties (CCPs) related with collateral management. These services consist of allowing the delivery of securities as collateral to the entities mentioned, where each service has specific characteristics.

The time for registration of operations relating to guarantees constituted in favour of the Investor Compensation System and the Deposit Guarantee Fund is between 6h00 and 17h00 WET.

Transfers on the securities pledged as collateral may take the following forms:

Reason Codes	Description
<b>315</b>	Full execution of the FGD pledge
<b>316</b>	Partial Execution of the FGD pledge
<b>340</b>	Pledge in favour of FGD
<b>341</b>	Full unblock of the FGD pledge
<b>342</b>	Partial unblock of the FGD pledge

Reason Codes	Description
<b>382</b>	Pledge in favour of the SII
<b>383</b>	Full unblock of the SII pledge
<b>384</b>	Partial unblock of the SII pledge
<b>385</b>	Full execution of the SII pledge
<b>386</b>	Partial execution of the SII pledge

### 6.3.1 SECURITIES COLLATERAL IN FAVOUR OF THE INVESTOR COMPENSATION SYSTEM (SII)

(cf. article No 3 of INTERBOLSA Circular No 3/2016)

The Investor Compensation System (SII) operates directly on EURONEXT SECURITIES PORTO systems, verifying transfer requests for pledge constitution and carrying out pledge extinction and execution.

Transfers related to securities pledge in favour of the SII (managed by CMVM) can only be registered using STD, menu '**Mov.Account**', submenu '**Collateral**', by sending the **GRTfile** or the **GRTmsg** message, and are processed in real time in T2S.

In case of lack of securities in the account indicated by the participant, the transfer shall be immediately cancelled by EURONEXT SECURITIES PORTO and the participant must include a new transfer instruction, if necessary.

#### 6.3.1.1 Procedures relating to security collateral in favour of the SII

The **transfer reason codes** related to these operations are the following:

Reason codes	Type of Processing	Movement
<b>382</b> - Pledge in favour of SII	Real Time	Values move from situation AWAS to situation <b>BL24</b> on the participant's account
<b>383</b> - Full unblock of the pledge to SII	Real Time	Values move from situation BL24 to situation <b>AWAS</b> on the participant's account
<b>384</b> - Partial unblock of the pledge to SII	Real Time	Values move from situation BL24 to situation <b>AWAS</b> on the participant's account
<b>385</b> - Full execution of the SII pledge	Real Time	Values move from situation BL24 to situation <b>BL25</b> in the participant's account
<b>386</b> - Partial execution of the pledge to SII	Real Time	Values move from situation BL24 to situation <b>BL25</b> in the participant's account

### **A - Pledge in favour of the SII**

Participants book pledge transfers in favour of the SII (reason code 382) using the STD, using the mnemonics **GRTmsg/GRTfile**.

The participant may only use securities that are available, i.e. in an '**AWAS**' situation.

The system automatically assumes the participant and account are the same as the origin and places the securities in situation **BL24**.

The alteration of the situation of securities in the **BL24** situation can only be carried out by the SII, by means of a specific instruction for this purpose (extinction or execution of the pledge).

If a payment of income occurs for the securities registered in situation **BL24** in the participants' accounts (pledged to the SII), the income will be delivered to the participants.

### **B - Total or partial unblock of a pledge in favour of the SII**

The extinction of a pledge is carried out by the SII through the "**STD**", '**MovAccount**' menu, '**Guarantees**' submenu.

In the '**GRTqry - Collateral Consultation**' message, the SII can consult all pledges made by participants (collateral) through the '**GRT-Q - Collateral Consultation**' consultation (search message):

- The result of the search is given in the message '**GRTinfo - Collateral Consultation** in which the SII will be able to proceed with the total or partial extinguishment of the amounts given in pledge, as follows:
  - **Total Unblock:** After selecting the pledge, the SII selects the "EXTINGUIR" button";
  - **Partial Unblock:** After selecting the pledge and including the quantity to be extinguished in the field "Partial-Qty", the SII selects the "EXTINGUIR" button.

This movement translates into a transfer with the following reason codes:

- **Reason code 383** - Total unblock of the pledge;
- **Reason code 384** - Partial unblock of the pledge.

The settlement of this type of transfer occurs in real time and without any action from the part of the participant. With the unblock of the pledge, the securities concerned become immediately available in the participant's account (**AWAS** situation).

### **C - Total or partial execution of the pledge in favour of the SII**

Pledge execution is carried out by the SII through the 'STD', 'MovConta' menu, 'Garantias' submenu.

In the '**GRTqry**' – **Consulta de Garantias**' message, the SII can consult all pledges made by participants (collateral), through the '**GRT-Q** – **Consulta de Garantias**' consultation (search message):

- The result of the search is given in the '**GRTinfo** – **Consulta de Garantias**' message in which the SII will be able to proceed with the total or partial execution of the amounts given in pledge, as follows:
  - **Total Execution:** After selecting the pledge, the SII selects the "EXECUTAR" "button";
  - **Partial Execution:** After selecting the pledge and including the quantity to be executed in the field "Qtd-Parcial", the SII selects the "button" "EXECUTAR".

This movement translates into a transfer with the following reason codes:

- **Reason code 385** - Total execution of the pledge;
- **Reason code 386** - Partial execution of the pledge.

In the event of an execution of securities in favour of the SII, the securities move from the **BL24** situation to the **BL25** situation ('Execution of pledge in favour of the SII'); subsequently, the securities are debited by EURONEXT SECURITIES PORTO to the participant's account (situation BL25) according to the instructions received from the SII.

#### **6.3.1.2 Queries**

Participants and SII:

- During the day, information related to registration/validation/settlement/cancellation is received: via STD mnemonic "**GRT**";
- after the end-of-day (EOD), information related to outstanding instructions which did not settle during the day due to being accepted by T2S after the FOP settlement *cut-off*: via STD, mnemonic '**GRT-PND**';
- After the end-of-day (EOD), information related to the settlement and cancellation of instructions that occurred during the day is received: via STD, mnemonic "**GRT-RES**";
- Real-time queries can be performed using the following mnemonics: "**GRT-Q**" - consultay/search of guarantees and "**GRTinfo**" - result of the query/search;

The 'ISO *Transaction Code*' field of the mnemonics '**GRT**', '**GRT-PND**' and '**GRT-RES**' is filled with the following data:

- '**COLI**' (*CollateralIn*) - for SII;
- '**COLO**' (*CollateralOut*) - for the participant.

In addition, the SII receives daily information on all pledges made in favour of the SII (guarantees) via the STD application: '**GRT-SII - Valores dados em penhor ao SII**' file.

These transfers, like any other account movements, are included in the '**LIQ-RES**' file, available on the next business day after the day of the settlement of the movements, via the STD.

### 6.3.2 SECURITIES COLLATERAL IN FAVOUR OF THE DEPOSIT GUARANTEE FUND (FGD)

(cf. article No 2 of INTERBOLSA Circular No 3/2016)

Instructions to transfer securities in favour of the Deposit Guarantee Fund (FGD) must be registered in the local systems of EURONEXT SECURITIES PORTO, which sends them to the T2S platform to be validated and settled.

The Banco de Portugal (BdP) acts on behalf of the FGD in EURONEXT SECURITIES PORTO, verifying transfer requests for the creation of a pledge and performing pledge, unblock and execution.

Transfers related to the pledge of securities in favour of the FGD can only be registered in the STD application through the '**Mov.Conta**' menu, '**Garantias**' submenu, by sending the **GRTfile** or the **GRTmsg** message and are processed in real time in T2S.

In case of lack of securities in the participant's securities account, the transfer shall be immediately cancelled by EURONEXT SECURITIES PORTO and the participant shall have to include a new transfer, if necessary.

#### 6.3.2.1 Procedures relating to security collateral in favour of the FGD

The **transfer reason codes** related to these operations are:

Reason code	Type of Processing	Movement
<b>340</b> - Pledge in favour of FGD	Real Time	Values move from situation <b>AWAS</b> to situation <b>BL27</b> on the participant's account
<b>341</b> - Total unblock of Pledge in favour of FGD	Real Time	Values move from situation <b>BL27</b> to situation <b>AWAS</b> on the participant's account

Reason code	Type of Processing	Movement
<b>342</b> - Partial unblock of Pledge in favour of FGD	Real Time	Values move from situation BL27 to situation <b>AWAS</b> on the participant's account
<b>315</b> - Total execution of Pledge in favour of FGD	Real Time	Amounts are transferred from the participant's account (situation BL27) to the BdP's account
<b>316</b> - Partial execution of Pledge in favour of FGD	Real Time	Amounts are transferred from the participant's account (situation BL27) to the BdP's account

### A - Pledge in favour of the FGD

The participant registers the pledge transfer in favour of the FGD (blocking) via the STD, using the mnemonics **GRTmsg/GRTfile**.

The participant may only use securities that are available, i.e. in an **AWAS** situation.

The system automatically assumes the participant and account are the same as the origin and places the securities in situation **BL27**.

Only the BdP can change the situation of securities in a **BL27** situation by means of a specific instruction for this purpose, for example to close the pledge.

If there is a payment of income on securities registered under **BL27** in the participants' accounts (pledged to the FGD), the income shall be delivered to the participants.

### B - Unblock a pledge in favour of the FGD

Pledge termination is performed by the BdP through the '**STD**', '**MovConta**' menu, '**Garantias**' submenu.

In the '**GRTqry**' – **Consulta de Garantias**' message, the BdP may consult all pledges made by participants (guarantees), through the '**GRT-Q** – **Consulta de Garantias**' consultation (search message):

- The result of the search is given in the '**GRTinfo** – **Consulta de Garantias**' message in which the BdP may proceed to terminate the pledged amounts as follows:
  - **Full Unblock:** After selecting the pledge, the BdP selects the "EXTINGUIR" "button";
  - **Partial Unblock:** After selecting the pledge and including the quantity to be extinguished in the field "Qtd-Parcial", the BdP selects the "EXTINGUIR" "button".

This movement translates into a transfer with the following reason codes:

- **Reason code 341** - Total unblock of the pledge;

- **Reason code 342** - Partial unblock of the pledge.

The settlement of this type of transfer occurs in *real time and* without any action from the participant and the securities immediately become available in the participant's account (**AWAS**).

### **C - Execution of the pledge in favour of FGD**

Pledge execution is carried out by the BdP through the '**STD**', '**MovConta**' menu, '**Garantias**' submenu.

In the '**GRTqry** – **Consulta de Garantias**' message, the BdP may consult all pledges made by participants (guarantees), through the '**GRT-Q – Consulta de Garantias**' consultation (search message):

- The result of the search is given in the '**GRTinfo - Consulta de Garantias**' message in which the BdP may proceed to execute the amounts pledged, as follows:
  - **Total Execution:** After selecting the pledge, the BdP selects the "EXECUTAR" "button";
  - **Partial Execution:** After selecting the pledge and including the quantity to execute in the field "Qtd-Parcial", the BdP selects the "button" "EXECUTAR".

This movement translates into a transfer with the following reason codes:

- **Reason code 315** - Full execution of the pledge;
- **Reason code 316** - Partial execution of the pledge

Immediately and without any further action from the participant, the securities move from the participant's account (situation BL27) to the account of the BdP (situation **AWAS**) and information on this movement is made available in the STD, message "**GRT**", to the BdP and the participant.

#### **6.3.2.2 Queries**

Participants and BdP (FGD):

- During the day, information related to registration/validation/settlement/cancellation is received: via STD mnemonic "**GRT**";
- After the end-of-day (EOD), information related to instructions that did not settle during the day due to being accepted by T2S after the FOP settlement *cut-off*, is received: via STD, mnemonic '**GRT-PND**';

- After the end-of-day (EOD), information related to the settlement and cancellation of instructions that occurred during the day is received: via STD, mnemonic "**GRT-RES**";
- Real-time queries can be carried out using the following mnemonics: "**GRT-Q**" - query/search of guarantees and "**GRTinfo**" - result of the query/search.

The 'ISO *Transaction Code*' field of the mnemonics '**GRT**', '**GRT-PND**' and '**GRT-RES**' is filled with the following data:

- '**COLI**' (*CollateralIn*) - for FGD;
- '**COLO**' (*CollateralOut*) - for the participant.

In addition, the BdP (FGD) receives daily information on all pledges made in favour of the FGD (guarantees) via the STD application: file '**GRT-FGD - Valores dados em penhor ao FGD**'.

These transfers, like any other account movements, are included in the '**LIQ-RES**' file, available on the next working day after the day of the movements made, via the STD.

### 6.3.3 PLEDGE IN FAVOUR OF SII/FGD - INPUT/OUTPUT

The booking of transfers for the creation of a pledge in favour of the SII/FGD is made through the '**GRTfile**' file or the '**GRTmsg**' message.

#### Field Description:

Field Name	Description
Instruction Code	Code of the EURONEXT SECURITIES PORTO instruction: <b>340 - Guarantee for the FGD</b> <b>382 - Guarantee for IBS</b>
Participant	Participant identification (EURONEXT SECURITIESSECURITIES PORTO code)
Participant reference	Participant reference
Security code	Security code in CVM or ISIN format
Quantity type	Quantity type code: <b>UNIT</b> - units <b>FAMT</b> - amount
Quantity	Quantity: For FAMT - maximum two decimal places (14+2) For UNIT - for shares format 14, no decimals / for funds, maximum 5 decimals (14+5)
ACCOUNT	EURONEXT SECURITIES PORTO account number

The consultation of these operations is made through the mnemonic '**GRT**' (*layout* available in the STD Manual - **Annex A1**).

## Register

System	Interface	Input	Output	Layouts
<b>EURONEXT SECURITIES PORTO</b>	STD menu "MovConta"	<b>GRTmsg/GRTfile</b>	<b>MVI</b>	STD Manual "Anexo A1"
	SWIFT - ISO 15022	-	-	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	-		T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	-		T2S: UDFS - <i>User Detailed Functional Specifications</i>

## Queries

System	Interface	Queries		
		Accepted, rejected, settled and cancelled transfers during the day	Transfers pending settlement Available after EOD/Change of Business Day	Settled transfers Available after EOD/Change of Business Day
<b>EURONEXT SECURITIES PORTO</b>	STD menu "MovConta"	<b>GRT</b>	<b>GRT-PND</b>	<b>GRT-RES</b> (also includes cancelled ones)  <b>LIQ-RES</b>
	SWIFT - ISO 15022	-	-	<b>MT538</b>
<b>T2S</b>	T2S GUI	<b>Intra-Position Movements</b>  <i>Settlement Status: "settled", "Unsettled"</i> <i>Cancellation Status: "Cancelled", "Not cancelled"</i>	<b>Intra-Position Movements</b>  <i>Settlement Status: "Unsettled"</i> <i>Cancellation Status: "Not cancelled"</i>	<b>Intra-Position Movements</b>  <i>Settlement Status: "Settled"</i> <i>Cancellation Status: "Not cancelled"</i>
	SWIFT - ISO 20022	-	<b>semt.034</b>	<b>semt.016</b>

## **6.4. MOVEMENTS ON ACCOUNT WITH THE INTERVENTION OF BANCO DE PORTUGAL**

(cf. article 1 of INTERBOLSA Circular No 3/2016)

EURONEXT SECURITIES PORTO provides functionalities for the mobilisation and demobilisation of collateral within the scope of Euro system credit operations, with transfer of ownership of securities to Banco de Portugal (BdP).

The mobilisation of collateral (pledge) over securities in favour of Banco de Portugal (BdP) is carried out on the initiative of the participant through the registration of an instruction with Banco de Portugal as counterparty. In turn, the BdP must register the corresponding instruction with the participant as counterparty. After the matching and settlement of the instructions, the securities are transferred from the participant's account to a Banco de Portugal account.

Collateral is demobilised (end of the pledge) at the initiative of Banco de Portugal, by registering an instruction on the securities concerned, in the opposite direction of the initial pledge instruction. In turn, the participant must register the corresponding instruction with the BdP as counterparty.

All income payments and other exercise of rights inherent in the pledged securities are processed in the account of Banco de Portugal, where the securities in question are registered.

### **6.4.1 SECURITIES COLLATERAL TRANSACTIONS, WITHIN THE SCOPE OF PLEDGE TRANSACTIONS**

#### **6.4.1.1 Procedures**

In the mobilization and demobilization of collateral, real-time settlement procedures are adopted for registration, matching and settlement of *Free of Payment* (FOP) transactions, exception of the Hold/Release and Amendment features, which are not allowed for these transactions.

The rules of the *Real Time* Settlement system, including the timetables for registration and settlement of FOP operations, are described in the chapter regarding the *Real Time* Settlement system, where more detail can be obtained.

These instructions are registered by the participants (ICPs/DCPs) and the BdP:

- Via STD: mnemonics **SLRTmsg/SLRTfile**; or
- Via SWIFT (ISO 15022 messages): **MT540/MT542**.
- DCPs can submit settlement instructions in ISO 20022 format directly to the T2S platform - **sese.023**. or through the T2S GUI (*Securities/Settlement/Settlement Instructions*).

When registering these instructions, the '*ISO Transaction Code*' field shall be filled with the following indicators:

- **Pledge/Pledge** (mobilisation and demobilisation of collateral):
  - 'COLI' - *CollateralIn* (for BdP);
  - 'COLO' - *CollateralOut* (for the participant).

BdP has an account specially created for these movements: **599666654**.

To prevent *cross-matching*, EURONEXT SECURITIES PORTO recommends the use of a bilaterally agreed common reference when booking instructions.

The '*Common Reference*' field is an optional *matching* field, i.e. it becomes a mandatory *matching* criterion when both parties indicate a reference in their settlement instruction.

#### **6.4.1.2 Queries**

Participants and Banco de Portugal receive information:

- Via STD, using the mnemonics **SLRT, SLRT-PND** and **SLRT-RES**;
- Via SWIFT - ISO 15022, via messages **MT536, MT537, MT544, MT546, MT548, MT578**;
- Via SWIFT - ISO 20022, using messages **semt.017, semt.018, sese.024, sese.025, semt.020**;
- Via T2S GUI.

These transfers, like any other account movements, are included in the 'LIQ-RES' file, available on the next business day after the day of the settlement of the movements, via the STD.

### **6.4.2 SECURITIES COLLATERAL TRANSACTIONS, WITHIN THE SCOPE OF REPO OPERATIONS**

#### **6.4.2.1 Procedures**

In the mobilization and demobilization of collateral, real-time settlement procedures for registration, matching and settlement of *Free of Payment* (FOP) transactions are adopted, with the exception of Hold/Release and Amendment functionalities, which are not permitted for these transactions.

The rules of the *Real Time* Settlement system, including the timetables for booking and settlement of FOP operations, are described in the chapter regarding the *Real Time* Settlement system, where more detail can be obtained.

These instructions are registered by the participants (ICPs/DCPs) and the BdP:

- Via STD: mnemonics **SLRTmsg/SLRTfile**; or
- Via SWIFT (ISO 15022 messages): **MT540/MT542**.
- DCPs can submit settlement instructions in ISO 20022 format directly to T2S - **sese.023** or via the T2S GUI (*Securities/Settlement/Settlement Instructions*).

When registering these instructions, the field '*ISO Transaction Code*' must be filled with the following indicators:

- **Repo** (mobilisation and demobilisation of collateral):
  - '**RVPO**' - *ReverseRepo* (to BoP);
  - '**REPU**' - *Repo* (for the participant).

Banco de Portugal has specially created account for these transactions: **5998888859**.

To prevent cross-matching, EURONEXT SECURITIES PORTO recommends the use of a bilaterally agreed common reference when booking instructions.

The '*Common Reference*' field is an optional matching field, i.e. it becomes a mandatory *matching* criterion when both parties indicate a reference in their settlement instruction.

#### **6.4.2.2 Queries**

Participants and Banco de Portugal receive information:

- Via STD, using the mnemonics **SLRT, SLRT-PND** and **SLRT-RES**;
- Via SWIFT - ISO 15022, via messages **MT536, MT537, MT544, MT546, MT548, MT578**;
- Via SWIFT - ISO 20022, using messages **semt.017, semt.018, sese.024, sese.025, semt.020**;
- Via T2S GUI.

These transfers, like any other account movements, are included in the '**LIQ-RES**' file, available on the next business day after the day of the settlement of the movements, via the STD.

## 6.5 GUARANTEES IN FAVOUR OF A CCP

(cf. article 4 of INTERBOLSA Circular No 3/2016)

### 6.5.1 PROCEDURES

The creation and reinforcement of collateral in favour of a CCP is carried out on the initiative of the participant, by registering an instruction to transfer the securities to an CCP account.

These movements are agreed between the participants (ICPs/DCPs) and the CCP and sent:

- Via STD: mnemonic **SLRTmsg/SLRTfile**;
- Via SWIFT (ISO 15022 messages): **MT540/MT542**.
- DCPs can send settlement instructions directly to the T2S platform:
  - Via SWIFT, in the format ISO 20022 - **sese.023**;
  - Via T2S GUI (*Securities/Settlement/Settlement Instructions*).
- CCP sends these instructions directly or indirectly to T2S.

CCP authorises the securities that are eligible to be pledged as collateral within the scope of these operations, informing its members.

The return of the collateral is performed on the initiative of CCP by registering a transfer of the quantity in question to the participant. In turn, the participant must register the corresponding instruction with CCP as counterparty.

In the constitution and cancellation of collateral, real-time settlement procedures are adopted regarding registration, matching and settlement of *Free of Payment* (FOP) transactions.

The rules of the *Real Time* Settlement system, including the timetables for registration and settlement of FOP operations, are described in the chapter on the *Real Time* Settlement system, where more detail can be obtained.

### 6.5.2 QUERIES

Participants and CCP may receive information:

- Via STD, using the mnemonics **SLRT**, **SLRT-PND** and **SLRT-RES**;
- Via SWIFT - ISO 15022, via messages **MT536**, **MT537**, **MT544**, **MT546**, **MT548**, **MT578**;

- Via SWIFT - ISO 20022, using messages **semt.017**, **semt.018**, **sese.024**, **sese.025**, **semt.020** (only for DCPs);
- Via T2S GUI (only for DCPs).

These transfers, like any other account movements, are included in the '**LIQ-RES**' file, available on the next business day after the day of the settlement of the movements, via the STD.

## **CHAPTER 7. RECONCILIATION OF BALANCES**

(cf. article No 92 of the Securities Markets Code and article No 37 of CSDR)

### **7.1 RECONCILIATION BY PARTICIPANTS**

On a daily basis EURONEXT SECURITIES PORTO provides its participants with the balances of securities accounts so that they can carry out the daily reconciliation of the securities accounts opened in EURONEXT SECURITIES PORTO's systems with the individualized registration accounts opened in their internal systems on behalf of their clients.

For daily reconciliation, EURONEXT SECURITIES PORTO provides its participants with the following information specified for each securities account and each securities issue:

- (a) the aggregate balance of each securities account at the beginning of each business day;
- (b) individual transfers of securities to or from a securities account during the relevant business day;
- (c) the aggregate balance of each securities account at the end of each business day.

The referred information is made available through the following files and messages:

- *End-of-Day* (EOD) balances of securities accounts (aggregated and detailed balance):
  - **STD**: POS-EOD and POSZ files;
  - **ISO 15022**: message MT535;
  - **ISO 20022**: message semt.002 (sent directly by T2S to DCPs, if subscribed).
- Settlement instructions and transfers settled during the day:
  - **STD**: LIQ-RES; SFI-RES; SLRT-RES and MVI-RES files; CORP and ISSUANC messages;
  - **ISO 15022**: message MT536;
  - **ISO 20022**: messages semt.016 and semt.07 (sent directly by T2S to DCPs, if subscribed).

## 7.2 FORTNIGHTLY RECONCILIATION

As part of the reconciliation measures implemented by EURONEXT SECURITIES PORTO to ensure the integrity of the issues, an automatic procedure was put in place to allow participants to check whether the number of securities entered in the securities accounts opened in the centralised system coincides with the sum of the securities entered in the individual registration accounts opened in their internal systems.

Operationally, this procedure consists in requiring each participant to send a file, **TCN - Reconciliation of Account Balances** (option " AccountMov.\Balances "), through STD, containing, by account and security, the reconciliation of accounts between the positions of the AGGR (aggregate) situation, contained in the file POS-EOD - Securities Balances at End of Day (*End-of-Day*) (available in the STD - option " AccountMov"), and the sum of the balances of the individual accounts opened in their internal systems. This file must be sent on the first working day of the month and on the first working day after the 15<sup>th</sup>, with the last working day of the previous month and the 15<sup>th</sup> (or previous working day) of each month as reference dates, respectively.

After sending the **TCN** file, the participant must view the TCN file validation information through the **CTC file** - validation of TCN file TCN ("AccountMov\Balances " option). If there are differences or missing elements in the **TCN file**, the participant will have the report "**CP0221AO RECONCILIAÇÃO DE SALDOS - AAAAMMDD** " available in the STD on the day following the transmission of the **TCN**, under the " AccountMov\BalancesRTCN" option.

The participant receives, on a daily basis, the report "**CP0221AO**", through the mnemonic "Mapas", in STD with the indication " em falta " whenever the **TCN** file has not been transmitted.

Differences shown in the **TCN** file or missing elements must be duly justified by the participant.

Since November 2024, the ISIN code has been used as the unique identifier for the security.



### **7.3 AUDIT AND OVERSIGHT ACTIONS**

EURONEXT SECURITIES PORTO conducts annual audit visits to its participants to oversee on-site the reconciliation between the balances of securities accounts opened in EURONEXT SECURITIES PORTO's centralized securities systems and the individualized registration accounts opened in its internal systems on behalf of its clients and to confirm the existence (or not) of discrepancies.

### **7.4 IMPROPER CREATION OR DELETION OF SECURITIES**

EURONEXT SECURITIES PORTO has procedures in place for the daily reconciliation of its accounts. Should the daily reconciliation performed by EURONEXT SECURITIES PORTO reveal an undue creation or deletion of securities, EURONEXT SECURITIES PORTO has measures in place to resolve the issue by the end of the following business day.

When the reconciliation process reveals an improper creation or deletion of securities, and EURONEXT SECURITIES PORTO is unable to resolve the issue by the end of the next business day, the securities issue is suspended for settlement until the improper creation or deletion of securities is resolved. In this case, EURONEXT SECURITIES PORTO:

- Notifies the market of the suspension of settlement (including the CMVM, the issuer and the stock exchange / trading platforms, if the securities issue is admitted to trading);
- Takes, without delay, all necessary measures to address the undue creation or deletion of securities;
- Removes the intraday restriction, when the problem is solved;
- Notifies the market of the lifting of the suspension of settlement of the relevant securities issue (by means of information dissemination).

## **CHAPTER 8. COMPULSORY ACQUISITIONS**

(cf. article No 490 of CSC; articles No 194 and 195 of CVM; article No 32 of INTERBOLSA Regulation No 2/2016)

Whenever an issue registered with EURONEXT SECURITIES PORTO has been covered by a compulsory acquisition carried out under the terms of article 490 of the Commercial Companies Code or articles 194<sup>th</sup> and 195<sup>th</sup> of the Securities Code, certain procedures must be adopted by EURONEXT SECURITIES PORTO and by the participants, with a view to bringing the legal situation resulting from the compulsory acquisition into line operationally with the situation of the securities registered in the accounts opened with EURONEXT SECURITIES PORTO.

In the STD (option "CorporateAct\AQ-POT"), participants can consult the compulsory acquisitions that are in progress, indicating the security code(s) and the period of time during which participants may transfer the shares to the participant representing the acquiring entity.

### **8.1 COMPULSORY ACQUISITION CARRIED OUT UNDER ARTICLE 490 OF THE COMMERCIAL COMPANIES CODE**

The acquiring entity or the mandated participant shall send EURONEXT SECURITIES PORTO the following documents:

- Proof of trade register and/or copy of the publication of the acquisition fact;
- Indication of the account(s) opened at EURONEXT SECURITIES PORTO where the shares already held by the acquiring company are registered;
- Identification of the participant and its securities account at EURONEXT SECURITIES PORTO to which the acquired shares shall be transferred;
- Identification of the cash account where the counterpart is deposited or, where applicable, the identification details of the consignment procedure of the deposited counterpart with the Court.

Subsequently, EURONEXT SECURITIES PORTO, pursuant to article 32(3) of INTERBOLSA Regulation no. 2/2016, shall notify all participants with an account position to transfer, within ten business days, the shares they hold in their accounts to the account of the participant indicated by the acquirer, issuing to its clients, statements containing the elements referred to, as the case may be, in paragraphs 4 or 5 of said article.

The transfer of shares must be carried out according to the procedures defined for registration, matching and settlement, described in the chapter regarding the *Real Time Settlement* system.

If, at the end of the period stipulated for participants to make the due transfers, there are still shares to be transferred, EURONEXT SECURITIES PORTO, after notifying CMVM, shall transfer the remaining shares, and the participants shall issue the aforementioned declarations to their clients.

If there are shares relating not exercised bonus share rights in the issuer's account opened with EURONEXT SECURITIES PORTO, and in the event of an express request from the issuer, these shares shall also be transferred by the system to the account indicated by the acquiring company.

## **8.2 COMPULSORY ACQUISITION CARRIED OUT UNDER ARTICLES 194 AND 195 OF THE SECURITIES CODE**

In this situation, it the CMVM - Securities Market Commission, that has to send EURONEXT SECURITIES PORTO all the information necessary for the implementation of the procedures foreseen and already referred to in the previous point.

## **CHAPTER 9. IDENTIFICATION OF BENEFICIAL OWNERS OF SECURITIES** (cf. Article 11 of INTERBOLSA Regulation No 2/2016)

If the securities are in the form of registered representation, issuers may have access to the information on the identification of the holders of securities, as well as the respective quantity held by each holder.

Upon exercise of rights by incorporation of reserves or by subscription with reserve of preference, the identification of the subscribers of the new securities is sent to the Issuer, without need for request.

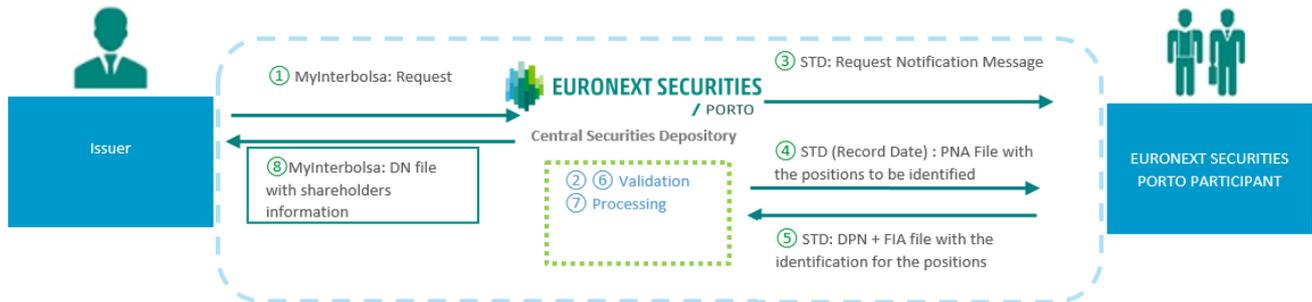
With the implementation of the Shareholders' Directive II, Directive (EU) 2017/828 (SRD II) of the European Parliament and of the Council of 17 May 2017 and the Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018, which entered into force on 3 September 2020, EURONEXT SECURITIES PORTO has changed the process of identification of holders in order to comply with the information requirements established by the Directive, the Implementing Regulation and Law No. 50/2020 of 25 August 2020.No. 50/2020, of 25 August 2020, which transposed the Shareholders' II Directive into national law.

The Shareholders' Directive applies to:

- Issuers with registered offices in a Member State; and
- the shares admitted to trading on a regulated market situated or operating within a Member State.

However, the process of identifying holders has been updated, as regards to the content, form and information, for all securities, except as regards the deadline for EURONEXT SECURITIES PORTO participants and financial intermediaries throughout the intermediation chain to respond to the request, which in the case of securities under the Shareholders' Directive is the business day following the reference date (*record date*).

## Information Flow



- ① – Issuer sends the request to EURONEXT SECURITIES PORTO through [My INTERBOLSA](#)
- ② – EURONEXT SECURITIES PORTO validates the request
- ③ – EURONEXT SECURITIES PORTO sends the notification to its Participants through the STD
- ④ – After the end of the *Record Date* EURONEXT SECURITIES PORTO sends to its Participants, through the STD, the positions to be identified (PNA file)
- ⑤ – EURONEXT SECURITIES PORTO participants send, through the STD, the information with the investor identification (FIA file) and the breakdown of account positions (DPN file). For financial intermediaries along the intermediation chain, the information identifying the holders must be sent by email, encrypted with a password ([DPN-CLI file](#))
- ⑥ – EURONEXT SECURITIES PORTO validates the received information
- ⑦ – EURONEXT SECURITIES PORTO consolidates the received information
- ⑧ – EURONEXT SECURITIES PORTO sends to the Issuer, through [My INTERBOLSA](#), the information with the identification of the holders (DN file)

### ▪ Request by the Issuer

Requests for identification of holders shall be sent to EURONEXT SECURITIES PORTO preferably through the reserved area of the Portal ([My INTERBOLSA](#)), filling in the necessary information, namely: ISIN code; reference date; deadline for replying to the request; indicator of the scope of the Shareholders' Directive; email address and comments.

Requests for a future date must be made at least 5 working days before the reference date. The maximum interval between the request date and the reference date, for the request to be accepted with a reference date in the future is D+3.

For requests in a past reference date, these can be performed with a interval between the request date and the reference date. The acceptance can only be performed with a minimum of 10 business days for response, after the request day.

Through the Portal it is also possible to cancel a request for beneficial owner identification by the reference date (*Record Date*) and change the deadline for responding to the request.

In exceptional situations and as a contingency, requests can be sent by email.

### ▪ Notification of requests

The requests for identification of title holders received and validated by EURONEXT SECURITIES PORTO are subsequently notified to participants with positions in an account through the proprietary message “**NOTIDTIT** - Notification of the Securities Holders Identification Request”, from the STD, “BenefOwners” menu. Or in alternative, to Participants that have subscribed SWIFT ISO 2022 messages, through the messages:

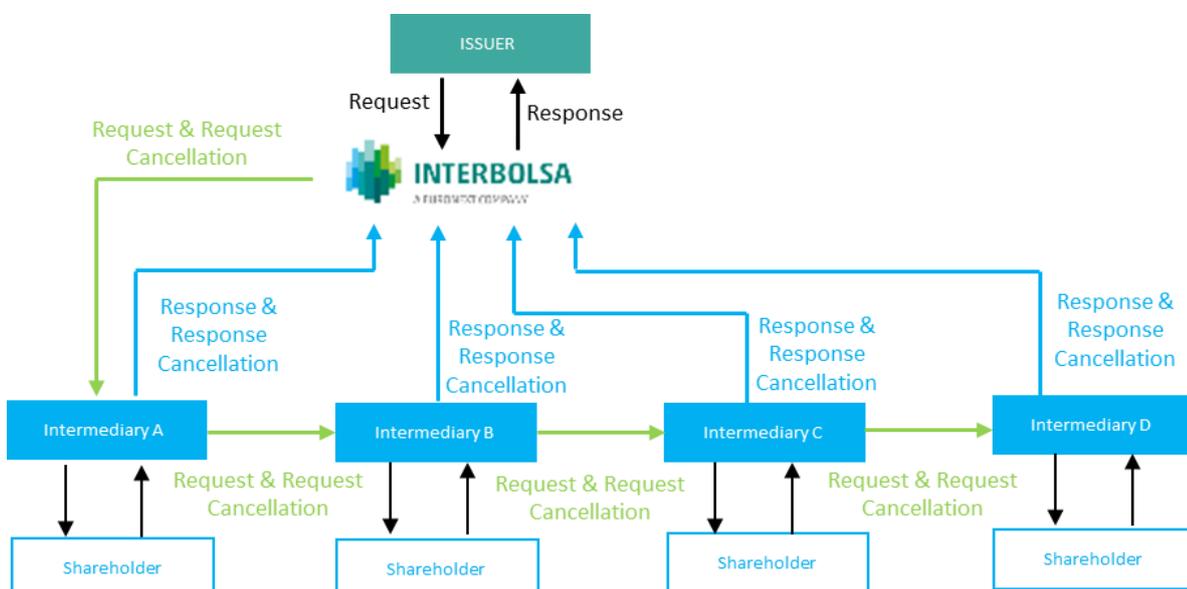
- seev.045 – Shareholders Identification Disclosure Request;
- seev.046 – Shareholders Identification Disclosure Request Cancellation Advice;

The sending of the notification requests to Participants obeys to a specific timing. The timing itself depends of the hour in which the request is placed in MY INTERBOLSA portal by the Issuer, or by its agent. The shareholders directive establishes the following timings of notification for the CSD’s Participants

- on the day of receipt of the request; or
- The next business day by 10:00 h if the order has been received after 16:00 h.
- For requests in which the reference date exceeds 30 days after the request date, these will only be notified when reached the limit of 30 previous days, between the reference date and the notification date.

The Participants will also have access to all identification requests that have been made public, and in force by the end of the reply cut-off date, through the mnemonic “**IDE-TIT** - Holders Identification”. This mnemonic is updated on the date the request is disseminated (NOTIDTIT message is sent).

One of the objectives of the Shareholders Rights Directive is to allow the identification of the final investors. Therefore, the EURONEXT SECURITIES PORTO performed adaptations to the shareholders identification, to ensure the capability to receive the information of the several intermediaries of the custody chain. In accordance with the example chart:



The request to divulge the shareholders identity, in accordance with th established by the Shareholders Directive II, should be transmitted without delay by the intermediaries to the next intermediary in the custody chain. That should by its turn send the response with the shareholders identification, directly to EURONEXT SECURITIES PORTO.

- **Positions to be unfolded**

After the end of the day on the reference date, EURONEXT SECURITIES PORTO makes available on the STD, "BenefOwners" menu, the **PNA** file (Beneficial owner identification Request), containing the information previously disclosed on NOTIDTIT and IDE-TIT, namely the unique request identifier, response identifier to EURONEXT SECURITIES PORTO and ISIN, as well as the quantity to be unfolded for each Participant's account, considering the account positions on the reference date.

- **Identification of the beneficial owners – Proprietary Messages**

For the identification of the beneficial owners the following files must be sent to EURONEXT SECURITIES PORTO by the participants through the STD:

- **FIA** file - Securities Holders Identification, with information on the beneficial owners; and
- **DPN** file - Breakdown of the Request for Identification of Holders, with the breakdown of account positions by beneficial owner.

The **FIA** file, with owner identification information, must always be kept up-to-date, being updated by inclusion and deletion of data in the file. It is validated in real time, through the "**C-FIA** - Validation of FIA file" file (STD - option "BenefOwners\C-FIA").

The file FIA, being a repository of information on holders, can be updated whenever necessary, and any changes made (additions or deletions) will only be effective for subsequent splits.

EURONEXT SECURITIES PORTO participants may use the STD to access all the holders of the securities sent by them, that is, they may consult the full **FIA** file updated on the date of the consultation with all the holders included in the EURONEXT SECURITIES PORTO system, through the "**FIA-ACT** - Beneficial Owners Identification - current" file (STD - option "BenefOwners/FIA-ACT").

EURONEXT SECURITIES PORTO participants must also send the "**DPN** - Breakdown of the Request for Identification of Holders" file (STD - option "BenefOwners\DPN"), with the breakdown of their account positions, on the reference date, by holders identified in the previously sent FIA file. The

link between the two files is made through the Beneficial Owner Reference Code. After sending the DPN file via STD the EURONEXT SECURITIES PORTO system performs a real-time validation, which is available in the "**C-DPN file** - Validation of DPN file" file (STD - option "BenefOwers/C-DPN").

- DPN-CLI file - Identification of the security holders by third intermediaries

The subcustodians, also designated by third intermediaries, can perform the identification of shareholders to EURONEXT SECURITIES PORTO, through proprietary messages, in case they the option by SWIFT ISO 20022 is not active.

These messages should be sent through the portal specifically created to the effect, having the subcustodian to perform the registration. After the registry validation the password will be sent, if all is in accordance.

The DPN-CLI files sent, should always be in .txt format, EURONEXT SECURITIES PORTO can help in file conversion, requesting the help to the address [centralgi@euronext.com](mailto:centralgi@euronext.com).

The acceptance, or rejection of the sent file, is informed by the portal, being also informed the description of errors found in the file.

- **Shareholders identification – SWIFT ISO 20022 Messages**

EURONEXT SECURITIES PORTO, makes available the possibility either for its own participants, as well as for subcustodians the identification of shareholders through ISO 20022 messages.

The subscription of these messages by Participants, can either be performed under the Closed User Group (CUG), or through SWIFTPlus. The subcustodians can only send through SWIFTPlus.

Regardless of the selected option, participants and their subcustodians should contact the address [centralgi@euronext.com](mailto:centralgi@euronext.com), so that the subscription and setup forms can be provided for the messages that are going to be exchanged with EURONEXT SECURITIES PORTO.

For the identification of the shareholders, the participants of EURONEXT SECURITIES PORTO, and their subcustodians should sent through SWIT network in ISO 20022 the following messages:

- Sev.047 – Shareholders Identification Disclosure Response;
- Sev.048 – Shareholders Identification Disclosure Response Cancellation;

In these messages the participants and subcustodians identify either the quantities, or amounts under identification, as well as the holding details for them.

By its term, EURONEXT SECURITIES PORTO will send the response to the identification performed by the sev.047 message sent by the participant, or subcustodian. Or, if case, the rejection and the associated reasons through message:

- Sev.049 – Shareholders Identification Disclosure Response Status Advice;

- **Control Tools Available to Participants**

In order to control the unfoldings made and to be made by its Participants, EURONEXT SECURITIES PORTO provides the following mnemonics on the STD:

- **DESD-CNT** - Securities to be unfolded by account, where the quantities by ISIN and account to be unfolded are visible on the business day following the reference date (DR+1). After this date, the unfolded quantity is reported, and if there is still any quantity that has not been identified.
- **DESD-TIT** – Securities unfolded by beneficial owner, indicates the quantities unfolded for each of the reference codes reported in the Participant's FIA, per ISIN code.

- **Deadlines for reply**

In the case of securities within the scope of the Shareholders' Directive, the information with the identification of beneficial owners must be sent by the financial intermediaries during the business day immediately after the reference date (*Record Date*).

In case of securities outside the scope of the Shareholders' Directive, financial intermediaries may send the information identifying the beneficial owners until the third working day immediately following the reference date (*Record Date*).

- **Sending information to the Issuer**

After collecting the information with the identification of beneficial owners, sent by the EURONEXT SECURITIES PORTO participants and by the financial intermediaries that are at subsequent levels in the intermediation chain, EURONEXT SECURITIES PORTO consolidates the data in the “DN - Identification of the Securities Holders” file, which is sent to the Issuer, through the [MY INTERBOLSA](#) Portal:

- For securities within the scope of the Shareholders' Directive: until the deadline date set by the Issuer;
- For securities outside the scope of the Shareholders' Directive: until the fourth business day after the reference date (*Record Date*).

**Timing of the information concerning the beneficial owners of securities subject to the Shareholders' Directive:**

RD-5	RD	RD+1	RD+2 ... Issuer deadline
Minimum notice for the Issuing Entity to request from EURONEXT SECURITIES PORTO the information on the identification of beneficial owners for the Reference Date (RD).	Reference date. EURONEXT SECURITIES PORTO sends the Participants, after the end of the day, the breakdown of the balances of their accounts to unfold.	Submission by the Participants of the unfolded account positions by beneficial owner.  Submission by the intermediaries along the intermediation chain of the information with the identification of the beneficial owners, through the DPN-CLI file.	EURONEXT SECURITIES PORTO sends the consolidated information to the Issuing Entity.

**Timing of the information concerning beneficial owners of securities not subject to the Shareholders' Directive:**

RD-5	RD	RD+1 until RD+3	RD+4 ... RD+6
Minimum notice for the Issuing Entity to request EURONEXT SECURITIES PORTO the information on the identification of beneficial owners for the Reference Date (RD).	Reference date. EURONEXT SECURITIES PORTO sends the Participants, after the end of the day, the breakdown of the balances of their accounts to unfold.	Submission by the Participants of the unfolded account positions broken down by beneficial owners.  Submission by the FIs along the intermediation chain of the information with the identification of the beneficial owners, through the DPN-CLI file.	EURONEXT SECURITIES PORTO sends the consolidated information to the Issuing Entity.

**9.1. IDENTIFICATION OF SHAREHOLDERS IN THE PAST**

Issuers can now perform the identification request for disclosure of beneficial holders in past dates, being that the reference date cannot be higher than one year counting from the request date. These requests should always be performed through MY INTERBOLSA portal.

#### ▪ **Request by the Issuer**

Requests for identification of holders shall be sent to EURONEXT SECURITIES PORTO preferably through the reserved area of the Portal ([My INTERBOLSA](#)), filling in the necessary information, namely: ISIN code; reference date; deadline for replying to the request; indicator of the scope of the Shareholders' Directive; email address and comments.

For requests in a paste reference date, these can be performed with an interval between the request date and the reference date. The acceptance can only be performed with a minimum of 10 business days for response, after the request day. That does not imply, that if EURONEXT SECURITIES PORTO has the information before the stipulated deadline it will not provide the information before the date being reached.

In exceptional situations and as a contingency, requests can be sent by email.

#### ▪ **Notification of requests**

The requests for identification of titleholders received and validated by EURONEXT SECURITIES PORTO are subsequently notified to participants with positions in an account through the proprietary message "**NOTIDTIT** – Notification of the Securities Holders Identification Request", from the STD, "BenefOwners" menu. Or in alternative, to Participants that have subscribed SWIFT ISO 2022 messages, through the messages:

- seev.045 – Shareholders Identification Disclosure Request;
- seev.046 – Shareholders Identification Disclosure Request Cancellation Advice;

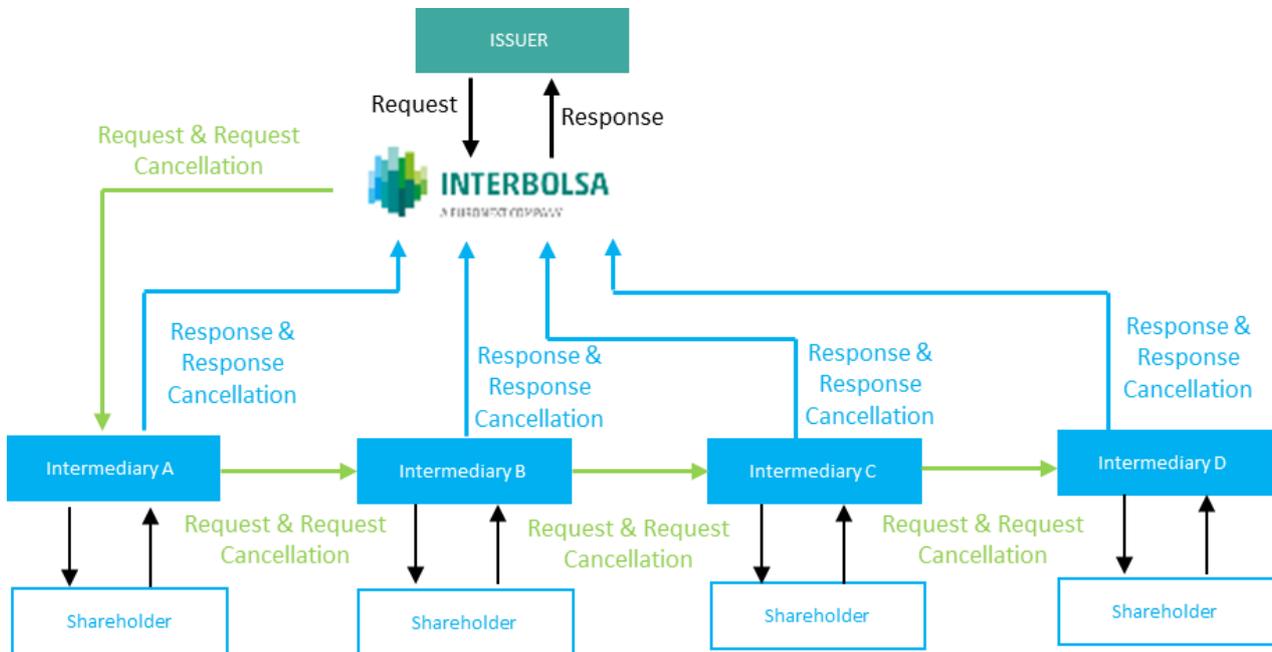
The sending of the notification requests to Participants obeys to a specific timing. The timing itself depends of the hour in which the request is placed in MY INTERBOLSA portal by the Issuer, or by its agent. The shareholders directive establishes the following timings of notification for the CSD's Participants

- on the day of receipt of the request; or
- The next business day by 10:00 h if the order has been received after 16:00 h.
- For requests in which the reference date exceeds 30 days after the request date, these will only be notified when reached the limit of 30 previous days, between the reference date and the notification date.

The Participants will also have access to all identification requests that have been made public, and in force by the end of the reply cut-off date, through the mnemonic "**IDE-TIT** – Holders identification". This mnemonic is updated on the date the request is disseminated (NOTIDTIT message is sent).

One of the objectives of the Shareholders Rights Directive is to allow the identification of the final investors. Therefore, the EURONEXT SECURITIES PORTO performed adaptations to the

shareholders identification, to ensure the capability to receive the information of the several intermediaries of the custody chain. In accordance with the example chart:



The request to divulge the shareholders identity, in accordance with the established by the shareholders Directive II, should be transmitted without delay by the intermediaries to the next intermediary in the custody chain. That should by its turn send the response with the shareholders identification, directly to EURONEXT SECURITIES PORTO.

- **Positions to be unfolded**

After the end of the day on the reference date, EURONEXT SECURITIES PORTO makes available on the STD, "BenefOwners" menu, the **PNA** file (Beneficial owner identification Request), containing the information previously disclosed on NOTIDTIT and IDE-TIT, namely the unique request identifier, response identifier to EURONEXT SECURITIES PORTO and ISIN, as well as the quantity to be unfolded for each Participant's account, considering the account positions on the reference date.

- **Identification of the beneficial owners – Proprietary Messages**

For the identification of the beneficial owners the following files must be sent to EURONEXT SECURITIES PORTO by the participants through the STD:

- **FIA** file – Securities Holders identification, with information on the beneficial owners; and
- **DPN** file - Breakdown of the Request for Identification of Holders, with the breakdown of account positions by beneficial owner.

The **FIA** file, with owner identification information, must always be kept up-to-date, being updated by inclusion and deletion of data in the file. It is validated in real time, through the "**C-FIA** - Validation of the FIA file" file (STD - option "BenefOwners\C-FIA").

The file FIA, being a repository of information on holders, can be updated whenever necessary, and any changes made (additions or deletions) will only be effective for subsequent splits.

EURONEXT SECURITIES PORTO participants may use the STD to access all the holders of the securities sent by them, that is, they may consult the full **FIA** file updated on the date of the consultation with all the holders included in the EURONEXT SECURITIES PORTO system, through the "**FIA-ACT** - Beneficial Holders identification - Current" file (STD - option "BenefOwners/FIA-ACT").

EURONEXT SECURITIES PORTO participants must also send the "**DPN** - Identification of the Securities Holders" file (STD - option "BenefOwners\DPN"), with the breakdown of their account positions, on the reference date, by holders identified in the previously sent FIA file. The link between the two files is made through the Beneficial Owner Reference Code. After sending the DPN file via STD the EURONEXT SECURITIES PORTO system performs a real-time validation, which is available in the "**C-DPN file** - Validation of the FIA file" (STD - option "BenefOwners/C-DPN").

- **DPN-CLI file - Identification of the security holders by third intermediaries**

The subcustodians, also designated by third intermediaries, can perform the identification of shareholders to EURONEXT SECURITIES PORTO, through proprietary messages, in case they the option by SWIFT ISO 20022 is not active.

These messages should be sent through the portal specifically created to the effect, having the subcustodian to perform the registration. After the registry validation the password will be sent, if all is in accordance.

The DPN-CLI files sent, should always be in .txt format, EURONEXT SECURITIES PORTO can help in file conversion, requesting the help to the address [centralgi@euronext.com](mailto:centralgi@euronext.com).

The acceptance, or rejection of the sent file, is informed by the portal, being also informed the description of errors found in the file.

- **Shareholders identification – SWIFT ISO 20022 Messages**

EURONEXT SECURITIES PORTO, makes available the possibility either for its own participants, as well as for subcustodians the identification of shareholders through ISO 20022 messages.

The subscription of these messages by Participants, can either be performed under the Closed User Group (CUG), or through SWIFTPlus. The subcustodians can only send through SWIFTPlus. Regardless of the selected option, participants and their subcustodians should contact the address [centralgi@euronext.com](mailto:centralgi@euronext.com), so that the subscription and setup forms can be provided for the messages that are going to be exchanged with EURONEXT SECURITIES PORTO.

For the identification of the shareholders, the participants of EURONEXT SECURITIES PORTO, and their subcustodians should sent through SWIT network in ISO 20022 the following messages:

- Seev.047 – Shareholders Identification Disclosure Response;
- Seev.048 – Shareholders Identification Disclosure Response Cancellation;

In these messages the participants and subcustodians identify either the quantities, or amounts under identification, as well as the holding details for them.

By its term, EURONEXT SECURITIES PORTO will send the response to the identification performed by the seev.047 message sent by the participant, or subcustodian. Or, if case, the rejection and the associated reasons through message:

- Seev.049 – Shareholders Identification Disclosure Response Status Advice;

#### ▪ **Control Tools available to Participants**

In order to control the unfoldings made and to be made by its Participants, EURONEXT SECURITIES PORTO provides the following mnemonics on the STD:

- **DESD-CNT** - Securities to be unfolded by account, where the quantities by ISIN and account to be unfolded are visible on the business day following the reference date (DR+1). After this date, the unfolded quantity is reported, and if there is still any quantity that has not been identified.
- **DESD-TIT** – Securities unfolded by beneficial owner, indicates the quantities unfolded for each of the reference codes reported in the Participant's FIA, per ISIN code.

#### • **Sending information to the Issuer**

After gathering information through beneficial holders process, from the EURONEXT SECURITIES PORTO participants, and by the financial intermediaries in the next level of the custody chain, EURONEXT SECURITIES PORTO, consolidates the information in the file DN – Identification of the Securities Holders, that is sent to the Issuer, through [My INTERBOLSA](#) portal.

RD until 1 year	PD+1	PD+5	PD+10	PD+11
<p>The issuer or its agent must place the request through MY INTERBOLSA. In the request placement the reference/record date (RD) can be placed up until one year before of the request date.</p>	<p>Participants send the disclosure, by account position, of the beneficial holders.</p> <p>Sending by subcustodians along the custody chain the information of the shareholders, through DPN-CLI file, or by seev.047.</p>	<p>Deadline for response by the Participant, or by the subcustodian if the identification request placed in MY EURONEXT SECURITIES PORTO has an interval until 7 business days in the past, from the request date.</p>	<p>Deadline for response by the Participant, or by the subcustodian if the identification request placed in MY EURONEXT SECURITIES PORTO has an interval until 7 business days in the past, up until one year, from the request date.</p>	<p>Sending by EURONEXT SECURITIES PORTO the consolidated information to the Issuer or its agent.</p>

## **CHAPTER 10. CORPORATE ACTIONS AND OTHER EVENTS**

(cf. Articles 27 and 28 of INTERBOLSA Regulation No 2/2016 and INTERBOLSA Circular No 1/20)

The harmonisation taking place across Europe aims to allow a standardisation of procedures between the various Central Securities Depositories, simplifying custody services.

According to international standards, the so-called "Corporate actions on stocks" processed by EURONEXT SECURITIES PORTO may be subdivided into the following categories:

### ▪ **Distributions**

#### **(cf. article 8 et seq. of INTERBOLSA Circular 1/2026)**

A distribution is a corporate event whereby the issuer delivers securities and/or cash to the holder of the underlying security without affecting the underlying security. There can be a cash distribution, a securities distribution or a combination of both (where the security holder can choose how to exercise its right - distribution with options).

Currently, EURONEXT SECURITIES PORTO only processes cash distributions and securities distributions:

- Cash distributions (e.g. dividends, share premium, interest, and income payments);
- Securities Distribution (e.g. capital increase by bonus, demerger, and detachment of rights).

### ▪ **Reorganizations**

#### **(cf. article 11 et seq. of INTERBOLSA Circular 1/2026)**

Reorganisations can be mandatory, meaning that they are processed in accordance with the issuer's definitions for the entire issue, or they can be voluntary, in which case participation is optional for the investor, who may choose to exercise his option or not:

- Mandatory reorganisations with cash distribution (e.g. redemptions and exercise of *warrants* - maturity and *knock-out*);
- Mandatory reorganisations with distribution of securities (e.g. mergers; capital reductions; exercise of mandatorily convertible securities (VMOCs), convertible securities (VMCs) and bonds convertible at maturity; absorption of securities; conversion of securities certificated into book-entry securities and vice versa; conversion of bearer securities into registered securities and vice versa; conversion of ordinary shares into preferred shares and vice versa; capital increases and reductions due to changes in nominal value; split and reverse split);
- Mandatory reorganisations with options (e.g. exercise of rights in respect of capital increase operations by subscription reserved for shareholders);

- Voluntary reorganisations (e.g. exercise of mandatorily convertible securities (VMOCs) and convertible bonds prior to the maturity date).

EURONEXT SECURITIES PORTO, as the issuing CSD, ensures that all static T2S data, including the creation or cancellation of ISIN codes, are updated on the payment date.

EURONEXT SECURITIES PORTO ensures the exercise of rights and other events relating to the securities under its management. It also ensures the disclosure of said events. The identification of the events is done through the COAF – Official Corporate Actions Event Reference, assigned by EURONEXT SECURITIES PORTO. This code composed of up to 16 alphanumeric characters contains a two-character prefix, identifying the codifier entity ('PT' in the Portuguese market), followed by the CAEV of the event (4-character code), with the exception of the events that will remain being processed in the STD, for which the COAF contains solely the 2-character prefix, identifying the codifier entity.

Any cancellation or event update must be communicated directly to EURONEXT SECURITIES PORTO (through the e-mail [centraldi@euronext.com](mailto:centraldi@euronext.com)). EURONEXT SECURITIES PORTO will then proceed with the cancellation or update in its systems and respective disclosure.

## **10.1 CORPORATE EVENTS**

The Centralized Securities System carries out all the procedures necessary for the execution of corporate actions of exercise of ownership rights, related to the securities registered with EURONEXT SECURITIES PORTO.

### Important Note

Procedures for sanctioned investors:

Given the escalation of regulatory supervision on an international level and the application of sanctions to determined entities and individuals, it has become essential that companies adopt strict practices while processing any payments related to financial events, ensuring that applicable law is enforced. The possible eligibility of a sanctioned investor to a corporate action payment demands the implementation of clear and effective procedures by the responsible parties, guaranteeing that all legal and regulatory demands are complied with.

Whenever the existence of a sanctioned investor is detected in the payment chain, intervening entities should pursue all measures necessary to prevent payment completion. These actions are essential to protect the safety and integrity of the financial system and avoid any violation of legal rules.

If the issuer or paying agent detects, in the context of an event, the existence of a sanctioned investor, EURONEXT SECURITIES PORTO should be contacted in a timely manner through the email address [centraldi@euronext.com](mailto:centraldi@euronext.com).

Following notification by the issuer or paying agent, and once the participant holding the position is identified, EURONEXT SECURITIES PORTO will contact the concerned financial intermediary.

The intermediary will be instructed to transfer the securities in question to a class E account, which isn't entitled to event payments.

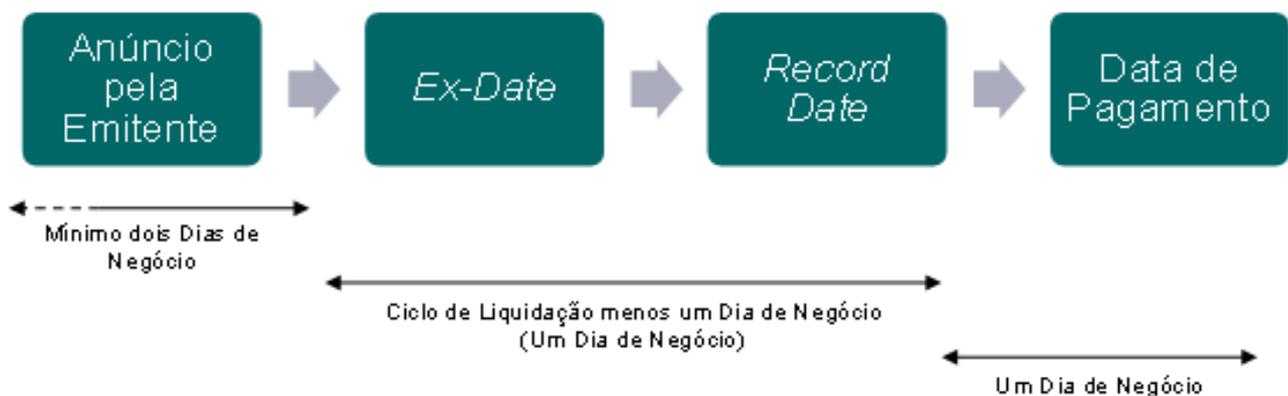
The transfer of the securities belonging to the sanctioned investor must be done until the event's record date, to ensure that the payment is not processed.

After the transfer of the securities to the class E account, financial intermediaries that hold positions belonging to sanctioned investors won't be credited the amounts concerned.

### 10.1.1 CASH DISTRIBUTIONS

(cf. article 8 of INTERBOLSA Circular 2/2016)

In corporate actions with cash distribution the relevant dates are:



The processing of these corporate actions begins upon receipt by EURONEXT SECURITIES PORTO of a communication from the issuer or its representative, pursuant to article 3 of INTERBOLSA Circular 1/2026.

On that same day the corporate action information is distributed to participants via **MT564** messages via SWIFT and through the screen *Notification Report* on MyEuronext.

From the 4th business day prior to the Record Date, provided that the corporate action information is already in the system, participants can find a forecast of the amounts receivable, based on the positions at the end of the previous day, by consulting the *Eligible Position* screen on MyEuronext.

In order to process the payment on the date indicated by the issuing entity, EURONEXT SECURITIES PORTO must receive the declaration of acceptance issued by the paying agent in the EURONEXT SECURITIES PORTO systems, up to the 3<sup>rd</sup> working day before (for securities in units), or up to the 4<sup>th</sup> working day before the payment date (for securities in face amount) that the entity accepts the respective exercise.

If the declaration has not been received by the deadline, payment will not be processed on the due date and will be postponed until a new date is set by the issuing entity.

With rare exceptions, such as the case of a dividend with default, the account movements of these securities are carried out as follows:

- Up to and including the business day prior to the payment date (including), movements on EURONEXT SECURITIES PORTO accounts are made with the right to income (cum-right); as of the payment day, movements are made without this right (ex-right);
- If it is a security admitted for trading, as from the 2<sup>nd</sup> business day prior to payment, the trades on the regulated market are carried out without rights (ex-right), since the respective settlements will occur after payment of the proceeds.

For securities registered in units, the issuer/paying agent should inform EURONEXT SECURITIES PORTO of the unit value to be paid. For securities in face amount, the issuer/paying agent should inform EURONEXT SECURITIES PORTO of the percentage to be paid.

The amounts receivable are calculated by EURONEXT SECURITIES PORTO after the end of the day of the conversion date (record date), according to the information provided by the issuer and in accordance with the positions held entitled to payment. The method used for payment is top-down. EURONEXT SECURITIES PORTO calculates the amount to be distributed per account, rounded down to the number of decimals allowed for the payment currency.

To make cash distributions in an eligible currency in T2S, on the NTS of the payment date, at 19:00 WET, EURONEXT SECURITIES PORTO sends the payment free of delivery (*PFOD*) instructions to the T2S platform to be settled on an all-or-nothing basis, with the payment being processed in the *Dedicated Cash Accounts (DCAs)* of the EURONEXT SECURITIES PORTO participants entitled to the payment, against the DCA of the paying agent.

The DCA used for cash payments is the default *DCA*, linked to the securities account holding the positions entitled to the distribution of the cash payment. EURONEXT SECURITIES PORTO allows, however, participants to designate a specific DCA for the settlement of corporate events. In this case, the proceeds of the cash distribution will be credited or debited to the DCA indicated for this purpose.

Participants receive information about the outcome of these corporate actions through:

- **MT566** messages via SWIFT;
- *Accounts Monitoring* query on MyEuronext;
- "**LIQ-RES** - Resumo Liquidação Diária" file in the STD (made available on the next business day following the settlement of the corporate action). After event settlement, its status will be presented in MyEuronext as Paid.

Both on the previous business day (with a forecasting nature) and on the day of payment itself, EURONEXT SECURITIES PORTO informs the paying agent that will be acting on behalf of the issuer, through MyEuronext, of the amount that will be debited for the payment of the corporate action.

If the paying agent wishes to place the settlement of an event on hold, it can do so, through the Corporate Events Trigger functionality. This functionality is described in MyEuronext's manual (cfr. artigo 8.4 da Circular da Interbolsa 1/2026).

### **10.1.2 SECURITIES DISTRIBUTIONS**

Events with securities distribution follow the same key dates as events involving cash distribution.

The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuing entity or its representative.

On that same day the corporate action information is distributed to participants via **MT564** messages via SWIFT and through the screen *Notification Report* on MyEuronext.

The quantities receivable are calculated by EURONEXT SECURITIES PORTO after the end of the day of the conversion date (*record date*), according to the information provided by the issuer and in accordance with the positions held entitled to payment. The method used for payment is top-down, based on the positions at the end of day on record date, applying a distribution factor, announced by the issuer/issuer agent, to the securities accounts' balances, and rounding down the final entitlement to the nearest inferior settlement unit.

EURONEXT SECURITIES PORTO will then generate free of payment settlement instructions that are sent to the T2S platform to be settled on an all-or-nothing basis, on the night time settlement (NTS) period, in order to credit the securities in the respective securities accounts.

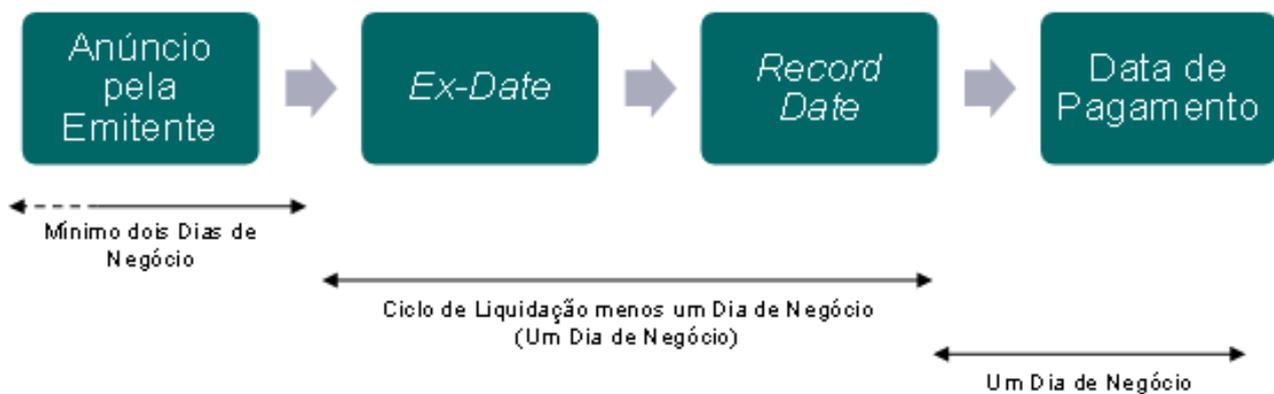
Participants receive information about the outcome of these corporate actions through:

- **MT566** messages via SWIFT;
- *Accounts Monitoring* query on MyEuronext;
- "**LIQ-RES** - Resumo Liquidação Diária" file in the STD (made available on the next business day following the settlement of the corporate action).

After event settlement, its status will be presented in MyEuronext as Paid.

### 10.1.3 MANDATORY REORGANIZATIONS WITHOUT OPTIONS

In mandatory reorganizations without options the relevant dates are:



The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuing entity or its representative, in line with what's established in article 11 of INTERBOLSA Circular 1/2026.

On that same day the corporate action information is distributed to participants via **MT564** messages via SWIFT and through the screen *Notification Report* on MyEuronext.

From the 4th business day prior to the Record Date, provided that the corporate action information is already in the system, participants can consult a forecast of the amounts receivable, based on the positions at the end of the previous day, by consulting the *Eligible Position* screen on MyEuronext.

If the event involves cash payments, in order to process the payment on the date indicated by the issuing entity, EURONEXT SECURITIES PORTO must receive the declaration of acceptance issued by the paying agent in the EURONEXT SECURITIES PORTO systems, up to the 3rd working day before (for securities in units), or up to the 4<sup>th</sup> working day before the payment date (for securities in face amount) that the entity accepts the respective exercise.

If the declaration has not been received by the deadline, payment will not be processed on the due date and will be postponed until a new date is set by the issuing entity.

For securities registered in units, the issuer/paying agent must inform EURONEXT SECURITIES

PORTO of the unit value to be paid, if the event involves a cash payment, as well as the distribution factor to be applied, if the event involves a securities distribution, and, if applicable, the unit value to compensate fractions. For securities in face amount, and reorganizations involving a cash payment, the issuer/paying agent should inform EURONEXT SECURITIES PORTO of the percentage to be paid. The issuer/issuer agent should furthermore inform the account in which securities resulting from non-attributed fractions should be credited.

The amounts and/or quantities receivable are calculated by EURONEXT SECURITIES PORTO after the end of the day of the conversion date (*record date*), according to the information provided by the issuer and in accordance with the positions held entitled to payment. The method used for payment is top-down. EURONEXT SECURITIES PORTO calculates the amount to be distributed per account, rounded down to the number of decimals allowed for the payment currency, in the case of cash payments, or to the nearest inferior unit (events for securities in units) or nearest inferior settlement unit multiple (events for securities in face amount) in the case of securities payments.

To make cash payments in an eligible currency in T2S, on the NTS of the payment date, at 19:00 WET, EURONEXT SECURITIES PORTO sends the payment free of delivery (*PFOD*) instructions to the T2S platform to be settled on an all-or-nothing basis, with the payment being processed in the *Dedicated Cash Accounts (DCAs)* of the EURONEXT SECURITIES PORTO participants entitled to the payment, against the DCA of the paying agent.

The free of payment settlement instructions for the securities debit (i.e. in the case of a redemption) and/or securities credit (i.e. in the case of a *pari passu*) are also sent to the T2S platform so settle on the NTS of the payment date, at 19:00 WET.

The calculation of the securities entitlement is made according to the restriction type and reference. The resulting securities are credited in the same situation as the underlying balance.

The issuer can decide to compensate fraction with cash payments. This option must be announced to the market (namely, the unit value to be paid), together with the details of the corporate action. The paying agent receives the securities that are not distributed to the participants in a securities account open with EURONEXT SECURITIES PORTO, and pays the announced price.

If the issuer compensates fractions, EURONEXT SECURITIES PORTO generates and sends to the T2S platform, on the night time settlement of the payment date (19:00 WET), the PFOD (payment free of delivery) settlement instructions, to settle on an all-or-nothing basis, by debiting the DCA (dedicated cash account) of the paying agent and crediting the DCAs of EURONEXT SECURITIES PORTO's participants, including any investor-CSDs.

If no compensation is offered for the fractions, the non-distributed securities are transferred to a specific EURONEXT SECURITIES PORTO account.

The DCA used for the cash payments is the default DCA, linked to the securities accounts that hold the positions entitled to the cash distribution. EURONEXT SECURITIES PORTO allows, however, participants to designate a specific DCA for the settlement of corporate events. In this case, the proceeds of the cash distribution will be credited or debited to the DCA indicated for this purpose.

Participants receive information about the outcome of these corporate actions through:

- **MT566** messages via SWIFT;
- *Accounts Monitoring* query on MyEuronext;
- "**LIQ-RES** - Resumo Liquidação Diária" file in the STD (made available on the next business day following the settlement of the corporate action).

After event settlement, its status will be presented in MyEuronext as Paid.

Starting on the 4<sup>th</sup> day before record date, if all event information is available in its systems, EURONEXT SECURITIES PORTO informs the paying agent that will be acting on behalf of the issuer, through MyEuronext, of the provisional/final (record date) amount that will be debited for the payment of the corporate action.

If the paying agent wishes to place the settlement of an event on hold, it can do so, through the Corporate Events Trigger functionality. This functionality is described in MyEuronext's manual (cf. article 8.4 of Interbolsa Circular 1/2026).

### **10.1.3.1 CAPITAL DECREASE WITH CASH PAYMENT**

In the particular case of a capital decrease with reduction of quantity and cash distribution, these events are processed and monitored through STD.

The relevant dates for this type of event are the ones listed for mandatory reorganizations without options.

The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuing entity or its representative, in line with article 3 of INTERBOLSA Circular 1/2026.

As soon as EURONEXT SECURITIES PORTO holds all the relevant information and documentation corporate action information is distributed to participants through MT564 messages via SWIFT/NOTEVT (Serviço de Notificação de Eventos) in STD to subscribing participants. Starting

from the following day, participants are able to access information pertaining to this event in STD in the EDC-RED (shares) and EDC-REND (funds) files.

In order to process the payment on the date indicated by the issuing entity, EURONEXT SECURITIES PORTO must receive the declaration of acceptance issued by the paying agent in the EURONEXT SECURITIES PORTO systems, up to the 3rd working day before the payment date that the entity accepts the respective exercise.

If the declaration has not been received by the deadline, payment will not be processed on the due date and will be postponed until a new date is set by the issuing entity.

The issuer/issuer agent should inform EURONEXT SECURITIES PORTO of the unit value to be paid, as well as the reduction factor to be applied, and, if applicable, the unit price to be used for fraction compensation. The issuer/paying agent should also inform where the securities resulting from non-attributed fractions should be credited.

The quantities are calculated by EURONEXT SECURITIES PORTO after the end of the day of the conversion date (record date), according to the information provided by the issuer and in accordance with the positions held entitled to payment. The method used for payment is top-down, based on the positions at the end of day on record date. EURONEXT SECURITIES PORTO calculates the amount to be distributed per account, rounding down according to the number of decimals allowed for the payment currency, and the final quantity per account, rounding down the final entitlement to the nearest inferior settlement unit.

To make cash payments in an eligible currency in T2S, EURONEXT SECURITIES PORTO generated and sends the payment free of delivery (PFOD) instructions to the T2S platform to be settled on an all-or-nothing basis, on the morning of the payment date (8:30 WET), with the payment being processed in the Dedicated Cash Accounts (DCAs) of the EURONEXT SECURITIES PORTO participants entitled to the payment, against the DCA of the paying agent. The free of payment settlement instructions for the debit and credit of securities are sent to T2S for settlement on the NTS of the payment date, at 19:00 WET.

The calculation of the securities entitlement is made according to the restriction type and reference. The resulting securities are credited in the same situation as the underlying balance.

The issuer can decide to compensate fraction with cash payments. This option must be announced to the market (namely, the unit value to be paid and the paying agent), together with the details of the corporate action.

If the issuer compensates fractions, EURONEXT SECURITIES PORTO generates and sends to the T2S platform, on the morning of the payment date (8:30 WET), the PFOD (payment free of delivery) settlement instructions, to settle on an all-or-nothing basis, by debiting the DCA (dedicated cash account) of the paying agent and crediting the DCAs of EURONEXT SECURITIES PORTO's participants, including any investor-CSDs.

The DCA used for cash payments is the default DCA, linked to the securities account holding the

positions entitled to the distribution of the cash payment. EURONEXT SECURITIES PORTO allows, however, participants to designate a specific DCA for the settlement of corporate events. In this case, the proceeds of the cash distribution will be credited or debited to the DCA indicated for this purpose.

Participants receive information about the outcome of these corporate actions through:

- "CORP" message in STD;
- MT566 (via SWIFT) and CONFVET (via STD);
- "LIQ-RES - Resumo Liquidação Diária" file in STD (made available on the day following settlement of the corporate action).

The paying agent receives information through the following reports:

- On the day before the payment: "Lançamentos Financeiros em 999/99/99 - Agente Pagador/Recebedor - Previsional";
- On payment date: "Lançamentos Financeiros em 999/99/99 - Agente Pagador/Recebedor".

#### 10.1.4 MANDATORY REORGANISATIONS WITH OPTIONS

(cf. article 12 of INTERBOLSA Circular 1/2026)

On mandatory reorganisations with options the key dates are:



In this chapter the rules for processing these events are detailed, with the exception of subscription events (EXRI).

The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuing entity or its representative, in line with article 3 of INTERBOLSA Circular 1/2026.

Mandatory reorganisations with options are processed recurring to the previous distribution of rights, through the Rights Distribution event (RHDI). Both events (rights distribution and following reorganisation with options) are created linked, and are both announced on the same day to participants through MT564 SWIFT messages and through MyEuronext on the *Notification Report*.

From the moment of inclusion of the events on EURONEXT SECURITIES PORTO's systems, participants can check their eligible positions, considering the account balance at the end of the previous business day, in MyEuronext on the screen *Eligible Position*.

The distribution of rights is done on the day before the start of the exercise period (conversion date). EURONEXT SECURITIES PORTO proceeds with crediting participant's accounts with the rights corresponding to the entitled security's balance, generating as many rights as the quantity of shares registered in the account (1:1).

To credit the rights, EURONEXT SECURITIES PORTO will generate free of payment settlement instructions that are sent to the T2S platform, to be settled in an all-or-nothing basis, in the night time settlement period. This event is processed according to the conditions detailed above for mandatory securities distributions.

During the election period, EURONEXT SECURITIES PORTO sends to participants MT564 reminders relating to uninstructed balances 24 and 48 hours before market deadline, according to subscription. Participants should send their instructions, or cancellation of previously sent instructions, to EURONEXT SECURITIES PORTO. During the exercise period the daily cut-off to receive these requests is 16:00 WET. After this cut-off it is possible to submit instructions, but they will remain pending acceptance by T2S and blocking of the elected position until 7:00 WET next day, except on market deadline, in which these instructions will be rejected.

Instructions can be sent through SWIFT MT565 or through MyEuronext, on the screen *Events Instructions*, by using the options *Create Instruction* or *Bulk Instruction Creation*. After receiving the instructions, EURONEXT SECURITIES PORTO will send to T2S, in real time, the settlement instructions to transfer the securities from the available (AWAS) situation to a blocked situation (BL26 – Blocked for Corporate Action) in the participant's accounts. Please note that only available (AWAS) balances can be instructed.

At the end of the exercise period, EURONEXT SECURITIES PORTO, using the factor provided by the issuer, and considering the options elected by the participants, calculates the securities resulting from the exercise, as well as the amounts to be paid, including possible fraction compensation.

Based on the calculation, EURONEXT SECURITIES PORTO sends to T2S the corresponding settlement instructions, to be settled on the night time settlement (NTS), debiting the rights from the participant's securities accounts and crediting, on those same accounts, the proceeds from the event.

If a cash payment or fraction compensation is expected, EURONEXT SECURITIES PORTO sends to T2S the corresponding instructions, to be settled on the night time settlement (NTS), debiting the DCA of the paying agent and crediting the participant's DCAs.

Participants receive information about the outcome of these corporate actions through:

- MT566 messages via SWIFT;
- *Accounts Monitoring* query on MyEuronext;

- "LIQ-RES - Resumo Liquidação Diária" file in the STD (made available on the next business day following the settlement of the corporate action).

After event settlement, its status will be presented in MyEuronext as Paid.

If applicable, EURONEXT SECURITIES PORTO will convert the provisional shares into final securities, through a pari passu event.

If the provisional shares become the final security without a change in the ISIN code, EURONEXT SECURITIES PORTO sends to T2S the instruction to cancel the corresponding Market Specific Attribute (MSA).

### 10.1.5 CAPITAL INCREASE BY SUBSCRIPTION

(cf. Article 12 of INTERBOLSA Circular 1/2026)

The corporate actions of capital increases by subscription (EXRI), is considered a mandatory reorganization with options, preceded by a distribution of rights, because the investor has the option to subscribe, by giving the subscription order, or not to subscribe, by doing nothing.

In this type of corporate actions, the relevant dates are:



The processing of these corporate actions begins upon receipt by EURONEXT SECURITIES PORTO of a communication from the issuer or its representative, pursuant to article 1(2) of INTERBOLSA Circular no. 1/2016.

Once EURONEXT SECURITIES PORTO has all the necessary documentation in its possession, it discloses the event to participants via **MT564** messages via SWIFT/NOTEVT via the STD. From the following business day, participants have access to the information in the STD via the **EDC-SUB**.

From the 7th business day prior to the start of the rights exercise period, provided that the information is already in the system, participants may also consult the " **Anúncio de Eventos – Capital** " report.

In a capital increase by subscription, the mandatory reorganization event with options (EXRI) is preceded by a rights distribution (RHDI).

Up to the start of the rights exercise period (exclusive), movements in EURONEXT SECURITIES PORTO accounts are carried out with the right to the event; as of the 1st day of the rights exercise, movements are carried out without this right. If the security is admitted for trading, as from the 2nd business day prior to the start of the exercise period, the trades on the regulated market are carried out without rights, since the respective settlements will occur after the start of the event.

In overnight processing before the start of the subscription period, the system detaches the rights by creating as many rights (EEEYTT - - D) as there are securities recorded in the securities accounts (1:1), unless they are own securities.

Throughout the subscription period, participants, including Investor CSDs, must send their requests for subscription, or cancellation of requests previously sent, to EURONEXT SECURITIES PORTO. The time limit on each day for receiving these requests at EURONEXT SECURITIES PORTO is 16:00 WET. Requests may be sent through:

- STD: by sending an **ISIfile** or an **ISImsg**; where **ISImsg** shall only be sent for a restricted number of records; or
- SWIFT: sending one or two **MT565**, ISO 15022 messages per request:
  - For each request to be placed, two MT565 messages shall be sent, one with the subscription request and one with the request to participate in the surplus securities distribution, if applicable. The messages need to be linked together.
  - A MT567 message shall be received for each subscription request and for each request for surplus securities.
  - In case of cancellation of a subscription request that has an associated surplus securities request, both instructions must be cancelled. In of amendment/cancellation the request for the surplus securities, it can be done without cancelling the corresponding subscription request.

After requests for subscription are made, the local EURONEXT SECURITIES PORTO system will send instructions to T2S in real time to transfer the exercised securities from the available status (AWAS) to a blocked status (BL26 - Block for corporate action (rights)) in the participants' securities accounts. Please note that only securities in the available (AWAS) status may be exercised.

If there are securities available, the instruction will be immediately settled and the participant will be informed through the "**CPS** - Crítica aos Pedidos de Subscrição/Exercício de Valores Convertíveis" screen. In the event there are no or insufficient securities in the indicated account:

- If the request was sent by **ISImsg** the instruction will be kept pending and the participant will be informed via the "**CPS**" window. In this case, the instruction will settle as soon as the account has sufficient securities, or it will be cancelled, provided that a cancellation

request has been sent by the participant, or automatically on the conversion date (EoD) if the failure remains;

- If the request was sent by **ISIfile** the instruction will be cancelled and the participant will be informed via the "**CPS**" window. In this case, the participant must check the file sent and proceed to the necessary amendments so that the instructions can settle.

Participants receive information on orders placed as follows:

- Orders sent by **ISIfile** or (or **VCIfile** or): window "**CPS**" in the STD;
- Orders sent by **MT565** message: by **MT567** message via SWIFT and in the "**CPS**" window in STD;
- **PSA** - Pedidos de Subscrição Aceites - Informação Acumulada files (files with all cumulative requests per account) in the DTS.

The requests made should include, inter alia, the number of each request, the reference code of the holder, the number of subscription rights to be exercised and the number of securities surplus securities requested, if applicable. The reference code of the holders will be used at the end of the subscription period to identify the holders; for this reason, this identification (sent through the FIA file) must remain up-to-date until the end of the exercise period.

In case of a capital increase by subscription, considering the issuer's decision, there may be two payment dates - subscription payment date and the surplus securities payment date - or only one, with the subscription payment deferred to the surplus securities payment date.

On the date of conversion of the requests, EURONEXT SECURITIES PORTO calculates the amounts to be paid, according to the information from the issuer and the validated and settled requests.

On that date, EURONEXT SECURITIES PORTO sends to T2S settlement instructions, for processing in the NTS, in order to:

- Debit the rights positions (blocked and available) of participants' securities accounts,
- Credit the securities resulting from the exercised requests in a restricted status (EA43 - Guarantee for executions of *Earmarked CA* Results) to the participants' securities accounts,

On the morning of the payment date (at 8:30 WET), EURONEXT SECURITIES PORTO sends T2S cash settlement instructions in order to:

- Debit the DCAs of participants; and
- Credit the DCA of the issuer's agent for the subscription payment.

On this same day, EURONEXT SECURITIES PORTO sends the issuer or the issuer's agent the results of the subscription and the identification of the holders, as well as the requests for allotment of surplus securities (file entitled "**PSS** - Pedidos de subscrição e sobras ").

After receiving the result of the distribution of surplus securities (file "**RSS** - Resultado da subscrição e sobras " on day T, until 16:00 WET), EURONEXT SECURITIES PORTO immediately informs its participants, including Investor CSDs, of the result of the distribution of surplus securities, through the file "**ISA** - Informação dos valores mobiliários atribuídos no rateio ". This file includes information on the shares allocated in the surplus distribution, per subscriber, as well as the date of their payment. The ISA file is available in the STD until the payment of the allotment. The allocated securities are credited only on the date of payment of the allotment. On this day, EURONEXT SECURITIES PORTO sends to T2S:

- Settlement instructions to the NTS, crediting in a restricted position until payment (EA43 - Guarantee of Execution of *Earmarked CA* Results) the participants' securities accounts with the result of the surplus distribution, including the *omnibus* account of the Investor CSDs.

On the morning of the surplus securities payment date (at 8:30 WET), EURONEXT SECURITIES PORTO sends the cash settlement instructions to T2S in order to:

- Debit the DCAs of participants, from the surplus securities payment (and the subscription payment, if applicable);
- Credit the DCA of the issuer's agent with the payment.

The DCA used for cash payments is the *default one*, linked to the securities account that holds the positions entitled to the distribution of the securities. EURONEXT SECURITIES PORTO allows, however, participants to indicate a specific DCA for the settlement of corporate actions. In this case, the proceeds of the cash distribution will be credited or debited to the DCA indicated for this purpose.

In both the subscription and the distribution of surplus securities the participants receive information about the crediting of the securities and their payment through:

- STD "**CORP**" message;
- **MT566** message (via SWIFT) and **CONFVTT** (via STD);
- **LIQ-RES** - Resumo Liquidação Diária " file in the STD (available on the business day

following the settlement of the event).

The receiving agent receives information through the following reports:

- The day before payment: " **Lançamentos Financeiros em 9999/99/99 - Agente Pagador/Recebedor - Previsional** ";
- On the date of payment: " **Lançamentos Financeiros em 9999/99/99 - Agente Pagador/Recebedor** ".

On the date on which the company makes available the securities representing the capital increase or, if the securities are book-entry securities, has fulfilled the necessary formalities, EURONEXT SECURITIES PORTO shall proceed to the conversion of the provisory securities into definitive securities, creating the corresponding shares through the PARI-PASSU corporate action.

If the provisional security becomes a definitive security, without changing the ISIN code, EURONEXT SECURITIES PORTO sends an instruction to T2S to cancel the Market Specific Attribute (MSA). In this case, EURONEXT SECURITIES PORTO sends participants an **MT564** message (narrative) to inform about the cancellation of the MSA.

**Timing of exercise of rights:**

S-15d	S-3d	S-2d	S-1d	S
Last day for the issuing entity to communicate to EURONEXT SECURITIES PORTO the corporate action.	Last day on which the shares are traded on a regulated market (if applicable), still with rights.	Start of trading on a regulated market of the shares, already without rights, if applicable.  <b>Ex-Date</b>	Last day on which the shares are moved in the EURONEXT SECURITIES PORTO systems still with rights.  In the liquidation period, the rights to shares stand out.  <b>Record Date</b>	Start of the subscription period. Daily the system blocks the exercised rights.  Start of the period for rights trading on the market.  First day on which the shares are without rights in the EURONEXT SECURITIES PORTO systems.

FS-3d	FS	FS+1d	C ( >= FS+1d)	D
<p>Last day of trading of the rights, if applicable.</p>	<p>End of subscription period.</p> <p>Last day for participants to enter subscription requests into the system.</p> <p>During the liquidation period, all rights, exercised and unexercised, are cancelled and the corresponding shares (provisional securities) are credited, taking into account the accepted subscription requests. The new shares are credited in a blocked situation, becoming available ("free") after payment of the subscription and surplus securities</p>	<p>Payment of the subscription (at the request of the issuer it may be postponed to occur simultaneously with the payment of the surplus securities).</p> <p>On this date EURONEXT SECURITIES PORTO sends to the issuing entity the subscription requests and requests for surplus securities, based on information from participants – per client</p>	<p>Date on which the issuing entity communicates to EURONEXT SECURITIES PORTO the result of the subscription and allotment of surplus. This information is immediately disclosed to the respective participants.</p>	<p>Day on which EURONEXT SECURITIES PORTO credits in the accounts of the participants the quantities allocated surplus securities.</p> <p>Payment of allocated surplus securities.</p>

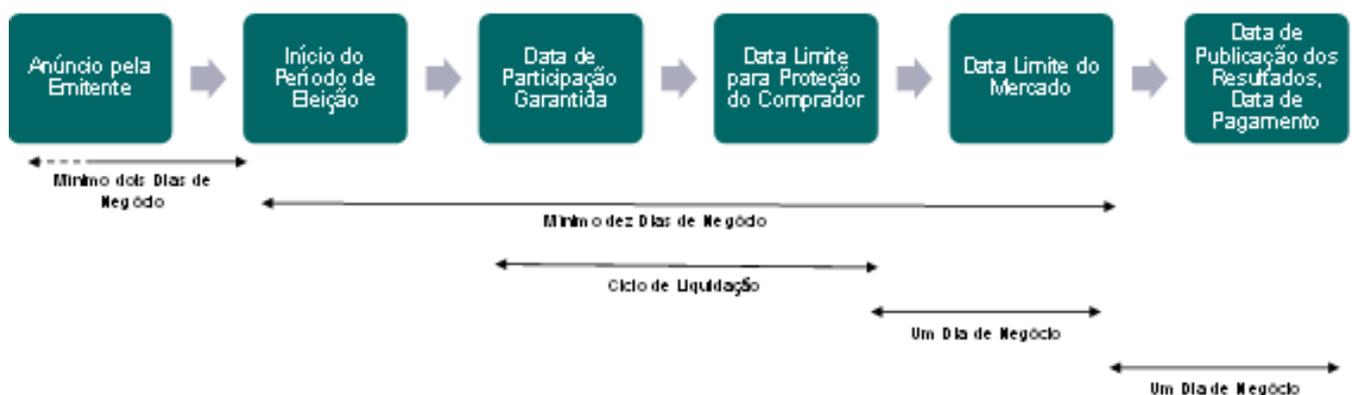
FS-3d	FS	FS+1d	C ( >= FS+1d)	D
	distribution, if any.			

**S** - beginning of the subscription period; **FS**- end of the subscription period; **d** - business days

### 10.1.6 VOLUNTARY EVENTS

(cf. article 13 of INTERBOLSA Circular 1/2026)

In this type of event the key dates are the following:



The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuer or its representative, in line with article 3 of INTERBOLSA Circular 1/2026.

As soon as all necessary documentation is made available to EURONEXT SECURITIES PORTO, corporate action information is distributed to participants via MT564 messages via SWIFT and through the screen *Notification Report* on MyEuronext.

Starting from the date of inclusion of the event in the systems, participants have access to its detailed information, in MyEuronext, through the *Event Details* query, if they hold a position on the underlying ISIN at the end of the previous business day.

During the election period, participants should send their instructions, or cancellation of previously sent instructions, to EURONEXT SECURITIES PORTO. During the exercise period the daily cut-off to receive these requests is 16:00 WET. After this cut-off it is possible to submit instructions, but they will remain pending acceptance by T2S and blocking of the elected position until 7:00 WET next day, except on market deadline.

Instructions can be sent through SWIFT MT565 or through MyEuronext, on the screen *Events Instructions*, by using the options *Create Instruction* or *Bulk Instruction Creation*. After receiving the instructions, EURONEXT SECURITIES PORTO will send to T2S, in real time, the settlement instructions to transfer the securities from the available (AWAS) situation to a blocked situation (BL26 – Blocked for Corporate Action) in the participant's accounts. Please note that only available (AWAS) balances can be instructed.

If there are available securities, the position will be immediately blocked, and the participant will be informed through MyEuronext in the query *Events Instructions* – accepted instructions will be visible on PACK status. If there are no available securities on the account, or if the available quantity is inferior to the instructed quantity, the instruction will be rejected (the list of rejection reasons are available in the MyEuronext manual) and participants can see the status (REJT) in MyEuronext in the screen *Event Instructions*.

On market deadline, EURONEXT SECURITIES PORTO sends to T2S the settlement instructions, to be processed on the night time settlement, according to the terms of the event and with the expected cash and securities movements.

Participants receive information about the outcome of these corporate actions through:

- MT566 messages via SWIFT;
- Accounts Monitoring query on MyEuronext;
- "LIQ-RES - Resumo Liquidação Diária" file in the STD (made available on the next business day following the settlement of the corporate action).

After event settlement, its status will be presented in MyEuronext as Paid.

If applicable, EURONEXT SECURITIES PORTO will convert the provisional shares into final securities, through a *pari passu* event.

If the provisional shares become the final security without a change in the ISIN code, EURONEXT SECURITIES PORTO sends to T2S the instruction to cancel the corresponding Market Specific Attribute (MSA).

### **10.1.7 INFORMATION-ONLY EVENTS**

The processing of these corporate actions begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuing entity or its representative, in line with article 3 of INTERBOLSA Circular 1/2026.

Whenever all the relevant data is available in EURONEXT SECURITIES PORTO's systems the corporate action information is distributed to participants via MT564 messages via SWIFT and through the screen *Notification Report* on MyEuronext.

Starting from the date of inclusion of the event in the systems, participants have access to its detailed information, in MyEuronext, through the *Event Details* query, if they hold a position on the underlying ISIN at the end of the previous business day.

In the case of information-only events, since no cash or securities movements are involved, the event information will only be available in the mentioned screens in MyEuronext.

On the effective date of the announced modification to the security, the change in the impacted ISINs can be checked in STD, through the VM-SOD screen.

### **10.1.8 GENERAL MEETINGS**

With the implementation of the Shareholders' Directive II, the EURONEXT SECURITIES PORTO started to send to its participants, according to the existing subscription for the notification messages of corporate actions, the notification messages of the call for General Meetings, as follows:

- **STD:** NOTEVT message - Notification of Corporate Actions, according to the *layout available* in the document Annex A1 - *Layout of the mnemonics* available for Financial Intermediaries of the Data Transferring System;
- **ISO 15022:**
  - MT 564 - *Corporate Actions*; and
  - MT 568 - *Corporate Actions Narrative*.
  - The *layout of* these messages is available in the document *ISO 15022 Messages - Specifications*.

The processing of the notification begins with the receipt by EURONEXT SECURITIES PORTO of a communication from the issuer, made through [My INTERBOLSA](#), which is subsequently sent to the participants:

- on the day of receipt of the request; or
- The next business day if the order has been received after 4:00 pm.

### **10.2. EVENT REVERSAL**

(cf. article 6 of INTERBOLSA Circular 1/2026)

The reversal of corporate actions is a process that allows the CSD to return the cash or securities payments from the participant's accounts, in case there has been an issue on the event.

If the corporate event must be reversed after cash and/or securities movements have been confirmed, the issuer or paying agent should contact EURONEXT SECURITIES PORTO, with the request for a reversal after detection of the issue, within two (2) working days after the payment

date. The motive for the reversal request must be informed, and new event data should be provided, if applicable.

As soon as EURONEXT SECURITIES PORTO has received all the information necessary to process the event reversal, it is included in the systems and participants will be informed through SWIF messages (MT564 REVR with ADDB//CAPA or seev.035) with the date and motive for the reversal. On payment date and after the settlement of the event reversal a SWIFT message will be sent with reversal confirmation (MT566/REVR or seev.037).

Participants can also check event information in MyEuronext through the Event Details query, where changes made to an event can be monitored, if applicable. Through the option Accounts Monitoring, participants can access cancelled payments and new payments, if any.

After the reversal has been processed, the original event can be corrected (if payment date or rates are incorrect, as an example), or a new event can be created as a replacement (if a different event type is to be processed or a different record date is applicable, as an example). The reversal and new or updated event should occur on the same date, with all related settlement instructions being sent to the T2S platform and settling on the same NTS.

The reversal must always be complete (there are no partial reversals). Furthermore, reversals of securities payments are subject to viability internal analysis by the CSD.

## **CAPÍTULO 11. SETTLEMENT OF TRANSACTIONS CARRIED OUT ON A REGULATED MARKET AND ON MULTILATERAL TRADING FACILITY** (cf. Articles 36 et seq. of INTERBOLSA Regulation No 2/2016)

Transactions carried out on a regulated market and on a multilateral trading facility can be guaranteed or non-guaranteed operations by Central Counterparty (CCP).

These transactions are settled through the settlement systems managed by EURONEXT SECURITIES PORTO, applying, as the case may be, the procedures relative to the settlement of guaranteed and non-guaranteed transactions, or others that may be defined for the settlement of these same transactions.

The operating schedule of the systems and respective timetables are available in Chapter 4 - "Schedule and Timetables".

### **11.1 SETTLEMENT OF GUARANTEED TRANSACTIONS**

(cf. Article 49 et seq. of INTERBOLSA Regulation No 2/2016)

For collateralized transactions that are cleared by CCP the TDN - Trade Date Netting - clearing model is used.

At the end of the Trade Date (TD), the central counterparty (CCP) sends directly or indirectly to the T2S platform the information necessary for the physical and financial settlement of the transactions on the second business day after the trade date (ISD=TD+2).

Instructions regarding guaranteed operations are usually sent as "already matched", with CCP being one of the counterparties. Can also be sent as "to be matched", depending of the model adopted by the CCP.

The instructions sent by the CCP include new operations, *buy-in* operations, among others.

In the financial information sent by the CCP, in the case of fixed income securities, in addition to the value of the transaction, accrued interest and other remuneration of a similar nature corresponding to the legally prescribed period shall be included.

The information sent may contain, in particular, instructions with only a financial component or only a physical component, due to the clearing processes, as well as instructions regarding buy-in, in accordance with the substitution procedures that are provided for in the rules of CCP to ensure the proper settlement of the transactions.

The CCPs are able to send settlement instructions with settlement priority 2 - maximum priority.

#### **11.1.1 PHYSICAL AND FINANCIAL SETTLEMENT**

Settlement takes place through the T2S platform during the night-time settlement period of the second business day following the trading day (trade date), in accordance with the settlement platform's rules.

Physical settlement takes place in the securities accounts of CCP and of the participants that are reflected in the T2S platform, according to the information sent by the CCP.

Partial settlement is allowed during the night-time settlement period and during the daytime settlement period at times specified in the T2S rules and upon notice from EURONEXT SECURITIES PORTO, both for the first and subsequent settlement attempts.

Financial settlement occurs simultaneously with physical settlement, in the participants' DCAs, for transactions having the Euro as currency, or other currencies eligible in the settlement platform.

EURONEXT SECURITIES PORTO, CCP and the participants are informed of the completion of settlement, receiving information on settled and unsettled instructions.

The functionalities relating to the maintenance instructions are permitted according to and as regulated by the CCP.

### **Procedures for guaranteed operations cleared by a CCP:**

The CCP:

- Creates settlement instructions and sends them directly or indirectly to T2S at the end of the day of the trade date;
- Manages pending settlement instructions: pending (not settled) instructions will attempt to settle until their actual settlement or cancellation by the CCP occurs;
- Partial settlement is allowed.

EURONEXT SECURITIES PORTO:

- Creates Market Claim and Transformation instructions and sends them to T2S, according to the rules defined in Chapter 13 - *Corporate Actions on Flows* - Adjustments, Transformations and Buyer Protection.

### **11.1.2 FAILURES**

If, during the night-time settlement period, there are insufficient securities and/or cash in the respective settlement accounts, the instructions cannot settle and are subject to further settlement attempts during the real-time settlement period according to the T2S rules until they settle.

The pending instructions shall be re-submitted until a *buy-in* is triggered in accordance with the buy-in rules defined by the CCP. In this case the original instruction shall be cancelled by the CCP and a new instruction regarding the buy-in shall be sent.

EURONEXT SECURITIES PORTO manages pending settlement issues on a daily basis and sends the adjustment instructions for the corporate actions (Market Claims and Transformations) to the T2S platform whenever necessary.

If the *Intended Settlement Date* (ISD) has been exceeded, i.e. if the instruction has not settled on ISD, the status PENF (pending settlement failing on intended settlement date) is reported.

- For ICPs, the status '**PENF**' is reported:
  - via STD: in the mnemonics: SLRT and SLRT-PND;
  - via ISO 15022: in messages MT537 and MT548.
  
- For DCPs: The status '*pending settlement failing on intended settlement date*' is reported in the messages:

- *sese.024 - Settlement Instruction Status Advice;*
- *semt.014 - Intra Position Movement Status Advice;*
- *semt.018 - Securities Transaction Pending Report.*

## **11.2 SETTLEMENT OF NON-GUARANTEED TRANSACTIONS**

(cf. Articles 52 et seq. of INTERBOLSA Regulation No 2/2016)

For non-guaranteed transactions, at the end of the *trade date (TD)*, the central counterparty (CCP) sends directly or indirectly to the T2S platform the information required for their physical and financial settlement in TD+2 (ISD=TD+2).

Instructions related to non-guaranteed operations are sent as "already matched", containing information on the counterparties to each operation.

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In the financial information sent by the CCP in the case of fixed income securities, in addition to the value of the transaction, accrued interest and other remuneration of a similar nature corresponding to the legally prescribed period will be included.

The CCPs are able to send settlement instructions with settlement priority 2 - maximum priority.

### **11.2.1 PHYSICAL AND FINANCIAL SETTLEMENT**

Settlement takes place through the T2S platform during the night-time settlement period of the second business day following the trading day (trade date), in accordance with the settlement platform's rules.

Physical settlement takes place in the participants' securities accounts reflected in the T2S platform, according to the information provided by the CCP.

Partial settlement is allowed during the night-time settlement period and during the daytime settlement period at times specified in the T2S rules and upon notice from EURONEXT SECURITIES PORTO, both for the first and subsequent settlement attempts.

Financial settlement occurs simultaneously with physical settlement, in the participants' DCAs, for transactions having the Euro as currency, or other currencies eligible in the settlement platform.

EURONEXT SECURITIES PORTO, CCP and the participants are informed of the completion of the physical and financial settlement, receiving information on settled and unsettled instructions.

The functionalities related to the maintenance instructions are allowed in accordance and under the terms that are regulated by EURONEXT SECURITIES PORTO.

### **Procedures for non-guaranteed transactions:**

The CCP:

- Creates the settlement instructions and sends them directly or indirectly to T2S at the end-of-day of the trade date.

EURONEXT SECURITIES PORTO:

- Manages pending settlement instructions: pending (unsettled) instructions will attempt to settle until their effective settlement or cancellation by participants or EURONEXT SECURITIES PORTO occurs;
- Creates the Market Claims and Transformations instructions and sends them to T2S;
- Partial settlement is allowed.

For non-guaranteed transactions, EURONEXT SECURITIES PORTO participants (DCPs and ICPs) may change the settlement instructions in accordance with the T2S platform instruction maintenance rules:

- Change the Hold/Release indicator;
- Change:
  - Partial settlement indicator;
  - Linking of instructions;
  - Settlement priority indicator;
- Cancel pending settlement instructions, subject to confirmation by the counterparty (bilateral cancellation).

The maintenance instructions can be sent:

- Via STD, using message/file: **EXCHmsg/EXCHfile**;
- Via ISO 15022 messages:
  - **MT530** (to change the Hold/Release indicator, change the partial settlement indicator, linking/unlinking of instructions, change the settlement priority indicator);
  - **MT540/MT543** (to cancel the instructions);

- Through the T2S platform (for DCPs only):
  - Via ISO 20022 messages (**sese.020** and **sese.030**);
  - Via T2S GUI.
  
- The release of instructions for settlement may be total or partial;
  - Total *release*:
    - The "**R**" (*Release*) function shall be used and " " (blank) shall be included in the "**Hold**" field of the mnemonics EXCHmsg/EXCHfile;
  
  - *Partial Release*:
    - *Partial Release* is possible for securities delivery instructions (DVP, DFP, DWP):
      - ✓ *Matched* and not cancelled;
      - ✓ Pending of settlement, in Hold by participant;
      - ✓ That allow partial settlement;
      - ✓ On which ISD (*Intended Settlement Date*) has been reached (i.e., a request for partial release can only be submitted from SoD on ISD, which occurs at 18:45 CET);
    - The quantity to be released must be less than the original quantity of the settlement instruction;
    - If there is an indication of partial settlement not allowed (NPAR) in at least one of the instructions ('delivery' or 'receive'), the request for partial release shall not be accepted;
    - The partial release process has only one life cycle during the release day, i.e. if a quantity is partially released and it does not settle by the end of the settlement *cut-off*, T2S automatically cancels the process, i.e. the instruction returns to its original state (*Hold of initial quantity*);
    - *Partial Release*' is allowed for instructions with ISD in the past;
    - If the counterparty instruction (*receive*) is set to '*Hold*', the request for partial release is rejected;
    - The partial release process is activated by sending an amendment request by selecting the '*Release*' function, filling in the desired quantity to be released:
      - DCPs:
        - via ISO message 20022: sese.030 - "*Securities Settlement Condition Modification Request*";

- DCPs:
  - via STD: EXCHmsg/EXCHfile;
  - via message ISO 15022: MT530 "*Transaction Processing Command*" (field "*Quantity of Financial Instrument to be settled*" :36B::SETT// );
- The response to a partial release of accepted quantity, is sent to the:
  - DCPs:
    - via ISO 20022 messages:
      - sese.031 - "*Securities Settlement Condition Modification Request*", informing the acceptance of the request with the status '*completed*';
      - sese.024 - '*Securities Settlement Transaction Status Advice*' - stating the partial quantity released and the quantity remaining in '*Hold*';
    - ICPs: In case of partial '*Release*', the quantity partially released and the remaining quantity in '*Hold*' is reported in the following fields:
      - via STD: SLRT message - reports the partial released quantity and the remaining quantity in '*Hold*' in the field '*Mot-Descr*'\*;
      - via ISO message 15022: MT548 "*Settlement Status and Processing Advice*" - reports the *Partially Released Quantity and Quantity Remaining on Hold*, in field :70E::SPRO// (*Partially Released Quantity and Quantity Remaining on Hold*)

\*Field            format:            R99999999999999,99  
 H99999999999999,99

Example: R123456789012.99 H123456789012.99

- R = *Released* quantity
- H = remaining quantity in *Hold*

- The '*Partial Release*' process can be cancelled by the participant by placing the instruction back into *Hold*;
- Multiple '*Partial Releases*' are not permitted for the same instruction at the same time; only one new '*Partial Release*' may be made after the previous order has been settled.

### 11.2.2 FAILURES

If, during the night-time settlement period, there are insufficient securities and/or cash in the respective settlement accounts, the instructions cannot settle and are subject to further settlement attempts during the real-time settlement period, *in* accordance with the T2S rules, until they are settled or cancelled by the participants/EURONEXT SECURITIES PORTO.

EURONEXT SECURITIES PORTO manages the settlement failures on a daily basis and sends the adjustment instructions to the T2S platform, whenever necessary, for *Market Claims and Transformations*.

If the *Intended Settlement Date* (ISD) has been exceeded, i.e. if the instruction has not settled on ISD, the status PENF (*pending settlement failing on intended settlement date*) is reported.

- For ICPs, the status '**PENF**' is reported:
  - via STD: in mnemonic: SLRT and SLRT-PND;
  - via SWIFT - ISO 15022: in messages MT537 and MT548;
- For DCPs: The status '*pending settlement failing on intended settlement date*' is reported in the messages:
  - sese.024 - Settlement Instruction Status Advice;
  - semt.014 - Intra Position Movement Status Advice;
  - semt.018 - Securities Transaction Pending Report.

### 11.3 SETTLEMENT OF TRANSACTIONS IN SECURITIES NOT ELIGIBLE FOR PROCESSING BY A CCP ("**NON-CLEARABLE SECURITIES**")

(cf. Article 54 of INTERBOLSA Regulation No 2/2016)

Transactions carried out in EURONEXT LISBON on the following securities are considered as "*Non-Clearable*":

- Non-Euro currency debt instruments;
- Debt instruments that use *pool factor*.

These types of transactions are executed on EURONEXT LISBON in an autonomous "*Non-Clearable*" trading group and are not sent to the CCP for processing.

For the settlement of instructions on securities that are identified as not eligible to be processed by the CCP (*Non-Clearable* transactions), the following procedures shall apply:

- a) EURONEXT LISBON identifies all the operations executed on the markets and systems it manages on securities which are not eligible to be processed by the CCP and sends to its members information on the counterparties to those operations, necessary for settlement;
- b) The parties, in accordance with the information provided by EURONEXT LISBON, register settlement instructions in the *Real Time* Settlement system, managed by EURONEXT SECURITIES PORTO, in order to be settled through the T2S platform.

## 11.4 SETTLEMENT OF GUARANTEED AND NON-GUARANTEED TRANSACTIONS - INPUTS/OUTPUTS

Date	T2S Procedures
<b>End of TD (Trade Date)</b>	CCP sends to T2S information with the instructions to be settled. Message made available through the mnemonic ' <b>SLRT</b> ' via the STD, containing information regarding the instructions sent by the CCP to T2S.
<b>SD (Settlement Date)</b> <b>SD = TD+2</b>	Between the end of the day (EOD), prior to SD, and the start of night processing (19:00 WET) information is provided via STD, using the mnemonic ' <b>SLRT</b> ' and the file ' <b>SLRT-PND</b> ', with information on all instructions to be settled in <b>SD</b> .  In night-time processing on the T2S platform, the debits and credits provided for in the settlement instructions are processed.  If there are insufficient securities and/or cash in the settlement accounts, the instructions shall remain pending until they are settled or cancelled.
<b>End of SD</b>	After the end of the settlement day, the system provides the files " <b>SLRT-RES</b> " and " <b>SLRT-PND</b> " with information on all settled and unsettled operations.

### Settlement information

Participants receive settlement information via EURONEXT SECURITIES PORTO:

- Via STD:
  - **SLRT-PND** - file made available before the start of the night-time settlement period in T2S containing instructions to be settled on the next business day';
  - **SLRT** - Message provided from the start of the night-time settlement period until the end of the real-time Settlement period in T2S and containing settlement/cancellation/rejection instructions;
  - **SLRT-RES** - File made available after the end-of-day (EOD) in T2S containing the instructions cancelled and settled during the settlement day;

The field 'Place of Clearing' identifies the CCP BIC.

The 'Ind-CCP' field identifies guaranteed and non-guaranteed instructions, through the indicator 'YCCP' and 'NCCP' respectively.

- Via SWIFT for participants who have subscribed to ISO 15022 messages:
  - **MT536** (*Statement of Transactions*);
  - **MT537** (*Statement of pending instructions*);

- **MT544/MT545/MT546/MT547** (*Settlement Confirmation*);
- **MT548** (*Settlement Status and Processing Advice*).

DCPs can receive settlement information directly from the T2S platform:

- Via SWIFT messages (ISO 20022):
  - **sese.024** ("*Securities Settlement Transaction Status Advice*") - Notice of the status of settlement instructions;
  - **sese.025** ("*Securities Settlement Transaction Confirmation* ") - Settlement Confirmation.
- Through T2S GUI.

All information about the settlements is available through the STD application, menu '**Liquidação**', messages "**SLRTinfo**", "**SLRTdet**" (which is invoked by query "**SLRTqryS**").

These settlements are also included in the '**LIQ-RES**' file, available on the next working day after the day of the movements made, via the STD.

<b>System</b>	<b>Interface</b>	<b>Input</b>	<b>Outputs</b>	<b>Layouts</b>
<b>EURONEXT SECURITIES PORTO</b>	STD menu "Liquidação"	<b>EXCHmsg/EXCHfile</b>	<b>SLRT</b>	STD Manual "Annex A1"
	SWIFT - ISO 15022	<b>MT530 MT540 MT541 MT542 MT543</b>	<b>MT544 MT545 MT546 MT547 MT548</b>	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	<b>Settlement Instructions</b>		T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	<b>sese.020 sese.030</b>	<b>sese.024 sese.025</b>	T2S: UDFS - <i>User Detailed Functional Specifications</i>

## 11.6 SETTLEMENT OF GUARANTEED AND NON-GUARANTEED TRANSACTIONS - QUERIES

System	Interface	Query		
		Instructions accepted, rejected, settled and cancelled during the day	Instructions pending settlement Available after EOD/Change of Business Day	Settled instructions Available after EOD/Change of Business Day
EURONEXT SECURITIES PORTO	STD "MovConta" menu	SLRT	SLRT-PND	SLRT-RES (also includes cancelled instructions)  LIQ-RES
	SWIFT - ISO 15022	MT548 MT544 MT545 MT546 MT547	MT537	MT536
T2S	T2S GUI	<i>Settlement Instructions</i>	<i>Settlement Instructions</i>	<i>Settlement Instructions</i>
	SWIFT - ISO 20022	sese.024 sese.025	semt.018	semt.017

## **CHAPTER 12. SETTLEMENT OF TRANSACTIONS - REAL TIME SETTLEMENT SYSTEM** (cf. Articles 40 to 47 INTERBOLSA Regulation No 2/2016)

EURONEXT SECURITIES PORTO *Real Time* Settlement system processes the registration, *matching* and respective settlement of purchase and sale transactions (OTC - *Over the Counter*), primary market transactions, among others.

The *Real Time* settlement system allows the settlement of the following types of instructions:

- DVP - Delivery versus Payment;
- FOP - Free of Payment;
- DWP - Delivery with Payment;
- PFoD - Payment Free of Delivery.

Some of the features available in the settlement system are:

- Suspension of settlement (*Hold*);
- Full or partial release of the suspension of settlement (*Release*);
- Partial Settlement (in the night-time settlement cycle and during the day at defined times);
- Links between settlement instructions;
- Settlement priority setting;
- Amendment: partial settlement indicator, priority indicator and instruction link;
- Cancellation of settlement instructions.

Settlement of instructions takes place on the T2S platform, physical settlement takes place in the participants' securities accounts and financial settlement takes place in the cash accounts (DCAs), for eligible currencies in T2S, currently the Euro and Danish Krone - DKK ( <sup>1</sup>).

In the case of transactions with a financial component in a currency other than the euro that is not eligible in T2S, physical settlement takes place in T2S, but financial settlement takes place in the Foreign Exchange Payment System (SPME). More detailed information on the SPME can be found in the chapter on the "Foreign Currency Settlement System".

Direct participants (DCPs), i.e. EURONEXT SECURITIES PORTO participants with direct access to the T2S platform can send settlement instructions directly to the T2S platform, either via ISO 20022

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( <sup>1</sup> ) Since October 2018

messages or via the T2S GUI. On the other hand, participants with indirect access to the T2S platform (ICPs) send the instructions to EURONEXT SECURITIES PORTO through files or messages:

- Via STD: via messages - **SLRTmsg** or via **SLRTfile**; or
- Via ISO 15022- **MT530/MT540/MT541/MT542/MT543** messages.

**Information on the settlement/status of the instructions is made available:**

- Via STD:
  - **SLRT-PND** - this file is available before the start of night-time settlement in T2S (NTS) and contains information on the instructions that are pending confirmation/settlement (*unmatched* and *matched* status);
  - **SLRT** - message available during the whole settlement day and containing the information of the unmatched, settled, matched, cancelled and rejected instructions;
  - **SLRT-RES** - a file available after the end-of-day (EOD) in T2S containing information on settled and cancelled instructions during the day;
  - **SLRTqryS** - query that allows obtaining all information on settlement instructions through the messages "**SLRTinfo**" and "**SLRTdet**" - see Chapter 19 - "Interactive Data Query - STD").
- Via SWIFT for participants who have subscribed to ISO 15022 messages:
  - **MT536** (*Statement of Transactions*);
  - **MT537** (*Statement of Pending Transactions*);
  - **MT544/MT545/MT546/MT547** (*Settlement Confirmation*);
  - **MT548** (*Settlement Status and Processing Advice*).

DCPs, in addition to the information available via the STD, may receive settlement information directly from T2S:

- Through ISO 20022 messages:
  - **semt.017** (*Securities Transaction Posting Report*);
  - **semt.018** (*Securities Transaction Pending report*);
  - **sese.024** (*Securities Settlement Transaction Status Advice*);
  - **sese.025** (*Securities Settlement Transaction Confirmation*);
- Through consultation - T2S GUI: *Settlement Instructions*.

## 12.1 REGISTRATION OF SETTLEMENT INSTRUCTIONS

The operating schedule of the systems and respective timetables are available in Chapter 4 - "Schedule and Timetables".

- The introduction of the instructions must be carried out by a participant affiliated to EURONEXT SECURITIES PORTO and empowered to physically and financially settle the operations:
  - by DCPs directly in the T2S platform, including CCPs (Central Counterparties);
  - By ICPs and, when required, by DCPs, through the local EURONEXT SECURITIES PORTO systems. In this case, a pre-validation is performed and the information required for the subsequent submission of settlement instructions to T2S is incorporated. The final and ultimate validation of the instructions is performed in T2S - *Settlement Finality 1 (SF1) - accepted*;
- EURONEXT SECURITIES PORTO allows the registration of the following types of settlement instructions:
  - Delivery instructions against payment - DVP:
    - DVP - Delivery versus Payment;
    - RVP - Receive versus Payment;
  - Free of payment delivery instructions - FOP:
    - DFP - Delivery free of Payment;
    - RFP - Receive Free of Payment;
  - Delivery instructions with payment - DWP:
    - DWP - Deliver with Payment;
    - RWP - Receive with Payment;
  - Payment free of delivery instructions - PFD:
    - PFD - Payment Free of Delivery (to the delivery and receive).

- Instructions can be entered via STD in two ways:
  - **by sending a file** using the mnemonic '**SLRTfile**' from the 'Liquidação' menu. Response messages are received also in the STD using the mnemonic "**SLRT**";
  - **Through messaging:**
    - From the participant's own applications to the EURONEXT SECURITIES PORTO system - This form of sending allows participants to have a STP (*Straight Through Processing*) solution, for sending and cancelling settlement instructions and receiving messages (acceptance, rejection, matching notice, etc.), which increases the automation of the services provided.

Connection by this means with the EURONEXT SECURITIES PORTO system is possible from an application of the participant that has TCP/IP connectivity with the EURONEXT SECURITIES PORTO STD server, using an application protocol based on messages with a defined *layout*, described and exemplified in the Technical Manual (available in the STD "Manuais" menu - mnemonic STDTecxx).

In practice, this solution consists of directly connecting the participant's application to the STD system, without using the STD client application provided by EURONEXT SECURITIES PORTO;
    - By the mnemonic "**SLRTmsg**" from the STD ("Liquidação " menu).
- The input of instructions may also be carried out via the SWIFT network by means of messages in ISO 15022 format:
  - MT540/MT541/MT542/MT543;
  - MT530.

**Note:** Participants wishing to communicate via the SWIFT network may only do so after subscribing to the service and carrying out tests (see the document "Subscription to ISO 15022 messages via the SWIFT network", available on the EURONEXT SECURITIES PORTO website under " Documentation"/"Operational Documentation" <https://www.euronext.com/en/post-trade/euronext-securities/porto>).
- The minimum allowed quantity is equal to one security unit (*Minimum Settlement Unit* - MSU);
- The introduction of instructions in nominal amount (FAMT) is exclusively allowed for debt instruments;
- FOP (*Free of Payment*) operations are allowed by entering a zero cash amount in the "Financial Amount to be settled" field and " " (blank) in the "Currency" field;
- The entry of instructions to settle at a future date (forward transactions) is possible;

- Forward transactions are submitted for settlement on the contractual settlement date (*ISD - Intended Settlement Date*), during the night-time settlement period, except if they are in the "Hold" state, in accordance with the registration and matching time criterion;
- All instructions, entered in the systems for settlement purposes, are validated in the TARGET2-Securities (T2S) platform, according to the rules of the platform and the mentions and static data included by EURONEXT SECURITIES PORTO;
- If instructions have been registered through EURONEXT SECURITIES PORTO, a registration number, (IB Reference) is assigned;
- Upon acceptance of the registration of an instruction by the T2S platform, the T2S platform assigns a registration number, *T2S Reference*. In the case of instructions sent directly to the settlement platform, applicable to DCPs, only the T2S Reference is assigned. The numberings/references of the settlement instruction are sequential and can never be repeated;
- Instructions are matched on the T2S platform. When the platform detects two matching settlement instructions, it automatically confirms the transaction (matching), and these are then ready to be settled through the settlement platform - *Settlement Finality 2 (SF2) - matched*;
- When the T2S platform matches an instruction, it also assigns a matching number, Matching Reference - *Settlement Finality 2 (SF2) - matched*.

### **Matching tolerance**

Two instructions with different financial amounts can match, provided that the amounts are within the matching tolerance, in which case the transaction settles with the value indicated by the seller.

EURONEXT SECURITIES PORTO adopts the tolerance values defined by T2S in line with ECSDA rules.

The matching tolerances are available on the EURONEXT SECURITIES PORTO website ([link](#)).

Information format for registering operations through the file '**SLRTfile**' or the message '**SLRTmsg**':

Operation data	Format	Mandatory field	Matching field	Remarks/Notes
Inclusion (I), Exclusion (E), Hold (H), Release (R), Amendment (A), Link (L) and Unlink (U) functions	A(1)	Yes		'I', 'E', 'H', 'R', 'A', 'L' and "U"
Instruction reference	A(16)	Yes		(9)
Type of reference indicator of the instruction	A(1)			
ISO Transaction Code	A(4)	Yes		
Instruction type	A(3)	Yes	Yes	(7)
Trade Date	N(8)	Yes	Yes	(1)
Intended Settlement Date - ISD	N(8)	Yes	Yes	(1)
Security identification (CVM or ISIN code)	A(12)	Yes	Yes	(2)
Quantity type	A(4)	Yes		(3)
Quantity to be settled	N(14+5)	Yes	Yes	(3)
Financial amount to be settled	N(12+2)	Yes	Yes	(4)
Currency	A(3)	Yes	Yes	(5)
Credit or Debit Indicator (for DWP/PFoD instructions only)	A(1)	Yes	Yes	
Indication of change of ownership	A(1)			(10)
Sending intermediary (CVM or BIC Code)	N(3 ou 11)	Yes	Yes	(6)
Remarks - Sending intermediary	A(40)			(8)
Customer of the sending intermediary	A(34)		Yes	(11)
Customer type indicator	A(1)			(12)
Remarks - Customer of the sending intermediary	A(20)			(8)
Participant's customer (corresponds to T2S party3)	A(34)			
Customer type indicator (corresponds to T2S party3)	A(1)			(12)
Securities account - Sending intermediary	A(10)	Yes	Yes	
Cash account (DCA) - Sending intermediary	A(34)			
Hold/Release indicator of the sending intermediary	A(1)			"H" or " " (space)
Counterparty intermediary (CVM or BIC code)	N(3 ou 11)	Yes	Yes	(6)
CSD of the counterparty intermediary (CVM or BIC code)	N(3 ou 11)		Yes	(21)
Customer of the counterparty intermediary	A(34)		Yes	(11)

Operation data	Format	Mandatory field	Matching field	Remarks/Notes
Type counterparty customer indicator	A(1)			(12)
Customer of the counterparty participant (corresponds to T2S <i>party3</i> )	A(34)			
Customer type of the counterparty participant (corresponds to T2S <i>party3</i> )	A(1)			(12)
Place of Trading - Type	A(4)			(13)
Place of Trading - MIC (Market Identifier Code)	A(4)			(22)
Place of settlement	A(11)			(23)
Priority indicator	N(1)			(14)
Partial settlement indicator	A(4)			(15)
"Opt-out" indicator	A(1)		Yes	(16)
"Ex-cum" indicator	A(1)		Yes	(16)
Instruction link type	A(4)			(17)
Linked instruction reference or pool reference	A(16)			
Reference type indicator (Link-Ind)	A(1)			(18)
Counter – Pool (only for link-ind = 'P')	N(3)			
Restriction type	A(4)			(19)
Restriction reference	A(30)			
Common reference	A(16)		Yes	(20)
Securities account – receiving intermediar	A(10)	Yes	Yes	

The *layout* of the file 'SLRTfile'/message 'SLRTmsg' is available in the STD Manual 'Appendix A1'.

## Notes

Note	Field	Remarks/Notes
(1)	Trade Date  Intended settlement date	<p>The Date is indicated in the format 'YYYYMMDD'.</p> <p>Trade date can be any date (business day or non-business day) as long as it is less than or equal to the intended settlement date (ISD).</p> <p>Trade date is a matching field and the match occurs when:</p> <ul style="list-style-type: none"> <li>Both buyer and seller fill in the field with the same date.</li> </ul>

Note	Field	Remarks/Notes
		<p>Intended settlement date (ISD) must be a business day for settlement purposes and must be greater than or equal to the trade date.</p> <p><b>Note:</b> The intended settlement date cannot be earlier than January 2016, the date of inclusion of static data in T2S (concerning participants, securities accounts, the link between the securities account and the DCA(s) and securities).</p>
(2)	Identification of the security	The security can be identified either by the CVM code or the ISIN code.
(3)	Quantity type Quantity to be settled	<p>Contains the amount of securities in units (UNIT) and in the case of debt instruments in nominal amount (FAMT) expressed in hundredths of the currency unit.</p> <p>The quantity to be released in case of Partial Release is also indicated.</p> <p><b>Note:</b> The nominal amount must be given with 2 decimal places even if the issue currency has no fractions, such as Japanese Yen (JPY).</p>
(4)	Financial amount to be settled	<p>Financial amount with two fixed decimals. Financial amount is a matching criterion only for transactions of the types 'DVP', 'RVP', 'DWP', 'RWP' and 'PFD'.</p> <p>Information on matching tolerances in the financial amount of the transaction is available on the EURONEXT SECURITIES PORTO website (<a href="http://www.interbolsa.pt">www.interbolsa.pt</a>), under "Services"/"Real Time Settlement System".</p> <p>In case of different financial amounts, provided that within the matching tolerances, the transaction settles with the value indicated by the seller.</p>
(5)	Currency	<p>Currency code according to ISO 4217 (related to the financial amount to be settled).</p> <p>"Currency" must not be populated for transaction type 'DFP' and 'RFP'; otherwise it is mandatory.</p> <p>In the case of operations in debt securities issued in foreign currency, the "Currency" can be either the currency of issue or Euro.</p>
(6)	Sending intermediary Counterpart intermediary	Code of the participant in EURONEXT SECURITIES PORTO. (CSD or BIC code)
(7)	ISO Transaction Code	<p>The ISO Transaction Code can be:</p> <ul style="list-style-type: none"> <li>• BYIY (for buy-in)</li> <li>• BSBK (for buy sell back)</li> </ul>

Note	Field	Remarks/Notes
		<ul style="list-style-type: none"> <li>• CLAI (for market claim) - only Cancellation and Hold/Release is allowed</li> <li>• COLI (for collateral in)</li> <li>• COLO (for collateral out)</li> <li>• INSP (for move of stock)</li> <li>• MKDW (for mark down) - only for CSDs</li> <li>• MKUP (for mark-up) - only for CSDs</li> <li>• NETT (for netting)</li> <li>• NSYN (for non-syndicated)</li> <li>• OWNE (for external account transfer)</li> <li>• OWNI (for internal account transfer)</li> <li>• PAIR (for pair off)</li> <li>• PLAC (for placement)</li> <li>• PORT (for portfolio move)</li> <li>• REPU (for repo)</li> <li>• RODE (for return delivery without matching)</li> <li>• RVPO (for reverse repurchase agreement)</li> <li>• SBBK (for sell buy back)</li> <li>• SBRE (for borrowing reallocation)</li> <li>• SECB (for securities borrowing)</li> <li>• SECL (for securities lending)</li> <li>• SLRE (for lending reallocation)</li> <li>• SWIF (Switch From)</li> <li>• SWIT (Switch To)</li> <li>• SYND (for syndicate underwriters)</li> <li>• TBAC (for TBA closing)</li> <li>• TRAD (for trade)</li> <li>• TRPO (for triparty repo)</li> <li>• TRVO (for triparty reverse repo)</li> <li>• ETFT (for exchange trade funds)</li> <li>• TURN (for turnaround)</li> </ul> <p>The operation type must be 'DVP', 'RVP', 'DWP', 'RWP', 'DFP' ou 'RFP'. 'DVP' will match 'RVP', 'DWP' with 'RWP' and 'DFP' with 'RFP'. If the transaction type is 'DFP' or 'RFP', the financial amount to be settled field must be zero and the currency field must be empty (blank).</p> <ul style="list-style-type: none"> <li>• "DVP" - <i>Delivery Versus Payment;</i></li> <li>• "RVP" - <i>Receive Versus Payment;</i></li> <li>• "DFP" - <i>Delivery Free of Payment;</i></li> <li>• "RFP" - <i>Receive Free of Payment;</i></li> <li>• "DWP" - <i>Delivery With Payment;</i></li> <li>• "RWP" - <i>Receive With Payment;</i></li> <li>• "PFD" - <i>Payment Free of Delivery.</i></li> </ul>
(8)	Remarks - Sending Intermediary  Remarks - Customer of the Sending Intermediary  Observações Cliente do IF emissor	This information is not visible to the counterparty in the registration of settlement instructions.

Note	Field	Remarks/Notes
(9)	Instruction reference	Mandatory for Exclusion (E), Hold (H), Release (R) and Amendment (A) instructions.
(10)	Indication of change of ownership	Change of ownership: <ul style="list-style-type: none"> <li>• "N" (no change of ownership);</li> <li>• "S" (change of ownership);</li> <li>• " " (blank) (no indication of change of ownership).</li> </ul>
(11)	Customer of the sending intermediary  Customer of the counterparty intermediary	The matching is carried out between: <ul style="list-style-type: none"> <li>• The 'Customer of the sending intermediary' of the sell instruction and the 'Customer of the Counterparty intermediary' of the buy instruction;</li> <li>• The 'Customer of the sending intermediary' of the buy instruction and the 'Customer of the Counterparty intermediary' of the sell instruction.</li> </ul> The <i>match</i> occurs when: <ul style="list-style-type: none"> <li>• Both participants (intermediaries) identify the customer;</li> <li>• Both participants (intermediaries) do not fill in the field;</li> <li>• One of the participants (intermediary) does not fill in the field (leaves the field blank) and another intermediary does.</li> </ul>
(12)	Customer type indicator	"Customer Type Indicator": <ul style="list-style-type: none"> <li>• " " - the customer is identified by the BIC;</li> <li>• "P" - the customer is identified by an own code and in this case the code can be sent to T2S with the following additional information: <ul style="list-style-type: none"> <li>○ Issuer: The first 4 characters of the participant's BIC (Bank code);</li> <li>○ Name scheme: "T2S".</li> </ul> </li> </ul>
(13)	Place of Trading - Type	<ul style="list-style-type: none"> <li>• EXCH - Trading on a regulated market and Multilateral Trading Facilities;</li> <li>• OTCO - Over the counter;</li> <li>• PRIM - Primary market;</li> <li>• SECM - Secondary market;</li> <li>• VARI - Other.</li> </ul>
(14)	Priority indicator	<ul style="list-style-type: none"> <li>• 3 - High priority;</li> <li>• 4 - Normal priority;</li> <li>• " " (blank) - Normal priority, used by default.</li> </ul>
(15)	Partial settlement type indicator	<ul style="list-style-type: none"> <li>• PART - Partial settlement allowed;</li> <li>• NPAR - Partial settlement not allowed;</li> <li>• PARC - Partial settlement allowed - with matching criteria expressed in financial amount;</li> <li>• PARQ - Partial settlement allowed with matching criteria expressed in quantity of securities;</li> </ul>

Note	Field	Remarks/Notes
		<ul style="list-style-type: none"> <li>" " (blank) - Partial settlement rules are used by default.</li> </ul>
(16)	Opt-out indicator  Ex-Cum indicator	Opt-out indicator: <ul style="list-style-type: none"> <li>"S" - No adjustment (<i>market claim</i>);</li> <li>"N" - With adjustment (<i>market claim</i>);</li> <li>"(blank)" - Subject to adjustment (<i>market claim</i>).</li> </ul> Ex-Cum indicator: <ul style="list-style-type: none"> <li>"E" (EX) - Instruction registered without rights;</li> <li>"C" (CUM) - Instruction registered with rights;</li> <li>" " (blank) - Default rules for <i>market claim</i> detection are used.</li> </ul> The indicators Opt-out and Ex-Cum are additional matching fields. That is, they become mandatory matching criteria when a party sends a value for the indicator in its settlement instruction. Settlement instructions with a filled in Opt-out and/or Ex-Cum indicator shall not be matched with settlement instructions in which the respective indicator is not filled in.
(17)	Link type	<ul style="list-style-type: none"> <li>AFTE - After;</li> <li>BEFO - Before;</li> <li>WITH - All or nothing;</li> <li>INFO - Information.</li> </ul>
(18)	Reference type indicator ( <i>Link-Ind</i> )	<ul style="list-style-type: none"> <li>"I" - EURONEXT SECURITIES PORTO Reference;</li> <li>"T" - T2S reference;</li> <li>"P" - <i>Pool</i> Reference.</li> </ul>
(19)	Restriction Type	For sell instructions: <ul style="list-style-type: none"> <li>AWAS - Free (default);</li> <li>BL11 - Blocking;</li> <li>RE35 - Reserved;</li> <li>EA40 - Earmarking;</li> <li>EEUR - Earmarked for Self-Collateralisation (Euro);</li> <li>EXXX - Earmarked for Self-Collateralization (Other Currencies).</li> </ul> For purchasing instructions: <ul style="list-style-type: none"> <li>AWAS - Free (default);</li> <li>EEUR - Earmarked for Self-Collateralisation (Euro);</li> <li>EXXX - Earmarked for Self-Collateralization (Other Currencies);</li> <li>EA40 - Earmarking.</li> </ul>

Note	Field	Remarks/Notes
20	Common Reference	The common reference is an optional <sup>1</sup> matching field . That is, it becomes a mandatory matching criterion when both parties send a value in the corresponding field in their settlement instructions. In this case, settlement instructions with the common reference populated can match with settlement instructions in which the respective field is not populated.
21	CSD of the counterpart intermediary	If this field is not filled in by the participant, EURONEXT SECURITIES PORTO automatically fills in with the EURONEXT SECURITIES PORTO data (BIC: IBLSTPPXXX / Code 300).  In the case of cross-CSD instructions, i.e. between participants of different CSDs, the completion of this field is mandatory.
22	Place of Trading - MIC	Market identification based on the operating MIC ( <i>Market Identifier Code</i> ) available at <a href="https://www.iso20022.org/10383/iso-10383-market-identifier-codes">https://www.iso20022.org/10383/iso-10383-market-identifier-codes</a>
23	Place of Clearing	Inclusion of the CCP BIC Code (Central Counterparty)

## 12.2 HOLD, RELEASE AND AMENDMENT FUNCTIONALITIES

(cf. Articles 45 and 46 of INTERBOLSA Regulation No 2/2016)

### 12.2.1 HOLD/RELEASE

EURONEXT SECURITIES PORTO allows the settlement instructions to be placed in a state of "Hold" and subsequently "released", either totally or partially.

It is possible to put the instructions in a "hold" state:

- At the time of registration of the instruction.

É possível colocar as instruções em estado de "suspensão" (*Hold*):

- No momento do registo da instrução.

(<sup>1</sup>) In case of instructions sent directly to the T2S settlement platform, the following fields are also optional *matching* fields: 'Client of the delivering party', 'Client of the receiving party', 'Securities account of the delivering party' and 'Securities account of the receiving party'.

To do this, when recording the instruction via STD (function "**I**" - Inclusion), "**H**" must be included in the "**Hold**" field:

- In the STD message '**SLRT**' the status **NMAT** with reason code **001** (Operation registered) and **002** (Operation registered by counterparty) and the status **MACH** with reason code **003** (Matched transaction, pending settlement) are sent when the match occurs.
- After registration of the instruction (unmatched or matched).

For this purpose, when recording via STD, the '**H**' (Hold) function shall be used and '**H**' shall be included in the '**Hold**' field:

- In the STD message '**SLRT**' the **NMAT/MACH** status is sent with reason code **023** (instruction placed on Hold) and **024** (counterpart instruction placed on Hold).
- EURONEXT SECURITIES PORTO participants can also perform the Hold/Release of an instruction using ISO 15022 messages by sending an **MT530** message.
- DCPs can perform Hold/Release of an instruction directly in T2S by sending the ISO message 20022 - **sese.030**.
- The Hold function can be used at any time before the (physical and financial) settlement of the transaction in question, i.e. it can be used when the transaction is registered, before matching, after matching, or during the settlement day.
- Instructions (unmatched or matched) can put on Hold until the instruction is settled or until it is cancelled. An instruction that is pending partial settlement can be placed in Hold.
- The "release" can be total or partial;
- Total release:
  - The total Release of the quantity in Hold can be made before matching, after matching, during the settlement day or after ISD;
  - When recording via STD, the function "**R**" (Release) shall be used and " " (blank) must be included in the "**Hold**" field;
  - In the STD message "**SLRT**" the status **NMAT/MACH** is sent with reason code **025** (instruction Released) and **026** (counterpart instruction released).
- Partial Release:
  - When registering via STD, the function "R" (Release) shall be used and " " (blank) must be included in the "Hold" field;
  - Partial Release is possible for securities delivery instructions (DVP, DFP, DWP):
    - Matched and not cancelled;

- Pending, in Hold by participant;
- That allow partial settlement;
- On which ISD (Intended Settlement Date) has been reached (i.e., a request for partial release can only be submitted as of SoD, which occurs at 18:45 CET);
- The quantity to be released must be less than the original quantity of the settlement instruction;
- If there is an indication of no authorisation for partial settlement (NPAR) in at least one of the instructions ('delivery' or 'receive'), the request for partial release shall not be accepted;
- If the partial settlement indicator PARQ (quantity) has not been included and the instruction involves cash (DVP, DWP), the minimum threshold of 10,000 EUR for stocks and 100,000 EUR for debt must be adhered to for partial settlement to take place;
- The partial release process only has one life cycle during the release day, i.e. if a quantity is partially released and it does not settle by the end of the settlement cut-off, T2S automatically cancels the process, i.e. the instruction returns to its original state (Hold of initial quantity);
- Partial Release is allowed for instructions with ISD in the past;
- If the counterparty instruction (receive) is set to 'Hold', the request for partial release is rejected by the T2S platform;
- The partial release process is activated by sending an amendment request by selecting the 'Release' function and filling in the desired quantity to be released:
  - DCPs:
    - via ISO message 20022: sese.030 - "*Securities Settlement Condition Modification Request*";
  - ICPs:
    - via STD: SLRTmsg/SLRTfile;
    - via message ISO15022: MT530 "*Transaction Processing Command*" (field "*Quantity of Financial Instrument to be settled*" :36B::SETT// );
- The response to a partial release of accepted quantity, is sent to the:
  - DCPs:
    - via ISO 20022 messages:
      - sese.031 - "*Securities Settlement Condition Modification Request*", informing the acceptance of the request with the status 'completed';

- sese.024 - '*Securities Settlement Transaction Status Advice*' - stating the partial quantity released and the quantity remaining in '*Hold*';
- ICPs: In case of partial '*Release*', the quantity partially released and the remaining quantity in '*Hold*' is reported in the following fields:
  - via STD: SLRT message - reports the partial amount released and the remaining quantity in '*Hold*' in the field '*Participant Remarks*'\*;
  - via ISO message 15022: MT548 "*Settlement Status and Processing Advice*" - reports the Partially Released Quantity and Quantity Remaining on Hold, in field :70E::SPRO// (*Partially Released Quantity and Quantity Remaining on Hold*)

\*Field            format:            R99999999999999,99  
 H99999999999999,99

Example: R123456789012.99 H123456789012.99

- R = Released quantity
- H = remaining quantity in Hold

- The '*Partial Release*' process can be cancelled by the participant by placing the instruction back into Hold;
- Multiple '*Partial Releases*' are not permitted for the same instruction at the same time; only one new '*Partial Release*' may be made after the previous order has been settled;
- When an instruction is partially released, the instruction will attempt to settle by the released quantity..
- When a "*MACH*" (matched) transaction changes to released (one of the parties uses the Release function and the counterparty is already released), it is sent for settlement in real time (unless the contracted settlement date is in the future or the settlement cut-off time has been exceeded, in which case the transaction will be submitted for settlement as soon as possible). EURONEXT SECURITIES PORTO informs the issuing participant and the counterparty participant of the status of the instruction, as well as any changes in status (from Hold to Release and vice versa).

### **12.2.2 AMENDMENT**

EURONEXT SECURITIES PORTO allows participants to change an instruction that is registered in the system in unmatched or matched status.

Participants are allowed to change the following indicators (Amendment) of an instruction:

- Partial settlement (only for settlement instructions);
- Link to an instruction (Link);
- Settlement priority.

Instruction changes are made via the STD using the '**A**' (Amendment) function, and only the participant who made the change receives information on the change (reason code **027** - partial settlement, priority and instruction link - changed) in the STD's '**SLRT**' message.

EURONEXT SECURITIES PORTO participants can also send an instruction change via ISO 15022 messages by sending an **MT530** message.

On the T2S platform the Amendment mechanism can be used voluntarily by participants DCPs, if the instructions have the indicator 'YES' in the field 'Allowed Modification Flag'; for this purpose participants have to send a message ISO 20022 - **sese.030**.

It is possible to change only one processing indicator per instruction and you can change indicators of the instruction until the instruction is partially or fully settled or until its cancellation occurs. However, you can only change the settlement priority of the outstanding part of a partially settled instruction.

The change is only possible if:

- the settlement instruction or settlement restriction has not yet been settled or cancelled;
- The settlement instruction is not identified as CoSD (Conditional Securities Delivery);
- The settlement instruction or settlement constraint is partially settled, in which case the change can be made only for the 'Priority' indicator.

### 12.3 CANCELLATION OF SETTLEMENT INSTRUCTIONS

(cf. Article 47 of INTERBOLSA Regulation No 2/2016)

It is possible for participants to cancel:

- Unilaterally - unmatched instructions;
- Bilaterally - matched instructions. In this case each of the involved parties has to register its cancellation instruction, which will have to match.

Unmatched instructions (inclusion or cancellation), according to the rules of the T2S settlement platform, are automatically cancelled 20 business days after their intended settlement date (ISD) or after the last modification date of the instruction, whichever is the earliest.

A transaction in a "Hold", unmatched or matched situation is subject to the cancellation rules referred to above (cancellation made by the participants or automatic cancellation).

The cancellation of instructions, unmatched or matched, can also be performed by CSDs/CCPs or the settlement platform if certain events occur, for example maturity of a security.

For the **Exclusion, Amendment, Hold, Release, Link, Unlink** functions only the following fields must be filled via STD (SLRTmsg/SLRTfile):

- Instruction reference (Participant Reference, EURONEXT SECURITIES PORTO Reference or T2S Reference);
- Indicator of the type of reference of the instruction;
- ISIN Code;
- Securities account;
- Type of instruction;
- Participant;
- Quantity and Quantity type, in case of partial Release.

## 12.4 ALLEGEMENT FUNCTIONALITY

The Allegement is a "warning" sent to the instruction counterpart, to inform that there is an instruction registered in the system waiting for the corresponding instruction for its confirmation (matching).

The **Allegement** messages for settlement instructions and cancellation instructions (unmatched, pending matching), are sent to participants according to the following rules:

- If a settlement instruction fails to match after the 1<sup>st</sup> attempt, the counterparty is informed via an Allegement message after a defined period of time:
  - Standard: 1-hour period, measured from the first unsuccessful attempt of matching a settlement instruction;
  - Before the cut-off: a period of 5 hours measured backwards from the cut-off time of the FOP (17:00 WET), if the contracted settlement date is the same day;
- If an instruction is cancelled before matching after the 1<sup>st</sup> matching attempt, the counterparty is immediately informed via an Allegement message.

EURONEXT SECURITIES PORTO participants (DCPs and ICPs) receive the Allegement messages:

- **After 1 hour**: if the instruction is entered before the contracted settlement date (ISD) or on the contracted settlement date (ISD) until 12:00 noon WET;
- **Immediately**:
  - on the contracted settlement (ISD) day, if the instruction is registered after 12.00 noon WET;
  - In case of a cancellation instruction, subject to bilateral cancellation (instruction in matched state).

Allegement messages are sent by EURONEXT SECURITIES PORTO to its participants:

- Via STD: message '**SLRT**', status NMAT/motive 002;
- Via SWIFT for participants who have subscribed to ISO 15022 messages: **MT578** (*Settlement Allegement*).

Allegement messages, if subscribed, are sent directly by T2S to the DCPs:

- Via ISO 20022 messages: **sese.028** (*Securities Settlement Allegement Notification*);

- Via T2S GUI: *Securities/Settlement/Settlement Instruction Allegements*.

In the case of DCPs, it is possible to subscribe at the T2S platform for the cancellation of allegements (**sese.029** - *Securities Settlement Allegement Removal Advice*) to be sent, if the unmatched settlement instructions that generated the allegements are cancelled.

EURONEXT SECURITIES PORTO informs its participants if the unmatched settlement instructions that generated the Allegements are cancelled:

- Immediately after the cancellation of an instruction, in the case of instructions sent between EURONEXT SECURITIES PORTO participants;
- Immediately after receiving from T2S the cancellation of the Allegement, in the case where the instruction is registered by a participant of another Central Securities Depository (CSD) with an EURONEXT SECURITIES PORTO participant as counterparty ('cross-CSD' settlement).

## 12.5 SETTLEMENT OF INSTRUCTIONS

As soon as the match (confirmation) occurs, the settlement instructions are immediately sent for settlement and, if possible, processed immediately - *Settlement Finality 3 (SF3) - settlement*.

### 12.5.1 SETTLEMENT PROCESSING

- In the case of DVP (*Delivery versus Payment*) settlement upon validation of the existence of securities in the seller's securities account and cash in the counterparty's DCA (*Dedicated Cash Account*), the seller's securities account are debited against the buyer's securities account. Simultaneously, the buyer's DCA is debited by the amount of cash to be settled against the seller's DCA.
- In the case of the settlement of FOP (*Free of Payment*) instructions, only the transfer of securities between the seller's account and the buyer's account takes place, provided that they are available.
- In the case of settlement of PFoD (*Payment free of delivery*) instructions, the DCA to be debited being provisioned, settlement will be effected by transferring the cash from the DCA to be debited to the DCA to be credited.

- In the case of *Delivery with Payment* (DWP) instruction settlement, as the securities and cash move in the same direction (debit or credit), settlement takes place only when both securities and cash are available.

## 12.5.2 FAILURES

- **Securities failures:**

- The operation remains pending settlement and is automatically re-submitted for a further settlement attempt when sufficient securities are available. This can happen in real-time, overnight settlement processing or during one of the partial settlement windows, if allowed.

- **Cash failures:**

- In the case of Euro settlement, or in any T2S-eligible currency, the transaction is pending settlement and automatically resubmitted for a new settlement attempt when sufficient cash is available.
- In the event of a cash failure, it may be overcome by resorting to the auto-collateralisation feature, if duly authorised, permitted and parameterised. For further details on auto-collateralisation see point 11.6 - "Auto-collateralisation".

If the Intended Settlement Date (ISD) has been exceeded, i.e. if the instruction has not settled on ISD, the status **PENF** (*pending settlement failing on intended settlement date*) is reported.

- For ICPs:
  - the status '**PENF**' and reason **050** ('Instruction can no longer settle on ISD') is informed via the STD in the mnemonics SLRT (**'PENF'**, **'050'**) and SLRT-PND (**'PENF'**)
    - For an instruction registered after ISD, or in ISD after the corresponding cut-off, the following is reported: NMAT -'001;050
    - For an instruction which matches after ISD, or in ISD after its cut-off, the following is reported: MACH - "003; 050".
  - the status '**PENF**' is informed via SWIFT - ISO 15022, in messages MT537 and MT548

- For DCPs, the status '*pending settlement failing on intended settlement date*' is reported in the messages:
  - sese.024 - Settlement Instruction Status Advice
  - semt.014 - Intra Position Movement Status Advice
  - semt.018 - Securities Transaction Pending Report

### 12.5.3 PARTIAL SETTLEMENT

(cf. Article 57 of INTERBOLSA Regulation No 2/2016)

- Partial settlement, if allowed, is applied to all settlement instructions, when full settlement is not possible due to securities failure, in the following settlement periods:
  - In the night settlement period: in the last settlement run;
  - In the daytime settlement period, in partial settlement "windows" (see chapter 4 - "Timetable and Schedules").
- An instruction is partially settled even though there are insufficient securities to settle the full quantity under the following conditions:
  - The partial settlement window is occurring;
  - The instructions were "flagged" for partial settlement;
  - The partial settlement limit is satisfied.
- For a settlement instruction to be considered for partial settlement, it must meet the following requirements:
  - The instruction type to be FOP, DVP or DWP;
  - The partial settlement indicator must not be 'NPAR' in any of the instructions;
  - Instructions must not be linked with any other instruction by means of the *LINK* 'Before', 'After', 'With' or with a *pool* reference;
  - the financial amount of the instructions is in T2S-eligible currency.
- EURONEXT SECURITIES PORTO participants have the possibility to send the following partial settlement indicators:
  - **NPAR** - partial settlement not allowed;
  - **PARC** - partial settlement allowed, with a minimum limit criterion expressed in financial amount;
  - **PARQ** - partial settlement allowed, with a minimum limit criterion expressed in quantity of securities;

- **PART** - partial settlement allowed, the standard limit type (with minimum limit criterion expressed in financial amount) is applied;
- *BLANK* - in this case the *default* partial settlement rules apply (if partial settlement is allowed, the limit will be applied by default).

Once partial settlement is invoked, you are only allowed to: change the priority of the instructions, change the instruction in Hold for Release or cancel the instructions with pending partial settlements.

When an instruction is partially cleared, the original instruction is not automatically cancelled. The original instruction is retained, and the quantity of the partially settled instruction and its status are updated according to the partial settlements that occurred.

- Partial settlement is conditional on defined limits, below which it is not applied. These limits are determined:
  - By the type of instruction (FOP or DVP or DWP);
  - By the limit type of the instruction;
  - By the implied ISIN;
  - By the currency of the financial amount of the settlement instruction.
- The types of partial settlement limits are:
  - Limit on quantity: means that partial settlement does not take place for a smaller quantity than the applicable value;
  - Limit on financial amount: means that partial settlement does not take place if the amount corresponding to the quantity of securities to be partially settled is less than the applicable amount.

Content of the settlement instruction				Result applied to limit type	Result applied to the amount limit
Type of instruction	Type of instruction limit	ISIN	Currency		
FOP	n/a	Applicable	n/a	Quantity	Minimum settlement unit for the first partial settlement / Multiple settlement unit for the following partial settlement(s)
DVP/DWP	Defined as "Quantity" for both Settlement Instructions				
DVP/DWP	Not defined as "Quantity" for both Settlement Instructions	Units (UNIT)	Aplicável	Financial Amount	Amount configured in the currency specified (minimum settlement unit and multiple settlement unit used for quantity).

Content of the settlement instruction				Result applied to limit type	Result applied to the amount limit
Type of instruction	Type of instruction limit	ISIN	Currency		
		Nominal amount (FAMT)			Amount configured in the currency specified (minimum settlement unit and multiple settlement unit used for quantity).

When an instruction is submitted for partial settlement, the maximum financial amount or quantity of securities available in the seller's account is settled, taking into consideration the type of limit chosen by the parties.

The part (quantity) of the transaction settled is referred to as the 'settled portion', while the part (quantity) of the transaction that was not settled is referred to as the 'portion pending settlement'.

The limit applied to partial settlement must be expressed in value (financial amount limit) or in quantity (quantity limit). The limit determines the amount or quantity of the instruction on which the partial settlement will take place.

Default financial limit for instructions involving cash (DVP and DWP):

- More than 10,000 EUR for shares;
- More than 100.000 EUR for debt.

Default quantity limit for instructions involving quantity (FOP):

- Minimum settlement unit and multiple settlement unit.

With regard to settlement restrictions, partial settlement is always applied for reservation and earmarking instructions.

Partial settlement is not applicable to settlement restrictions that are automatically generated by T2S for conditional settlement (CoSD) and for blocking settlement restrictions.

Settlement restrictions (blocking, reservation, earmarking) do not apply to partial settlement 'windows' and their limits.

#### **12.5.4 PRIORITY**

(cf. Article 58 of INTERBOLSA Regulation No 2/2016)

EURONEXT SECURITIES PORTO participants may assign different levels of priority to the settlement instructions and settlement restrictions identified below, from the highest to the lowest:

- **Level 3** - high priority;
- **Level 4** - normal priority.

The T2S platform allows two further levels of priority to be assigned to settlement instructions and settlement restrictions, to be applied in specific situations:

- **Level 1** - reserved priority - may only be used by central securities depositories (CSDs) and central banks (NCBs), for the settlement of settlement instructions and constraints, and takes precedence over any other priority level;
- **Level 2** - top priority - can only be used by trading venues (MTFs - multilateral trading facilities, regulated market, etc. ) and Central Counterparties (CCPs), for their settlement instructions and settlement restrictions, automatically set as default priority for trading venues or CCPs.

EURONEXT SECURITIES PORTO allows its participants to choose between high (level 3) and normal (level 4) priority in the instruction priority level field, and the priority level is applied based on the highest value of the settlement instructions. The priority level is taken into account to rank settlement instructions or settlement constraints during the optimization process in the night-time settlement cycles and during daytime settlement. Therefore, the priority levels are considered by the T2S platform in such a way that if several instructions compete for the same securities and/or financial amounts in the night-time or real-time optimisation process, the instruction with the highest priority level is given priority for settlement. If matched settlement instructions do not indicate a priority level, the lowest priority level is used, i.e. 'Normal' (level 4). If there are settlement instructions or settlement restrictions with the same priority level, preference is given to the oldest instructions, based on their 'Intended Settlement Date (ISD)'.

The priority level of a settlement instruction or settlement constraint can be changed by the participants by means of a maintenance (Amendment) instruction until its complete settlement.

## **12.6 AUTO- COLLATERALIZATION**

(cf. article 5 to 7 of INTERBOLSA Circular No 3/2016)

Central banks and paying/settling banks have an automatic intraday credit provision mechanism available in T2S, secured with eligible collateral, called auto-collateralisation.

Auto-collateralization transactions are triggered when a participant does not have sufficient funds to settle a securities instruction: delivery versus payment (DVP) or payment free delivery (PFoD) settlement instructions or events related to delivery versus payment (DVP) or payment free delivery (PFoD) instructions.

The liquidity obtained in this way is immediately used to settle the underlying securities transaction.

The types of self-collateralization available in T2S are:

- Central bank collateralisation: provision of intraday credit where the central bank is the credit provider, with the paying/settling bank being the credit user;
- Customer collateralisation: provision of intraday credit where the paying/settling bank is the credit provider and its customer is the credit user.

The collateral pledged by the paying/settling banks and the paying/settling banks' customers to secure intraday credit can be the securities being purchased (auto-collateralisation on flow) and/or other securities already held by the buyer (self-collateralisation on stock).

When generating the auto-collateralisation transactions, T2S first uses the collateral on flow and then the collateral on stock. Therefore, if a settlement instruction indicates that the purchased securities can be used as on-flow collateral in a auto-collateralisation transaction, they are used as collateral to obtain intraday credit to settle the instruction in case of insufficient funds. Where the collateral value of the securities in the instruction ('on flow' collateral) is not sufficient to cover the amount of the granted credit, T2S supplements the collateralisation of the transaction with on-stock collateral. In case several securities can be selected, the T2S collateral mechanism first selects the lowest amount.

T2S supports several collateralisation procedures for Central Banks: repo, pledge and pledge on a sub-account:

- **Pledge** - Transfer of securities from the account of the bank receiving the credit, to another account of this bank (the securities account is pledged to the Central Bank providing the credit);
- **Pledge on a sub-account** - Blocking of securities in the account of the bank receiving the credit (the securities are blocked in favour of the Central Bank providing the credit and cannot be used while blocked).

Banco de Portugal, as most Central Banks, uses the **repo** procedure for the provision of intraday credit. Therefore, the securities used as collateral for intraday credit operations are transferred from the securities account of the bank receiving the credit to the securities account of Banco de Portugal or another Central Bank providing the credit.

*Repo* is the only procedure available for customer collateralisation. The securities used as collateral for intraday credit are transferred to the securities account of the paying/settling bank providing the credit.

### **12.6.1 LIMITS**

On what regards the provision of intraday credit, T2S allows Central Banks, as credit providers, to define the amount of credit they provide to each paying/settling bank. Paying/settling banks may also limit the amount of credit they are willing to provide to their customers. However, paying/settling banks may set three different types of limits:

- The external guarantee limit;
- The client auto-collateralisation limit;
- The unsecured credit limit.

Intraday credit granted via auto-collateralisation by a paying/settling bank to its customers (customer auto-collateralisation) covers the insufficient collateral margin. Therefore, customer auto-collateralisation is triggered only after the external collateral limit has been reached.

Consumers and credit providers can monitor the maximum amount of intraday credit, the amount of credit already provided by the credit provider and the remaining amount through the Credit Memorandum Balance (*CMB*) monitoring tool.

At any time during the settlement day, Central Banks or paying/settling banks may increase or decrease the auto-collateralisation limit of an eligible paying/settling bank or paying/settling bank customer, reflecting immediately the amount of credit that may be granted.

### **12.6.2 AUTOMATIC REIMBURSEMENT OF GUARANTEES (AUTO-COLLATERALISATION)**

Whenever T2S generates and settles an auto-collateralisation transaction, it creates a 'hold' instruction for the redemption of that auto-collateralisation transaction, corresponding to the opposite transaction (i.e. same amounts, same accounts, etc.)

Repayment operations can be released for settlement at any time of the day by the paying/settling banks or by the paying/settling banks' customers as soon as they have the amount to be repaid available in the DCA.

T2S has an automatic end-of-day repayment procedure for central bank auto-collateralisation:

- If, at the end-of-day time for repayment of intraday credit in T2S, a paying/settling bank has not repaid all its outstanding intraday credit operations with a central bank, T2S automatically uses all available liquidity in the DCA(s) opened in T2S with the relevant central bank to repay the outstanding intraday credit operations;
- If, at the end of the day, the available liquidity in the DCA(s) opened in T2S is insufficient to fully reimburse the outstanding auto-collateralisation operations with Central Banks, T2S automatically creates a new credit operation (through one or more securities settlement instructions) on a cash-out basis. T2S settles the new credit operation on an 'all-or-nothing' basis together with the repayment of the auto-collateralisation transaction.

Regarding the customer guarantee, the refund instructions have to be released manually.

### **12.6.3 AUTOMATIC REPLACEMENT OF COLLATERAL**

On auto-collateralisation, T2S processes automatic collateral replacement. When an attempt to settle a set of instructions occurs that would result in a securities shortage, T2S checks whether the securities shortage can be resolved by settling outstanding auto-collateralisation repayment transactions. If such outstanding auto-collateralisation repayment transactions resolve the securities shortage, T2S releases the securities and submits for settlement on an 'all-or-nothing' basis with the underlying instruction set.

### **12.6.4 PARAMETERISATION IN T2S**

The management of auto-collateralisation requires the definition and parameterisation of static data in T2S by Central Banks or paying/settling banks as credit providers and by paying/settling banks or customers of paying/settling banks as credit consumers. The parameters to be defined are:

- Securities accounts to receive the collateral;
- Financial Accounts (DCAs) to be used for credit provisioning;
- List of securities eligible for collateral;
- Valuing collateral;

- Close links that define whether an amount can be used by the credit consumer for auto-collateralisation based on its proximity to the issuer (close links are updated by Central Banks);
- Maximum amount that can be provided by each credit consumer (the definition of the various limits for the customer's auto-guarantee);
- Collateralization process (repo, pledge or sub-pledge for central bank auto-collateralization; for customer auto-collateralization, only the repo procedure is available).

Parameters to be defined by paying/settling banks or customers of paying/settling banks as consumers of credit:

- Links that central offices establish between DCAs and the securities accounts used to provide the required collateral;
- Securities positions that can be used for self-collateralisation. Credit consumers may choose between:
  - Earmarking at the level of securities accounts;
  - Earmarking at the level of the securities position in the accounts.

EURONEXT SECURITIES PORTO creates all the necessary static data in T2S, such as opening securities accounts and creating links between securities accounts and cash accounts (DCAs) used for auto-collateralisation.

Participants inform EURONEXT SECURITIES PORTO through a specific form (*Form 004 - Link - Securities Account (SAC) and Dedicated Cash Account (DCA)*) that the DCA linked to the securities account(s) is eligible for *self-collateralization* ("*Collateralization Link*").

DCPs can send and receive ISO 20022 settlement-related messages directly from T2S.

ICPs can send instructions via STD or via SWIFT (ISO 15022) to the EURONEXT SECURITIES PORTO system, which are then transmitted to T2S. EURONEXT SECURITIES PORTO also forwards to ICPs the self-collateralisation messages received from T2S.

Participants receive information relating to the generation of settlement instructions (opening and reimbursement instructions) and their settlement.

Status notice and settlement confirmation:

- Through STD: **SLRT** mnemonic;
- Via ISO 15022 messages: **MT548** (*Status Advice*) and **MT545/MT547** (*Settlement Confirmation*);

- Via ISO 20022 messages: **sese.032** (*Securities Settlement Transaction Generation Notification*), **sese.024** (*Securities Settlement Transaction Status Advice*) and **sese.025** (*Securities Settlement Transaction Confirmation*) - for DCPs only.

#### Reconciliation:

- Through STD: **SLRT-RES** mnemonic;
- Via ISO 15022 messages: **MT536** messages;
- Via ISO 20022 messages: **semt.017** - only for DCPs.

#### Release of the reimbursement instructions must be carried out by the participants:

- Via STD: mnemonic **SLRTmsg/SLRTfile** (*Status advice - SLRT mnemonic*);
- Via ISO 15022 messages: **MT530** (*Status advice - MT548*);
- Via ISO 20022 messages: **sese.030** (*Status advice - sese.031*) - only for DCPs.

## **12.7 LINKED INSTRUCTIONS**

(cf. Article 59 of INTERBOLSA Regulation No 2/2016)

EURONEXT SECURITIES PORTO provides its participants with the functionality to link settlement instructions and/or settlement restrictions. Linked instructions are subject to specific rules during the validation, eligibility or settlement processes in the T2S platform.

DCPs, with direct connection to T2S, can apply the available connection rules through:

- Linking two settlement instructions;
- Linking of two settlement restriction instructions;
- Linking a settlement instruction with a settlement restriction instruction;
- Linking a settlement instruction or settlement restriction instruction and an existing *pool*;
- Create a pool reference.

In the case of ICPs, EURONEXT SECURITIES PORTO only allows the linking of settlement instructions, one by one, or by a *Pool Reference*.

EURONEXT SECURITIES PORTO allows, according to the T2S platform, the following types of links between settlement instructions:

- Information (**INFO**) - for information only, with no impact on the settlement process;
- Before (**BEFO**) - means that the settlement or restriction instruction settles before or, at the limit, at the same time as the settlement or restriction instruction to which it is linked;
- After (**AFTE**) - In this case the settlement or restriction instruction settles after or, at the limit, at the same time as the settlement or restriction instruction to which it is linked;
- All or nothing (**WITH**) - with this binding the settlement or constraint instruction settles at the same time as the settlement or constraint instruction to which it is bound;
- Set of linked instructions specifying a *pool* reference in each instruction (linked with type *WITH* or not informed);
- A settlement instruction can be linked (**BEFO; AFTE; WITH**) to a settlement instruction that belongs to an instruction *pool*.

The *link* type "**INFO**" and "**linked instruction pool**" is only allowed when registering new instructions.

For the following instructions the T2S platform automatically creates links between instructions to be settled on an 'all-or-nothing' basis, relating to:

- Realignment (in case of Cross-CSD settlement);
- Auto-collateralization;
- Substitution of collateral;
- Relocation of collateral at the end of the day;
- Additional liquidity transfer;
- Liquidity rebalancing.

**12.8 SUMMARY - INPUTS/OUTPUTS AND QUERIES**

System	Interface	Input	Outputs	Layouts
<b>EURONEXT SECURITIES PORTO</b>	STD "Liquidação" menu	<b>SLRTmsg/SLRTfile</b>	<b>SLRT</b>	"Anexo A1" of STD Manual
	SWIFT - ISO 15022	<b>MT540 MT541 MT542 MT543 MT530</b>	<b>MT544 MT545 MT546 MT547 MT548 MT578</b>	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	<b>Settlement Instructions</b>		T2S: UHB - User Handbook
	SWIFT - ISO 20022	<b>semt.013 sese.020 sese.023 sese.030</b>	<b>semt.014 semt.015 sese.024 sese.025 sese.027 sese.028 sese.031 sese.032</b>	T2S: UDFS - User Detailed Functional Specifications

System	Interface	Queries		
		Instructions accepted, rejected, settled and cancelled during the day	Instructions pending settlement Available after EOD/Change of Business Day	Settled instructions Available after EOD/Change of Business Day
<b>EURONEXT SECURITIES PORTO</b>	STD "MovConta" menu	<b>SLRT</b>	<b>SLRT-PND</b>	<b>SLRT-RES</b> (also includes cancelled ones) <b>LIQ-RES</b>
	SWIFT - ISO 15022	<b>MT544 MT545 MT546 MT547 MT548</b>	<b>MT537</b>	<b>MT536</b>
<b>T2S</b>	T2S GUI	<b>Settlement Instructions</b>	<b>Settlement Instructions</b>	<b>Settlement Instructions</b>
	SWIFT - ISO 20022	<b>sese.024 sese.025</b>	<b>semt.018</b>	<b>semt.017</b>

## CHAPTER 13. PENALTIES

The Settlement Discipline regime is a key requirement of the CSD Regulation (CSDR) which purpose is to promote the operational efficiency of CSDs and thereby contribute to a timely and efficient settlement.

Euronext Securities Porto has decided to use the T2S Penalties Mechanism.

The penalties are calculated and reported by the T2S Penalty Mechanism, on a daily basis for each business day that a transaction is not settled on the intended settlement date (ISD).

### 13.1 BUSINESS DAYS (BD)

Business days are those days on which an instruction can settle in Euronext Securities Porto' system (and in the payment system in case of settlement versus payment – TARGET2 for EUR or SPME for non-EUR currency) ("opening days").

- **Applicable business days calendars:**

- the Euronext Securities Porto's own settlement calendar;
- the payment system calendar of the relevant currency – TARGET2 for EUR or SPME for non-EUR currency.

- **Based on the above, penalties will not be applied:**

- for 'free of payment' instructions: for the days when the Euronext Securities Porto settlement system is closed;
- for 'against payment' instructions: for the days when the Euronext Securities Porto settlement system and/ or the payment system of the relevant currency is closed (if the cash leg is to be settled in the payment system of the relevant currency).

- **Penalties Business Days (PBD)**

In the scope of ECSDA CSDs agreed on common principles for a harmonised process in the definition and counting of "business days" for the CSDR penalties management.

For clarity, such specific "business days" are called "Penalties Business Days" (PBD). The PBDs may differ from the actual "business days" of a CSD's settlement system or payment system calendar.

## 13.2 PENALTIES SCOPE

For the calculation of penalties, it is necessary to define and configure a set of reference data in the T2S Penalty Mechanism, namely relating to the securities and instructions subject to penalties, as well as the daily prices to be considered.

- **Securities Subject to Penalties**

A CSD-eligible MiFID II/MiFIR financial instruments:

- Admitted to trading or traded on an EU trading venue; or
- Cleared (or eligible for clearing) by an EU CCP;

Excluding shares when their principal trading venue is located in a third country.

- **Instructions Subject to Penalties**

Settlement fails penalties will be calculated for all Settlement Instructions, free of, against or with payment that are:

- matched (prior, on or after their Intended Settlement Date - ISD); and
- failing to settle on and after their ISD.

### **EXCEPTIONS:**

Settlement transactions that do not represent "transfer orders<sup>(1)</sup>" according to the point (i) of Article 2 of Directive 98/26/EC [Settlement Finality Directive];

- ✓ Corporate Actions (CA) on stock (ISO transaction code CORP);
- ✓ Technical instructions (e.g., T2S automatic realignments - ISO transaction code REAL);
- ✓ T2S settlement restrictions (blocking, reservation, earmarking).

### **Note:**

- (T2S) Auto-collateralisation operations, while automatically generated, are considered in scope;
- Primary issuance settlements are in scope (except the process of initial creation of securities which cannot be regarded as a "transfer order" from a legal standpoint);
- Treatment of Investment Funds redemptions/ subscriptions order routing instructions (CSD model vs. TA model/ transfer order vs. settlement instructions model).

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<sup>(1)</sup> Definition: "Any instruction by a participant to place at the disposal of a recipient an amount of money by means of a book entry on the accounts of a credit institution, a central bank, a central counterparty or a settlement agent, or any instruction which results in the assumption or discharge of a payment obligation as defined by the rules of the system, or an instruction by a participant to transfer the title to, or interest in, a security or securities by means of a book entry on a register, or otherwise."

- **Daily Reference Price**

The daily reference price used for calculating the penalties is the price of each business day when the settlement instruction is subject to penalty calculation (i.e., using maximum three months of historical prices when relevant, e.g., for late matching fails), independently from when the calculation is actually performed.

- Shares and similar: Closing price of the “most relevant market” (MRM) in terms of liquidity.
- Other instruments: Closing price of the trading venue “with the highest turnover”<sup>1</sup>.

**ASSUMPTION:**

- For instruments that no updated daily MiFID/R price is available, it be used the latest MiFID/R price;
- Where no MiFID II/R price or market value is available, Euronext Securities Porto will use:
  - for debt instruments: nominal value (in the ISIN denomination currency);
  - for non-debt instruments: default price (e.g., issue price).

The amount imposed by the penalty will be calculated:

- for against payment settlement fails:
  - in the currency of the cash leg.
  - for free of payment settlement fails:
    - either in the currency of the underlying security if the instrument is quoted in nominal or per cent (usually fixed income instruments); or
    - in the currency of the daily reference price if the underlying security is quoted in units (usually shares); or
    - in a default currency as defined by and eligible for settlement in the Calculating-CSD.

**IMPORTANT NOTE:** Euronext Securities Porto, in its role of the penalties Calculating-CSD, will use a single currency for all penalties (related to both, free of and against payment settlement fails), e.g., will convert all daily penalties in a single default currency (the Euro).

## **INSTRUMENT LIQUIDITY/ ILLIQUIDITY CLASSIFICATION**

The liquidity indicator is a binary classification of securities that, for the purpose of penalties calculation, only applies to shares, i.e., when the Financial Instrument Type of the security is “SHRS” and specifies if the security is “Liquid” or “Illiquid”.

## **INSTRUMENT TRADING SEGMENT "SME GROWTH MARKET" – PLACE OF TRADING INFORMATION**

The SME Growth Market indicator is a binary classification of securities that applies for any type of securities and that specifies whether the security is listed in a SME Growth Market.

For the sake of identifying the applicable penalty rate, Euronext Securities Porto participants must identify whether the instrument to be settled was actually traded on an EU SME Growth Market by verifying both, the receiving and delivering instruction of the settlement transaction.

Only when both instructions show the same "Place of trading" four-digit MIC (Market Identifier Code) the reduced penalty rate applicable to SME instruments will be applied.

## **INSTRUMENT CATEGORY PENALTY RATE**

Euronext Securities Porto apply the Penalty rates as published in the Delegated Regulation (EU) 2017/389.

<b>Type of fail</b>	<b>Rate</b>
1. Settlement fail due to <b>a lack of shares that have a liquid market</b> within the meaning of point (b) of Article 2(1)(17) of Regulation (EU) 600/2014, excluding shares referred to in point 3	1,0 basis point
2. Settlement fail due to <b>a lack of shares that do not have a liquid market</b> within the meaning of point (b) of Article 2(1)(17) of Regulation (EU) 600/2014, excluding shares referred to in point 3	0,5 basis point
3. Settlement fail due to a <b>lack of financial instruments traded on SME growth markets</b> , excluding debt instruments referred to in point 6	0,25 basis point
4. Settlement fail due to a <b>lack of debt instruments</b> issued or guaranteed by: <ul style="list-style-type: none"> <li>(a) a sovereign issuer as defined in Article 4(1)(60) of Directive 2014/65/EU;</li> <li>(b) a third country sovereign issuer;</li> <li>(c) a local government authority;</li> </ul>	0,10 basis point

Type of fail	Rate
(d) a central bank; (e) any multilateral development bank referred to in the second subparagraph of Article 117(1) and in Article 117(2) of Regulation (EU) 575/2013 of the European Parliament and of the Council; (f) the European Financial Stability Facility or the European Stability Mechanism.	
5. Settlement fail due to a <b>lack of debt instruments other</b> than those referred to in points 4 and 6	0,20 basis point
6. Settlement fail due to a <b>lack of debt instruments traded on SME growth markets</b>	0,15 basis point
7. Settlement fail due to a <b>lack of all other financial instruments</b> not covered in points 1 to 6	0,5 basis point
8. Settlement fail due to a <b>lack of cash</b>	Official interest rate for overnight credit charged by the central bank issuing the settlement currency with a floor of 0 (zero)

## CENTRAL BANK DISCOUNT RATE

The cash discount rate is the official interest rate of the central bank issuing the settlement currency that should evidence the borrowing costs for that currency.

For Euro, this is the marginal lending facility rate which is published on the ECB website.

For penalties calculations, the annual cash discount rate will be divided by 360 days (in order to generate the applicable daily penalty rate).

For T2S CSDs, it is T2S that provides, under the Penalty Mechanism, the reference data related to the Central Bank Discount rate.

## FOREIGN EXCHANGE RATES

For non-EUR currencies, the relevant Central Banks' Foreign exchange (FX) rates will be consulted.

For FOP instructions related penalties, a FX conversion to another currency may be required.

The relevant FX rate for the relevant currency of the failing settlement instruction must be sourced to the Penalty Mechanism (for EUR, various FX rates are published by ECB on its website).

For T2S CSDs, it is T2S that provides, under the Penalty Mechanism, the reference data related to the Foreign Exchange Rates.

## **DAILY CALCULATIONS**

Euronext Securities Porto, through the T2S penalty mechanism, calculate daily penalties for each instruction that:

- i. failed to settle on its intended settlement date (SEFP); or
- ii. matched after its intended settlement date (LMFP).

For the computation of the Settlement Fail Penalties (SEFP), it is considered the different FOP and DVP settlement cut-off times of Euronext Securities Porto settlement system.

For the computation of the Late Matching Fail Penalties (LMFP), it is considered the number of days after the ISD until the day of the late matching and end of the business day, as matching could still occur until then.

Daily penalties calculations for every single failed settlement instruction will be completed by Euronext Securities Porto as soon as possible to make the daily reports available to its participants (including other directly linked CSDs) in a timely manner, i.e., optimally latest by midday (12:00 p.m. CET) on the business day following the settlement fail. Euronext Securities Porto daily reports will be provided after receiving the reporting from the T2S Penalty Mechanism. No "intraday" penalties calculation or reporting will apply.

For every failing settlement instruction, Euronext Securities Porto will calculate, for each party, the net penalties (i.e., the single credit or debit net amount) per CSD, currency and counterparty on a daily basis.

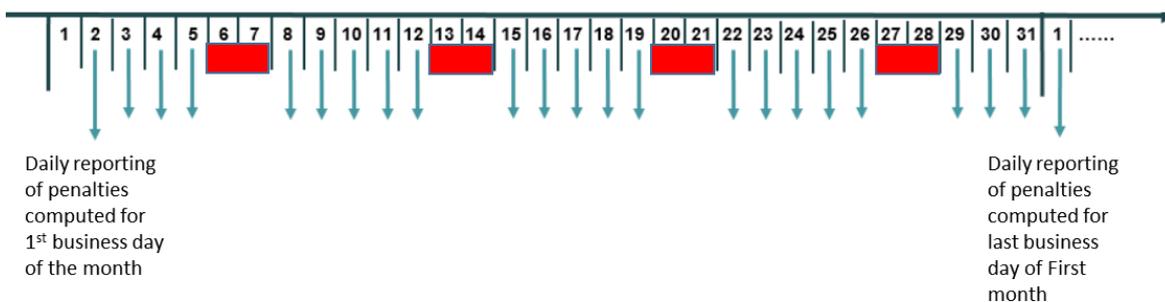
Under exceptional circumstances, daily penalties previously calculated by Euronext Securities Porto for the current calendar month, could be amended (i.e., re-calculated due to changes in applicable reference data) or removed (i.e., cancelled) on any business day until the appeal period has ended.

### 13.3 REPORTS

#### DAILY REPORTING

Euronext Securities Porto send daily penalty reports to their participants when there are new, amended, removed or re-included penalties during the day. The penalty calculation period is one calendar month. For each business day, Euronext Securities Porto will generate two separate reports: one for the new penalties and one for the amended, removed or re-included ones (Modified Penalties), if applicable.

#### First MONTH (computation and reporting of penalties)



Euronext Securities Porto reports penalties for each “party” and aggregated per counterparty (a participant in Euronext Securities Porto system). In the case no penalty is to be applied (i.e., no failed transaction resulted in new penalties, amendments, removals or re-inclusions) for one reporting day for a party, a “no activity” report will be sent.

Euronext Securities Porto deliver the daily reports to their participants after the closing of the settlement day on which (new or previous) penalties were calculated, amended, removed or re-included and optimally latest until midday (12:00 p.m. CET) on the following business day. Penalties for fails on a Friday will be calculated and reported on Monday morning. Euronext Securities Porto daily reports will be provided after receiving the reporting from the T2S Penalty Mechanism.

Daily penalties are computed for and reported to the relevant failing and non-failing party. Euronext Securities Porto will hence report twice each penalty computed:

1. The one applicable to the failing party (i.e., party imposed with the penalty), and
2. The one applicable to the non-failing party (i.e., party entitled to receive the penalty).

The failing party and the non-failing party are the two counterparts instructing the settlement transaction and consequently the respective owners of the involved securities accounts.

It shall be noted that, in case of a “cross-CSD scenario” Euronext Securities Porto will consider the other involved CSD as the owner of the relevant securities account of the underlying settlement instruction.

Within the messages for daily reporting:

- The party will be a repetitive block in order to be able to include all the information in a single message. Euronext Securities Porto will report cash penalties for a given party sorted by CSD (for cross-CSD fails), currency and counterparty of the penalty (i.e., non-failing or failing party, respectively);
- It is understood that an individual penalty contained in the report of a specific participant will have a mirror entry (debit vs. credit) in the penalty report of the relevant counterparty, i.e., will be on the participant level reported in two penalty reports;
- The daily reports contain only the amounts and information for a specific business day, i.e., they do not reflect exposures accrued in the course of several failing days.

System	Interface	Queries
		Daily reports made available to participants
<b>EURONEXT SECURITIES PORTO</b>	STD “Penalties” menu	<b>PENDAGGR</b> - Daily Aggregated Information on Penalties <b>PENDETL</b> - Daily Penalties Details Information <b>PENDCALC</b> - Daily Penalties Calculation Information
	SWIFT - ISO 20022	<b>sem.044 (only for DCPs, if subscribed)</b>
	SWIFT - ISO 15022	<b>MT537 (if subscribed)</b>

## MONTHLY REPORT

Euronext Securities Porto will follow the same principles defined for all CSDs in the ECSDA CSDR Penalties Framework to ensure that the appeal period and monthly penalty reporting occur prior the 15<sup>th</sup> business day.

On the 14<sup>th</sup> PBD of the following month, Euronext Securities Porto will report the monthly aggregated amounts for the penalties of the previous month (i.e., the aggregated amounts of the penalties computed for all the business days of the previous month).

The 14<sup>th</sup> PBD is the last day when the monthly reporting can be sent. If Euronext Securities Porto is closed on this day, the monthly reporting will be sent prior to the 14<sup>th</sup> PBD.

For each party, per currency and counterparty, Euronext Securities Porto will sum up all the cash penalties that this party can be expecting to be credited or debited with.

If the net result is a credit, the party can expect a cash payment from this counterparty. If the result is a debit, the party will have to pay this counterparty.

Thus, the monthly reporting includes, per currency and per party, all the net amounts against each of its counterparties for the penalties computed for the business days of the previous month.

System	Interface	Queries
		Monthly reports made available to participants
Euronext Securities Porto	STD "Penalties" menu	<b>PENMAGGR</b> <b>PENMDETL</b>
	SWIFT - ISO 2002	<b>semt.04 (only for DCPs, if subscribed)</b>
	SWIFT - ISO 1502	<b>MT57 (if subscribed)</b>

Details of the ISO 2002 messages semt.044:

Message structure in ISO 2002: semt.044	
<ul style="list-style-type: none"> <li>• <b>Report General Details</b> <ul style="list-style-type: none"> <li>• Frequency → Daily (Business date)   Monthly (Period)</li> <li>• Type → Daily Penalties List   List of Modified Penalties</li> </ul> </li> <li>• <b>AccountServicer / Depository</b> → CSD</li> <li>• <b>Claims (penalties) for Party, Currency and Date</b> → Date: only for List of Modified Penalties <ul style="list-style-type: none"> <li>• Aggregated DEBIT <u>and</u> CREDIT amount per currency</li> </ul> </li> <li>• <b>Claims (penalties) per Counterparty</b> <ul style="list-style-type: none"> <li>• Aggregated NET Amount (DEBIT <u>or</u> CREDIT) → daily or monthly bilateral net amount between party &amp; counterparty</li> <li>• <b>Penalty Details</b> <ul style="list-style-type: none"> <li>• Penalty References → Individual Reference and Common Reference</li> <li>• Type → Settlement Fail Penalty   Late Matching Fail Penalty</li> <li>• Status → NCOM   NEW   UPDT   REMO</li> <li>• Amount computed</li> <li>• Calculation Method → SECU   MIXE   CASH   BOTH</li> <li>• Number of days</li> <li>• Calculation details → ISIN, Price details, Quotation details</li> <li>• <b>Related Transaction</b> <ul style="list-style-type: none"> <li>• Reference</li> <li>• Transaction details</li> <li>• Status and Reason</li> </ul> </li> </ul> </li> </ul> </li> </ul>	

### Structure of ISO 15022 messages MT537 (Penalties):

Sequence	M/O	Sequence nr.	Description	Remarks
PENA	O	D	Penalties	
PENACUR	O/R	D1	Claims for Party and currency	Total Amount
PENACOUNT	O/R	D1a	Claims (penalties) per Counterparty	Aggregated Net Amount
PENDET	O/R	D1a1	Penalty Details	Penalty Reference Amount computed Number of days
CALDET	O/R	D1a1A	Calculation Details	Penalty date Calculation method Indicator Amount Exchange rate
FIA	O	D1a1A1	Financial Instrument and Attributes	Price Rate
RELTRAN	O/R	D1a1A2	Related Transaction	Reference
TRAN	O/R	D1a1A2a	Transaction Details	Original instruction
STAT	O/R	D1a1A2a1	Status	
REAS	O/R	D1a1A2a1A	Reason	

## 13.4 APPEALS

Euronext Securities Porto applies a dedicated appeal period for its participants to assess single settlement fails penalty calculations, on an exceptional basis, within and post the end of a calendar month.

Appeals can be lodged by Euronext Securities Porto participants at any time during the calendar month, as from the moment of computation and reporting of the penalty, and until (including) the 10<sup>th</sup> business day of the following month.

Any amendment requested after the appeal period ended cannot be taken into account by Euronext Securities Porto.

Reasons for appeals may be the situations listed in the ESMA CSDR Q&As "Settlement Discipline Questions 4 – Cash penalties: scope", or any similar situation <sup>(1)</sup>:

<sup>(1)</sup> Note that, in the absence of a single central source, the reference prices applied by CSDs may slightly deviate for a single instrument that can be settled in multiple CSDs; such deviations do not represent a valid reason for lodging "appeals" towards the CSDs.

- ISIN suspension from trading or settlement (e.g., due to “undue creation or deletion of securities” reconciliation issues);
- Settlement instructions involving cash settlement outside the securities settlement system operated by Euronext Securities Porto:
  - if, on the respective day, the relevant payment system is closed for settlement (e.g., settlement instructions in one of the currencies accepted in the SLME – Non-Euro Currency Settlement System, for which the cash leg settles in the SPME – Non-Euro Currency Payment System managed by Caixa Geral de Depósitos);
- Technical impossibilities at Euronext Securities Porto level that prevent settlement, such as: a failure of the infrastructure components, a cyber-attack, network problems.

Each time that an appeal is accepted by Euronext Securities Porto, and a change is applied to a penalty, it will be reported on the following business day.

By close of business on the 12<sup>th</sup> business day of the following month, any adjustment resulting from appeals will be completed by Euronext Securities Porto, to be reported on the 13<sup>th</sup> business day by midday (12:00 p.m. CET) at the latest.

In order to apply for an appeal, Euronext Securities Porto participants should send to Euronext Securities Porto, the following information:

- Identification of the Participant;
- Date of detection of modified and reported penalties;
- The T2S reference of the penalty;
- Penalty-Type-Code;
- The reason for the appeal;
- The expected penalty amount to be applied - optional information;
- T2S Settlement Instruction identification;
- ISO Transaction Code;
- Intended Settlement Date;
- Securities Account Number of the Participant (T2S Format).

Appeals represent an exception handling.

Euronext Securities Porto’s process for appeals, related to the communication requirements to submit an appeal and to provide the outcome of the appeal assessment to the appealing participant, is the following:

1. Euronext Securities Porto Participants send a file or a message, '**PENAPfil**'/'**PENAPmsg**', through the STD application with the information of the penalties to be modified and receive

- the feedback on a message - '**PENAP**' - with all the appeals penalties sent with the status '**PEND**' (waiting for Euronext Securities Porto and T2S verification and approval).
2. If the appeal is **rejected**, Participants are informed via STD, message '**PENAP**' with the status '**REJT**' and with the reason of the rejection.
  3. If the appeal is **accepted**, Participants are informed via STD, message '**PENAP**' with the status '**ACPT**';
  4. In the next day, Participants will receive the modification reports with the modify penalties accepted.

System	Interface	Queries	
		Request for changing the penalties (Status of the requests included by the participants)	Reports made available to the participants with the modified penalties
<b>EURONEXT SECURITIES PORTO</b>	STD "Penalties" menu	<b>PENAP</b>	<b>PENMOAGR</b> - Aggregated Information on Modified Penalties <b>PENMODTL</b> - Modified Penalties Detail Information <b>PENMOCAL</b> - Aggregated Information on Modified Penalties
	SWIFT - ISO 20022		<b>sem0.044 (only for DCPs, if subscribed)</b>
	SWIFT - ISO 15022		<b>MT537 (if subscribed)</b>

### 13.5 COLLECTION AND DISTRIBUTION OF PENALTIES

#### MONTHLY BILATERAL NET PER COUNTERPARTY

On the 14<sup>th</sup> business day of the month, bilateral net amounts of the penalties computed for all the business days of the previous month is calculated per CSD, currency and party against each of its counterparties.

When calculating the monthly aggregated amounts, Euronext Securities Porto will consider the last available value of the amount of each penalty aggregated (i.e., Euronext Securities Porto will take into account all the modifications performed until the end of the penalties appeal period, i.e., changes until and including the 11<sup>th</sup> business day of the following month).

This aggregation of the monthly penalties per CSD, currency and counterparty (i.e., bilateral net amounts) allows to:

- Isolate the amounts of the CCPs that will not be collected and redistributed by Euronext Securities Porto;
- Isolate non-payments from Euronext Securities Porto participants (i.e., participants affected by a non-payment of its counterpart as well as the amount that cannot be distributed by Euronext Securities Porto since it was not collected could be easily identified);
- Provide a netting as required by the CSDR;
- Reduce the required liquidity.

Accordingly, for each CSD, party and currency, the monthly bilateral net amount equals to:

– The sum of all the cash penalties of the previous month in the relevant currency, that the party is entitled to receive (reported as credit) from a given counterparty (i.e., to be paid by this counterparty);

Minus

– The sum of all the cash penalties of the previous month in the relevant currency and that were imposed to the party (reported as debit), and to be paid to the same counterparty.

Subsequently, for each party of Euronext Securities Porto, a “net amount per counterparty” is calculated.

If the result is a positive amount, the bilateral net amount will be a credit for the party (i.e., an amount entitled to be received from the counterpart) and if the result is a negative amount, the bilateral net amount will be a debit (i.e., an amount due to the counterpart).

### **GLOBAL NET (MONTHLY AMOUNT TO BE PAID OR TO BE RECEIVED)**

On the 14<sup>th</sup> business day of the month, a “global net amount” of the monthly nets (by counterparty) bilateral amounts is calculated per CSD and currency for each CSD party.

Accordingly, for each CSD, currency and party, the monthly net amount equals to:

– The sum of all the net bilateral amounts in the relevant currency that the party is entitled to receive (reported as credit and for all counterparties);

Minus

– The sum of all the net bilateral amounts in the relevant currency and that were imposed to the party (reported as debit and for all counterparties).

The “global net” amount resulting from this calculation will either be an amount due by the party (i.e., to be paid by the party), or an amount to be received by the party. This amount will be reported to Euronext Securities Porto participants, through a new STD file (mnemonic **PENMPAYM** - Monthly Penalties - Payment Forecast).

System	Interface	Queries
		Reports made available to the participants
<b>Euronext Securities Porto</b>	STD menu "Penalties"	<b>PENMPAYM</b>

## COLLECTION AND DISTRIBUTION

On the 18<sup>th</sup> PBD of the following month, Euronext Securities Porto will collect and distribute the penalties amounts from/to its participants.

If the Euronext Securities Porto systems and/or the payment system of the relevant currency is closed on the 18<sup>th</sup> PBD, the payment will be done on the next possible business day.

For the penalties' payments processing, Euronext Securities Porto will generate PFOD instructions:

- on the 15<sup>th</sup> PBD Euronext Securities Porto will create PFOD instructions to receive the cash amounts from its participants that have to pay cash penalties and to deliver the cash amounts to the participants that have to receive cash penalties;
- Euronext Securities Porto's participants must have adequately funded their relevant cash account (DCA<sup>1</sup>) in order for the PFOD to timely settle on the 18<sup>th</sup> PBD.

The PFOD instructions contains the following information:

- ✓ **Trade Date: 16<sup>th</sup> business day of the following month**
- ✓ **Intended Settlement Date (ISD): 18<sup>th</sup> business day of the following month**
- ✓ **ISO Transaction Code: PAIR**
- ✓ **Instruction Type: PFOD**
- ✓ **ISIN: LU2128008567 (Dummy ISIN)**
- ✓ **Securities Account (SAC): Default Account**
- ✓ **DCA: If there is a specific DCA for cash penalties**
- ✓ **Counterpart: Interbolsa (IBLSPTPPXXX)**
- ✓ **Counterpart CSD: Interbolsa (IBLSPTPPXXX)**
- ✓ **Partial settlement indicator: No partial settlement allowed (NPAR)**
- ✓ **Priority Indicator: 1**
- ✓ **Status: Released**

(<sup>1</sup>) For this purpose, Euronext Securities Porto participants can use the default DCA or inform a DCA specific for settlement penalties.

The generation of the PFOD instruction and the respective settlement is made available through the usual settlement outputs:

- via STD - SLRT, SLRT-PND, SLRT-RES
- ISO 15022 - status advice and settlement confirmations messages
- ISO 20022 - status advice and settlement confirmations messages (only for DCPs)

The rules of the T2S settlement platform is applied to the PFOD instructions (i.e., recycling, reporting or other relevant rules).

In this context, Euronext Securities Porto participants must ensure that penalties amounts due are available to Euronext Securities Porto and that they comply with their payment obligations towards Euronext Securities Porto on time to avoid delays and processing issues due to a lacking or incomplete penalties collection by the 18<sup>th</sup> PBD.

In the penalties collection process, the PFOD settlement will lead to a credit of the Euronext Securities Porto's penalties cash account (T2S DCA) – Collection, and a debit of the Euronext Securities Porto participant's cash account (T2S DCA) - Distribution. The process of collection and redistribution will be managed in a phased approach to make sure Euronext Securities Porto does not pre-finance any payment. The overall payment process consists of the following phases:

1. Collection from the Euronext Securities Porto's participants (as well as receiving the subsequent payments from other CSDs) that are due to pay penalties;
2. Redistribution to Euronext Securities Porto's participants (as well as delivering the subsequent payments to other CSDs) that are due to receive penalties.

All steps will be performed completely on the 18<sup>th</sup> PBD. If not, a contingency process will be adopted by Euronext Securities Porto.

## **COLLECTION & DISTRIBUTION OF CASH PENALTIES - CONTINGENCY PROCEDURES**

On the 15<sup>th</sup> PBD, Euronext Securities Porto will create PFOD instructions to receive the cash amounts from its participants that have to pay cash penalties and to deliver the cash amounts to the participants that have to receive cash penalties.

Euronext Securities Porto's participants must have adequately funded their relevant cash account (DCA<sup>1</sup>) to allow the timely settle of PFOD on the 18<sup>th</sup> PBD.

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(<sup>1</sup>) For this purpose, Euronext Securities Porto participants can use the default DCA or inform a DCA specific for settlement penalties.

If in the morning of the 18<sup>th</sup> PBD is missing the payment by any participant for the collection, Euronext Securities Porto will contact the failing participant on the 18<sup>th</sup> PBD, from 9h30 CET. The participant must transfer the cash amount for the payment, before 16h00 CET, DVP cut-off (limit time for the resolution of the settlement fail).

In case the collection and redistribution could not be performed on the planned payment date, **after 16:00 CET, on the 18<sup>th</sup> PBD, Euronext Securities Porto will trigger the Contingency Procedure:**

Preparation of the new Collection and Distribution process:

- Cancellation of the PFOD instruction in T2S;
- Identification and exclusion from the process the instructions of the failing participant;
- Preparation of the new PFOD instructions to be sent to T2S.

Euronext Securities Porto will be made available to the participants:

- New Cash Forecast;
- Send an email informing the new date/time for the settlement of the Collection and Distribution.

Euronext Securities Porto will send to T2S the new PFOD instructions, with the new settlement date.

The Collection and Distribution process must be finalized until the end of the month.

## **13.6 CROSS-CSD SETTLEMENT FAILS - SPECIFICITIES**

### **Monthly appeal period**

In a cross-CSD context, the appeal period ends at close of business on the 11<sup>th</sup> PBD of the following month. It allows CSDs to still pass on to other CSDs the appeals requested by CSD participants on the 10<sup>th</sup> PBD. At close of business on the 11<sup>th</sup> Penalties Business Day, CSDs shall no longer request appeals to other CSDs. In case the 11<sup>th</sup> PBD is a CSD closing date, the appeal end date will be preponed to an earlier date. It means that the end of the appeal period for participants (planned on the 10<sup>th</sup> PBD) will also be moved to an earlier date.

An appeal requested latest until the 10<sup>th</sup> PBD by an Euronext Securities Porto participant and accepted, must be sent to the other CSD on the 11<sup>th</sup> PBD, and thus will be reported to the Euronext Securities Porto participant on the 12<sup>th</sup> PBD (depending on the settlement chain).

By close of business on the 12<sup>th</sup> PBD of the following month, any adjustment resulting from appeals shall be completed, to be reported on the 13<sup>th</sup> PBD ideally latest until 14:00h p.m. CET.

### **Monthly payment (collection and redistribution)**

In a cross-CSD scenario, the process will slightly differ compared to the normal one, as CSDs are not themselves responsible for supplying the funds to proceed with the penalties' payment.

On the 18<sup>th</sup> PBD of the month, all involved CSDs shall have collected the amounts due by their participants (including those that are CSDs themselves), in order to be able to start the payment process across CSDs.

If the CSD and/ or the payment system of the currency is closed on the 18<sup>th</sup> PBD the payment will have to be done on the next possible business day.

## **13.7 FAILS MONITORING**

### **Settlement failure monitoring and reporting system**

Pursuant to point 1 of article 7 of the CSDR, EURONEXT SECURITIES PORTO has implemented a system to monitor settlement fails of transactions in financial instruments referred to in point 1 of article 5 of the CSDR. The system contains all details relating to Article 13 of Commission Delegated Regulation (EU) 2018/1229 (RTS Settlement Discipline (SD)).

Pursuant to point 1 of article 7 of the CSDR and article 14 of the RTS – Settlement Discipline (SD), EURONEXT SECURITIES PORTO provides regular reports to the competent authority and the relevant authority on the number and details of settlement fails as well as other relevant information, including the measures foreseen by EURONEXT SECURITIES PORTO and its participants, to improve settlement efficiency.

Details relating to the monthly information to be provided by EURONEXT SECURITIES PORTO to the Regulator are set out in Annex I of the RTS Settlement Discipline (SD), and the information is prepared in accordance with the information published by ESMA, namely the Instructions and the Settlement Fails Report - CSDR Article 7 - Settlement Fails Report, and its guidelines.

The competent authority shares relevant information about settlement fails with ESMA.

Pursuant to article 15 of the RTS Settlement Discipline (SD), EURONEXT SECURITIES PORTO discloses, annually, on the portal, the information contained in Annex III of the RTS Settlement Discipline (SD), in an aggregated and anonymous form.

## **CHAPTER 14. CORPORATE ACTIONS ON FLOWS - ADJUSTMENTS, TRANSFORMATION AND BUYER PROTECTION**

(cf. Articles 20 et seq. of INTERBOLSA Circular 1/2016)

The management of pending instructions (Corporate Actions on Flows) includes the procedures necessary to ensure that the participants entitled to the outcome of a corporate action receive it - Market Claims, Transformations and Buyer Protection.

EURONEXT SECURITIES PORTO generates instructions relating to Market Claims/Transformations for the following types of operations:

- Transactions executed on a regulated market/MTFs
- Transactions registered in the *Real Time Settlement* system (OTC, etc.).

Buyer Protection in Portugal is done bilaterally, i.e. there must be a bilateral agreement between both parties to the deal (Manual Buyer Protection).

### **14.1 ADJUSTMENTS (MARKET CLAIMS)**

The automatic adjustment of pending instructions applies to all corporate actions with distribution of securities or cash.

The adjustment of rights is generated automatically by EURONEXT SECURITIES PORTO (without any intervention by the counterparties) and consists in the creation of a securities and/or payment instruction corresponding to the corporate action in question.

In generating the rights adjustment instructions EURONEXT SECURITIES PORTO takes into consideration:

- The key dates: ex-date, record date and payment date defined for the corporate action;
- The pending instructions at the end of the record date and the matched instructions during the market claim detection period;
- The opt-out indicator;
- The ex-cum indicator;
- The trade date.

No Market Claims are generated for the following types of instructions (ISO Transaction Code):

- OWNI - *Internal Account Transfer*
- OWNE - *External Account Transfer*
- COLI - *Collateral In*
- COLO - *Collateral Out*
- AUTO - *Auto-collateralisation*
- CORP - *Corporate Actions*
- PORT - *Portfolio Transfer*
- REAL - *Realignment*
- CLAI - *Market Claims*

The adjustment instruction is automatically sent to the T2S platform regardless of the settlement of the originating instruction.

### Market Claims

Process	Description
<b>Corporate actions</b>	<p>Cash Distributions: e.g. Dividends, Income, Interest payments.</p> <p>Securities Distributions: e.g. capital increase by incorporation of reserves without detachment of rights; detachment of rights (namely in the subscription).</p>
<b>Criterion</b>	<p>Status of the Settlement instruction: Matched.</p> <p>IOpt-out indicator: 'No' or 'Blank'.</p> <p>The adjustment instruction is created on the basis of:</p> <ul style="list-style-type: none"> <li>• The Intended Settlement Date (<i>ISD</i>), for securities registered at par value amount - <i>FAMT</i> (example: debt instruments);</li> <li>• The Ex-cum indicator or trade date for securities registered in units - <i>UNIT</i> (example: shares).</li> </ul>
<b>Detection period</b>	20 Working days after record date (RD).
<b>Creation</b>	<p>End of record date (RD) or Immediately after matching during the period of detection of the adjustment.</p> <p>Market claims are created with the same settlement status as the originating instruction (under 'Hold' or 'Released').</p> <p>The business date of the adjustment instruction shall be the same as the business date of the originating instruction.</p>

Process	Description
	<p>The settlement date shall be the same as the payment date of the exercise of the rights in question.</p> <p>Market Claim instructions are created with the following information:</p> <ul style="list-style-type: none"> <li>• ISO Transaction Code: <b>CLAI</b>;</li> <li>• Type of instruction: <ul style="list-style-type: none"> <li>○ In case of cash distributions (e.g. dividends, interest, repayments, clearing of fractions): <ul style="list-style-type: none"> <li>▪ STD: <b>PFOD</b> (<i>Payment Free of Delivery</i>)</li> <li>▪ ISO 15022: <b>DVP</b> (<i>Delivery Versus Payment</i>) / <b>RVP</b> (<i>Receive Versus Payment</i>) with quantity equal to zero.</li> </ul> </li> <li>○ In the case of distribution of securities (e.g. capital increases) <ul style="list-style-type: none"> <li>▪ STD/ISO 15022: <b>DFP</b> (<i>Delivery Free of Payment</i>) / <b>RFP</b> (<i>Receive Free of Payment</i>)</li> </ul> </li> </ul> </li> <li>• Identification of the corporate action giving rise to it, through <b>COAF</b> (<i>Official Corporate Actions Event Reference</i>): <ul style="list-style-type: none"> <li>○ STD: In the 'COAF' field</li> <li>○ ISO 15022: LINK sequence with codeword CORP in the :20C field: :16R:LINK :20C::CORP//COAF :16S:LINK;</li> <li>○ ISO 20022: &lt;CorpActnEvtId&gt; <i>COAF</i>&lt;/CorpActnEvtId&gt;</li> </ul> </li> <li>• Identification (<b>T2S Reference</b>) of the instruction from which it originates: <ul style="list-style-type: none"> <li>○ STD: In the "Link-Inst" field (Link-Type: INFO; Link-Ind: T);</li> <li>○ ISO 15022: In the "Transaction Reference" field: codeword PROC from REAG/DEAG of the SETPRTY sequence.</li> <li>○ ISO 20022: in sequence &lt;Lnkgs&gt;: &lt;Lnkgs&gt; &lt;PrcgPos&gt; &lt;Cd&gt;INFO&lt;/Cd&gt; &lt;/PrcgPos&gt; &lt;Ref&gt; &lt;MktInfrstrctrTxId&gt; <span style="float: right;">T2S</span> <i>reference</i>&lt;/MktInfrstrctrTxId&gt; &lt;/Ref&gt; &lt;/Lnkgs&gt;</li> </ul> </li> </ul>
<b>Settlement</b>	<p>The settlement of the market claim instruction takes place independently of the settlement of the instruction that gave rise to it.</p> <p>The market claim instruction attempts to settle:</p> <ul style="list-style-type: none"> <li>- On the night-time settlement (NTS) period if generated at the end of the record date (RD) in the 'Released' state. The unsettled instructions shall be resubmitted in the real-time settlement cycle;</li> <li>- In the real-time settlement period, if generated immediately after matching during the period of creation of adjustments or when the <i>Release</i> by participants occurs if the instruction is generated in Hold.</li> </ul> <p>Market Claim instructions regarding cash distribution may settle up to the DVP <i>cut-off</i> (3pm WET).</p>

Process	Description
	<p>Market Claim instructions relating to the distribution of securities may be settled until the FOP <i>cut-off</i> (17.00 WET).</p> <p>Thus, if the original operation matches after the record date and after the cut-off (DVP/FOP), the adjustment operation is created immediately, but will not be settled on that same day but on the next settlement day.</p>
<b>Cancellation</b>	Participants may cancel the market claim instruction bilaterally, with the transaction giving rise to it remaining in the system and vice versa.
<b>Cross-border</b>	<p>Market claim instructions are generated by the IOC (<i>Instruction Owner CSD</i><sup>1</sup>).</p> <p>Matching occurs between instructions generated by different CSDs.</p>

### **Scenarios for the creation of the market claim:**

- **For securities in nominal amount (FAMT):**

Scenario No.	Settlement date (ISD) <= Record Date	Settlement date (ISD) <= Record Date	Ex/cum indicator	Creation of the market claim	Direction
1	Y	N	N/A	Y	From seller to the buyer

- **For securities in units:**

Scenario No.	Trade date < Ex-Data (N means TD=>Ex-Data but TD<=RD)	Actual Settlement Date (ASD) <= Record Date	Ex/cum indicator	Creation of the market claim	Direction
2	Y	N	Blank/Cum	Y	From seller to the buyer
3	N	N	Cum	Y	From seller to the buyer
4	N	Y	Blank/Ex	Y	From buyer to the seller
5	Y	Y	Ex	Y	From buyer to the seller

<sup>(1)</sup> *Instruction Owner CSD* (IOC): defined as the CSD that provides the securities accounts where the participant sent the original instruction.

When the Opt-out indicator is **not specified**:

- **For securities in nominal amount (FAMT):**
  - a) The market claim is generated by transferring the buyer's right to the seller - if the intended settlement date (ISD) is equal to or before the record date (RD) and there is an outstanding transaction at the end of the record date;
- **For securities in units (UNIT):**
  - a) The market claim is generated, transferring the right from the seller to the buyer:
    - If the trade date < Ex-Date, the transaction is still pending in the RD, and the Ex/Cum indicator equals "CUM" or "blank";
    - If the trade date >= Ex-Date, the transaction is still pending in the RD, and the Ex/Cum indicator equals "CUM";
  - b) The market claim is generated, transferring the right from the buyer to the seller:
    - If trade date >= Ex-Date, actual settlement date (ASD) <= record date (RD), and the Ex/Cum indicator is equal to "EX" or blank;
    - If the trade date < Ex-date, the actual settlement date (ASD) <= record date (RD), and the Ex/Cum indicator is equal to "EX".

When the Opt-out indicator **is specified**:

- No market claim is generated irrespective of the Ex/Cum indicator or the trade and settlement date of the original instruction.

Processing of market claims:

- EURONEXT SECURITIES PORTO shall identify the original instruction eligible for market claim:
  - After the close of the record date; and
  - During the period of creation of adjustments to matched settlement instructions.
- EURONEXT SECURITIES PORTO calculates the market claim and creates the related settlement instruction with the *ISO Transaction Code* 'CLAI', the T2S flag of the original instruction and the reference of the originating event ('COAF'). This instruction is independent from the originating instruction and is sent to T2S:

- For domestic instructions (*intra-CSD*): instructions for matching T2S (instructions are sent by EURONEXT SECURITIES PORTO with a common reference);
- For cross-CSD instructions: instructions to match in T2S (the instructions are generated and sent to T2S by different CSDs: by EURONEXT SECURITIES PORTO and by another CSD with which EURONEXT SECURITIES PORTO has established a *link*).
- Market claim instructions are generated by EURONEXT SECURITIES PORTO at the end of the record date and sent to T2S for settlement during the night-time settlement period (NTS). If there are instructions pending settlement after the night-time settlement (NTS) period, they follow the T2S rules and the instructions are resubmitted to the daytime settlement period until they settle or are cancelled bilaterally by the participants involved. During the detection period, market claims are generated by EURONEXT SECURITIES PORTO immediately after matching and sent to T2S for settlement in the real-time period.
- For cash payment adjustment instructions, there is no partial settlement. For securities market claims instructions, the partial settlement indicator is the same as that of the original settlement instruction.

## **14.2 TRANSFORMATIONS**

Transformation is a process whereby outstanding instructions (on or after the record date/market cut-off date) are cancelled and replaced with new instructions in accordance with the mandatory standards set by the *Corporate Actions Joint Working Group (CAJWG)* reorganisation standards.

The detection and creation process of the transformed instructions is processed by EURONEXT SECURITIES PORTO, taking into consideration the following:

- The details of the event such as the key dates: record date/market deadline and payment date;
- The pending instructions at the end of the record date/market event deadline and the instructions that match during the detection period;
- Other details of the relevant settlement instruction, such as the opt-out indicator.

The transformations are detected after the close of the record date or the market deadline and for 20 business days after the record date. After detection, EURONEXT SECURITIES PORTO sends two separate instructions to T2S:

- An instruction to cancel the original instruction;
- New instructions according to the terms of the reorganisation;
- If several cash movements result from the transformation (e.g. DVP settlement instructions affected by total redemptions), payments are generated segregated to allow of their reconciliation;
- Additionally, EURONEXT SECURITIES PORTO provides the following information in the instruction created by transformation:
  - Reference T2S of the original instruction;
  - Official Corporate Actions Event Reference (COAF) of the event that originated the instruction created by transformation;
- For domestic instructions (intra-CSD): the match is performed in T2S (instructions are sent by EURONEXT SECURITIES PORTO with a common reference);
- For *cross-CSD* instructions: the match is performed in T2S (instructions are generated and sent to T2S by different CSDs: by EURONEXT SECURITIES PORTO and by another CSD with which EURONEXT SECURITIES PORTO has established a CSD link).

The transformation instructions are created by EURONEXT SECURITIES PORTO at the end of the record date/market deadline and during 20 business days after the record date (market claim/transformation detection period) and sent to T2S for settlement during the night-time settlement period (NTS).

The instructions with indicator 'Y' in the field Opt-out, are not transformed and are only cancelled by EURONEXT SECURITIES PORTO.

The new instructions (resulting from the transformation) are created with the same information contained in the indicators of the original instruction: partial settlement indicator; EX-cum indicator; Opt-out indicator; etc.

The cancellation of the original instruction is reported:

- Via STD: **SLRT** message with status **CANC** and reason **029** ("Cancelled and Replaced by corporate action");

- Via SWIFT - ISO 15022: message MT548, with status **IPRC//CAND** and reason code CAND//CANT ('Cancelled due to Transformation. Original instruction has been cancelled and replaced due to a corporate action');
- Via SWIFT - ISO 20022 (for DCPs): message sese.024 with cancellation reason code 'CANI'.

The creation of the new instruction (per transformation) with quantity = zero and with the original amount is reported:

- Via STD: **SLRT** message, with status 'MACH' and reason code '030' ("Generated due to a transformation following a corporate action"). In the field 'Ind-Tran' (Transformation Indicator) the code 'TRAN' is reported;
- Via SWIFT - ISO 15022: message MT548, with :22F::STCO//TRAN and with the status IPRC//CGEN and reason code CGEN//TRAN ("Transaction has been generated due to a transformation following a Corporate Action");
- Via SWIFT - ISO 20022 (for DCPs): message sese.024:

```
<SttImTxCond>
  <Cd> TRAN </Cd>
</SttImTxCond>
```

#### **Identification of the corporate action that gave rise to the instruction created by transformation through COAF (*Official Corporate Actions Event Reference*):**

- STD: In the 'COAF' field
- ISO 15022: LINK sequence with codeword CORP in the :20C field:
 

```
:16R:LINK
:20C::CORP//COAF
:16S:LINK;
```
- ISO 20022: <CorpActnEvtId> COAF</CorpActnEvtId>

#### **Identification (T2S reference) of the instruction that originated the instruction created by transformation:**

- **STD:** In the "Link-Inst" field (Link-Type: INFO; Link-Ind: T);
- **ISO 15022:** In the "Transaction Reference" field:
 

```
codeword PROC from REAG/DEAG of the SETPRTY sequence.
```
- **ISO 20022:** in sequence <Lnkgs>:
 

```
<Lnkgs>
  <PrcgPos>
    <Cd>INFO</Cd>
  </PrcgPos>
  <Ref>
    <MktInfrstrctrTxId> T2S reference</MktInfrstrctrTxId>
  </Ref>
</Lnkgs>
```

### Special procedures after maturity

- During the 20 business days following the maturity date (inclusive), designated as the market claims/transformations detection period, participants may send instructions with an Intended Settlement Date (ISD) earlier than or equal to the record date, in order for the corresponding market claim or transformation transactions to be detected and processed during said period;
- In specific and duly justified cases, such as the sending of market claims and transformation instructions by Central Counterparties (CCPs), instructions with a intended settlement date (ISD) later than or equal to the maturity date may be sent during the detection period;
- At the end of the detection period, EURONEXT SECURITIES PORTO shall cancel all pending instructions.

Processes	Description
<b>Corporate actions</b>	<p>Mandatory Reorganisations, with distribution of cash (e.g. redemptions and exercise of warrants - maturity and knock-out).</p> <p>Mandatory Reorganisations with distribution of securities, e.g. mergers,; exercise of convertible securities on maturity, conversion of provisory securities into definitive securities and absorption of shares/securities; conversion of certificated into book entry securities and vice versa; conversion of ordinary shares into preferred shares and vice versa; capital increases and reductions due to changes in nominal value.</p> <p>Mandatory Reorganisations with Options, e.g. exercise of rights in a capital increase by subscription and exercise of convertible securities at the holder's option.</p>
<b>Criterion</b>	<p>Status of settled instructions: Matched</p> <p>Opt-out indicator: No or blank</p>
<b>Detection period</b>	20 Working days after record date (RD)/Market deadline.
<b>Creation</b>	<p>End of Record Date (RD)/Market Deadline or during the transformation detection period (after EOD).</p> <p>The transformation is created with the same state as the original instruction (in "Hold" or "Released").</p> <p>The trade date of the transformed instruction is the same as the trade date of the original instruction.</p> <p>The Intended Settlement Date (ISD) of the new instruction is the most recent date between:</p> <ul style="list-style-type: none"> <li>• Date of payment; and</li> <li>• Intended settlement date (ISD) of the original instruction.</li> </ul>

Processes	Description
<b>Settlement</b>	<p>The new instruction (resulting from the transformation) attempts to settle:</p> <ul style="list-style-type: none"> <li>- In the night settlement period if generated at the end of the day RD in the state "released"; if the instruction does not settle, it will try to settle during the real-time settlement period;</li> <li>- In the real-time period if generated immediately after matching during the detection period or when Released by the IF if generated in the Hold state.</li> </ul>
<b>Cross-border</b>	<p>The transformation instructions are generated by the IOC (Instruction Owner CSD <sup>1</sup>).</p> <p>Matching occurs between instructions generated by different CSDs.</p>

### 14.3 MARKET CLAIMS AND TRANSFORMATIONS PROCESS

Corporate action category	Corporate action type	CAEV	Description
<b>Distribution</b>	<b>Interest payment</b>	<b>INTR</b>	<p><b>Market claim</b></p> <ul style="list-style-type: none"> <li>• Market claim instructions (PFOD) are created after the end of the record date or immediately after matching during the adjustment detection period;</li> <li>• Market claim instructions are created following the rules applied for nominal amount values (FAMT), i.e. on a record date basis;</li> <li>• The market claim instructions are created in the currency of the payment corporate action (Euro or non-Euro currency);</li> <li>• Calculation of the market claim: the quantity (in FAMT) of the original instruction is multiplied by the percentage to be paid;</li> <li>• In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (market claims) to match in T2S (common reference = T2S matching</li> </ul>

<sup>1</sup> *Instruction Owner CSD* (IOC): defined as the CSD that provides the securities accounts where the participant has sent the original instruction

Corporate action category	Corporate action type	CAEV	Description
			reference).
<b>Distribution)</b>	<b>Dividend payment</b>	<b>DVCA</b>	<b>Market claim</b> <ul style="list-style-type: none"> <li>The market claim instructions (PFoD) are created according to the rules applied for values in units (UNIT) i.e. based on trade date and ex-date (normally = record date-1);</li> <li>Calculation of the market claim - instructions on new shares: the quantity (in units) of the original instruction is multiplied by the unit value to be paid;</li> <li>If the fractions are compensated, a PFOD instruction is created; Calculation: the quantity (in units) of the fraction is multiplied by the unit value of the fraction; In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (market claims) to <i>match</i> in T2S (common reference = T2S matching reference).</li> </ul>
	<b>Capital Gains Distribution</b>	<b>CAPG</b>	
	<b>Capital Distribution</b>	<b>CAPD</b>	
	<b>Capital Reduction by Nominal Value Decrease (with payment)</b>	<b>DECR (CASH)</b>	
	<b>Share premium</b>	<b>SHPR</b>	
<b>Distribution</b>	<b>Capital increase by incorporation of reserves</b>	<b>BONU</b>	<b>Market claim</b> <ul style="list-style-type: none"> <li>The market claim instructions (FOP) are created according to the rules applied for values in units (UNIT) i.e. based on trade date and ex-date (normally = record date-1);</li> <li>Calculation of the market claim - instructions on new shares: the quantity (in units) of the original instruction is multiplied by the distribution factor;</li> <li>If the fractions are compensated, a PFOD instruction is created; Calculation: the quantity (in units) of the fraction is multiplied by the unit value of the fraction;</li> <li>In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (adjustments) to match in T2S (common reference = T2S matching reference).</li> </ul>
	<b>Rights Distribution (except if followed by a subscription event)</b>	<b>RHDI</b>	
	<b>Spin-Off</b>	<b>SOFF</b>	
	<b>Dividend in kind</b>	<b>DVSE</b>	
<b>Distribution Processed in</b>	<b>Capital increase by subscription</b>	<b>RHDI</b> (Distribution of Rights)	<b>Market claim</b> <ul style="list-style-type: none"> <li>The market claim instructions (FOP) are created according to the rules</li> </ul>

Corporate action category	Corporate action type	CAEV	Description
<p><b>Legacy</b></p>		<p><b>EXRI</b> (Exercise of Rights)</p>	<p>applied for securities in units (UNIT) i.e. based on trade date and ex-date (usually = record date-1); record date = date of detachment of rights;</p> <ul style="list-style-type: none"> <li>• Calculation of the market claim (instructions on rights): the quantity (in units) of the original (share) instruction is multiplied by the allocation factor (usually 1).</li> </ul> <p>The manual Buyer Protection <i>is</i> to be applied in accordance with the standards for the corporate actions.</p> <p>All pending transactions (unmatched and matched) on the original security (shares) with a contracted settlement date less than or equal to the rights detachment date shall remain in the system after the rights cancellation date. The respective market claim shall be made bilaterally between the buyer and seller, given that EURONEXT SECURITIES PORTO has not implemented the automatic Buyer Protection process.</p> <p>Instructions on outstanding rights in record date (RD)* are dealt with as follows:</p> <ul style="list-style-type: none"> <li>• The matched instructions (DVP), with Intended Settlement Date (ISD) less or equal to record date (RD), that are pending in record date or that match during the Market Claim Detection Period are transformed, i.e., they are cancelled and new instructions are created with the same data of the original instructions, but with quantity equal to zero. In the case of FOP operations there is no transformation, only the cancellation of pending instructions;</li> <li>• All unmatched and matched instructions pending after the end of the market claims/transformations detection period are cancelled.</li> </ul> <p>*Date of annulment of unexercised rights</p>

Corporate action category	Corporate action type	CAEV	Description
<b>Mandatory reorganization with options</b>	<b>Optional Dividend</b>	<b>DVOP</b>	<p>The manual Buyer Protection is to be applied in accordance with the standards for the corporate actions.</p> <p>For the instructions for which there is no Buyer Protection, transformation is applicable:</p> <ul style="list-style-type: none"> <li>▪ Cancellation of pending instructions on the rights ISIN;</li> <li>▪ Creation of transformed instructions according to the event's default option, keeping the characteristics of the original instructions;</li> <li>▪ In the case of domestic instructions (intra-CSD) EURONEXT SECURITIES PORTO creates settlement instructions with a common reference (equal to the matching reference of underlying trade) to enable T2S matching.</li> </ul> <p>All settlement instructions that are still pending at the end of the detection period are cancelled.</p>
<b>Mandatory Reorganization</b>	<b>Total redemption (for values registered in amount)</b>  <b>Mandatory Warrants Exercise</b>	<b>REDM</b> (total redemption at maturity)  <b>MCAL</b> (early total redemption) <b>EXWA</b>	<p><b>Transformation</b></p> <p>In the case of matched DVP and FOP instructions with ISD equal to or before record date the original instruction is cancelled and:</p> <ul style="list-style-type: none"> <li>• For DVP instructions two new instructions are generated by transformation <ul style="list-style-type: none"> <li>○ One instruction with quantity=0 and the original amount</li> <li>○ One instruction with quantity=0 against the redemption amount*</li> </ul> </li> <li>• In the case of FOP instructions a new instruction is created with quantity = 0 and an amount equivalent to the redemption amount.</li> </ul> <p>*the quantity (in FAMT) of the original instruction is multiplied by the redemption percentage to be paid.</p> <p>The information concerning the new instructions is made available:</p> <ul style="list-style-type: none"> <li>• Via STD: SLRT message, with MACH status and motive 030 ("Generated due to transformation")</li> <li>• Via SWIFT – ISO 15022: MT548 message, with :22F::STCO//TRAN and status IPRC//CGEN and reason</li> </ul>

Corporate action category	Corporate action type	CAEV	Description
			<p>code CGEN//TRAN ("Transaction has been generated due to a transformation following a Corporate Action");</p> <ul style="list-style-type: none"> <li>• Via SWIFT - ISO 20022 (for DCPs): message sese.024 with cancellation motive "CANI".</li> </ul> <p>In the case of domestic instructions (intra-CSD) EURONEXT SECURITIES PORTO creates settlement instructions with a common reference (equal to the matching reference of underlying trade) to enable T2S matching.</p>
<p><b>Mandatory Reorganization</b></p>	<p><b>Partial Redemption</b></p> <p><b>(for securities recorded in amount)</b></p>	<p><b>PRED</b> (partial redemption)</p>	<p>Since the quantity of the matched instructions does not change (due to the application of the Pool factor), there is no transformation</p> <p><b>Market claim</b></p> <ul style="list-style-type: none"> <li>• Market claim instructions are created according to the rules applied for securities in nominal amount (FAMT) i.e. based on a record date;</li> <li>• Calculation of the market claim: the amount (in FAMT) of the original instruction is multiplied by the percentage to be paid for the redemption;</li> <li>• In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (market claims) to match in T2S (common reference = T2S matching reference).</li> </ul>
<p><b>Mandatory Reorganization</b></p>	<p><b>Conversion of physical securities into book entry securities and vice versa</b></p> <p><b>Conversion of ordinary</b></p>	<p><b>CONV</b></p>	<p><b>Transformation</b></p> <ul style="list-style-type: none"> <li>• Cancellation of the instructions (unmatched and matched) in the old ISIN;</li> <li>• Creation (by transformation) of the instructions in the new ISIN, maintaining the characteristics of the original instructions cancelled (transformed);</li> <li>• In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions</li> </ul>

Corporate action category	Corporate action type	CAEV	Description
	<p><b>into preferred securities and vice versa</b></p>		<p>(transformed) to match in T2S (common reference = T2S matching reference).</p> <p>All instructions in the old ISIN that are pending at the end of the transformation detection period shall be cancelled.</p>
	<p><b>Exchange of certificates</b></p>	<p><b>PARI</b></p>	
<p><b>Mandatory Reorganization</b></p>	<p><b>Stock Split</b></p> <p>(without compensation of fractions)</p>	<p><b>SPLF</b></p>	<p><b>Transformation</b></p> <ul style="list-style-type: none"> <li>• Creation (by transformation) of the instructions, keeping the characteristics of the original cancelled (transformed) instructions, and the quantity is changed to the correct quantity;</li> <li>• In the case of domestic (intra-CSD) instructions, Euronext Securities Porto creates settlement instructions (adjustments) to match in T2S (common reference = T2S matching reference).</li> </ul> <p>All instructions in the old ISIN that are pending at the end of the transformation detection period shall be cancelled.</p>
<p><b>Mandatory Reorganization</b></p>	<p><b>Reverse Stock Split</b></p>	<p><b>SPLR</b></p>	<p><b>Transformation</b></p> <p>The matched instructions with <math>ISD \leq RD</math> are transformed:</p> <ul style="list-style-type: none"> <li>• Creation (by transformation) of the instructions, maintaining the characteristics of the original instructions, with the quantity being changed to the correct quantity;</li> <li>• If fraction compensation payments are to be made, a new PFoD instruction is created for the amount of the compensation;</li> <li>• In the case of domestic (intra-CSD) instructions, Euronext Securities Porto creates settlement instructions (adjustments) to match in T2S (common reference = T2S matching reference).</li> </ul> <p>All instructions in the old ISIN that are pending at the end of the transformation detection period shall be cancelled.</p>

Corporate action category	Corporate action type	CAEV	Description
<b>Mandatory Reorganization</b>  <b>Processed in Legacy</b>	<b>Capital Reduction by Quantity Decrease</b>	<b>DECR</b>	<b>Transformation</b> <ul style="list-style-type: none"> <li>Creation (by transformation) of the instructions, keeping the characteristics of the cancelled (transformed) instructions, and the quantity is changed to the correct quantity;</li> <li>In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (adjustments) to match in T2S (common reference = T2S matching reference).</li> </ul> <p>When the quantity is reduced to zero, all outstanding instructions at the end of the transformation detection period shall be cancelled.</p>
<b>Mandatory Reorganization</b>	<b>Merger</b>	<b>MRGR</b>	<b>Transformation</b> <ul style="list-style-type: none"> <li>Creation (by transformation) of the instructions, keeping the characteristics of the cancelled (transformed) instructions, the quantity being changed to the correct quantity;</li> <li>In the case of domestic (intra-CSD) instructions, EURONEXT SECURITIES PORTO creates settlement instructions (adjustments) to match T2S (common reference = T2S matching reference).</li> </ul> <p>All instructions in the ISIN that has been incorporated that are pending at the end of the transformation detection period are cancelled.</p>
<b>Mandatory Reorganization</b>	<b>Change of the name of the Company with change of the ISIN</b>	<b>CHAN</b>	<p>Cancellation of the pending instructions in the old ISIN;            Creation (by Transformation) of the instructions in the new ISIN, maintaining the characteristics of the original instructions cancelled (transformed).</p>
<b>Mandatory Reorganization</b>	<b>Worthless</b>	<b>WRTH</b>	<p>Creation (by transformation) of new instructions, keeping the characteristics of</p>

Corporate action category	Corporate action type	CAEV	Description
			the cancelled instructions, with the quantity being changed to zero.

#### 14.4 BUYER PROTECTION

This chapter describes the manual Buyer Protection process, as detailed by the CASG - *Corporate Actions Sub-group*, as a harmonized procedure that should be used whenever necessary.

According to the Corporate Action standards set by the *Corporate Actions Sub-Group (CASG)* of T2S, Buyer Protection is defined as follows: '*Buyer Protection is the method used so that a buyer who has acquired the right to exercise a right in an event, but does not yet hold the securities (i.e. counterparty to a transaction pending settlement), receives the outcome of its option by instructing the seller, specifying the option(s) chosen*'.

There are two ways to execute Buyer Protection that are based on an institutionalized and automatic service provided by the market infrastructure:

- The automatic protection of buyers;
- A bilateral agreement between the parties to a transaction: here the buyer's guarantee is manual.

There is no automatic buyer protection service in Portugal; therefore, it has to be done bilaterally in a manual way by the business counterparties.

The Buyer Protection applies to all eligible corporate actions where the holder of the securities must indicate to the issuer, the issuer's agent or the market infrastructure processing the event, the options to be exercised ('**EXRI**' and '**CONV**', Convertible Securities). The Buyer Protection is only applicable in the corresponding underlying settlement instruction.

EURONEXT SECURITIES PORTO only informs the main dates for the Buyer Protection:

- Guaranteed Participation Date: Last date to buy the underlying security with the right to participate in the selected corporate action;
- Buyer Protection Deadline: Last day and time when a protection instruction can be sent by the buyer to the seller;

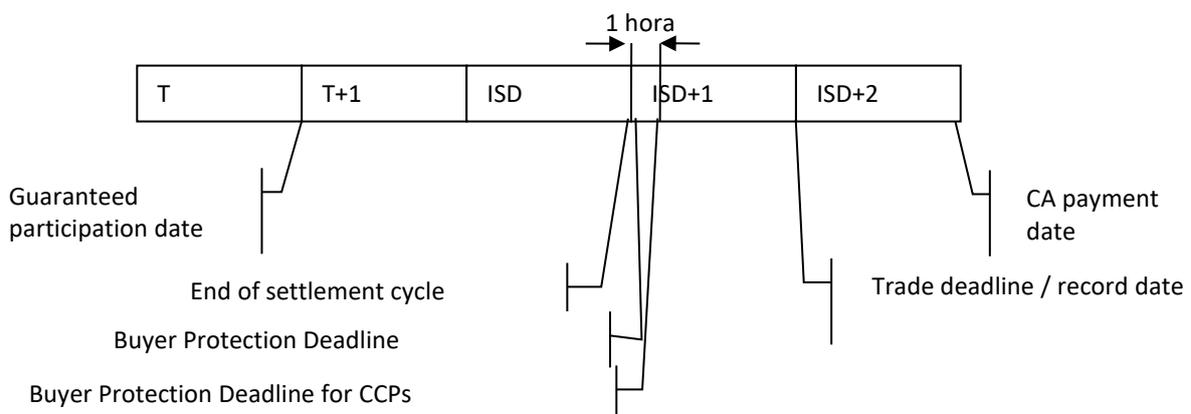
- Market Term - Date/Time: is the registration date (payment date - 1), the last day for participants to send their orders to EURONEXT SECURITIES PORTO.

### Manual Buyer Protection Procedure

In the manual Buyer Protection procedure, the buyer of a pending transaction sends the seller a Buyer Protection Instruction specifying which corporate action option to exercise. The procedures are based on the *T2S Corporate Actions Standards - Buyer Protection*, which include the following:

- The Buyer Protection process must be initiated by the buyer by sending an instruction to the seller;
- In case the Buyer does not initiate Buyer Protection, the standard rules for exercising the event apply;
- All transactions pending on the Buyer Protection deadline date relating to the target security of the event are subject to Buyer Protection;
- The seller must acknowledge receipt of the Buyer Protection Instruction;
- If the pending transaction settles before the deadline for Buyer Protection, the Buyer Protection manual instruction is void;

If the pending transaction does not settle before the cut-off date for Buyer Protection, the transaction shall be cancelled bilaterally and instructed again on the market cut-off date in accordance with the Buyer Protection instruction.



## Buyer protection instruction

In a manual process, the Buyer Protection instructions have a free format, but must contain the following information:

<p><b>Instrução <i>Buyer Protection</i> (BPI)</b></p> <p>BPI Referência Data de registo (dd-mm-yy) Designação do título ISIN Data e hora limite de negociação CA Tipo de evento (CAEV) <i>Official Corporate Action Reference</i> (COAF) CSD</p> <p><b>Detalhes do evento</b></p> <p>Opção 1 Definição da opção (definição ISO) Rácio/montante/quantidade (por ação) Indicador por defeito da opção (Y/N)</p> <p>Opção 2 ... ...</p> <p><b>Detalhes da instrução pendente</b></p> <p>Instrução 1 RVP / FOP Referência da instrução Quantidade Montante financeiro Data de negócio Data de Liquidação contratada (ISD)</p> <p>Instrução 2 ... ...</p> <p><b>Detalhes elegíveis</b></p> <p>Eleição 1 Título nominal /quantidade Referência da instrução Quantidade elegível Número de opção Montante total não elegível Resultado esperado ISIN Quantidade Montante/Stock</p> <p>Eleição 2 ... ...</p>
--

An sample form in *excel* format is available on the EURONEXT SECURITIES PORTO portal ([www.interbolsa.pt](http://www.interbolsa.pt)), which also includes instructions on how to fill it in. In a manual process, this form can be emailed to the seller, who must confirm that the buyer has received the instruction.

## **CHAPTER 15. CROSS-CSD LINKS**

### **Indirect Links with other Central Securities Depositories (CSDs)**

There are foreign securities registered at EURONEXT SECURITIES PORTO that are issued in a foreign CSD. One of the reasons for the registration of foreign securities is the admission to trading of these securities on Euronext Lisbon.

These securities are held in accounts at EURONEXT SECURITIES PORTO through indirect links with foreign CSDs, through the Interlinking Financial Intermediary (participant) model.

For control purposes, and prior to any operation to be carried out through EURONEXT SECURITIES PORTO, the securities registered in another CSD shall be registered, in the name of the interlinking participant, in an account specially opened for that purpose, called "Registration and Control Account".

The registration and control account opened at EURONEXT SECURITIES PORTO in the name of the interlinking Financial Intermediary is a mirror account of the values that are registered in an account of the foreign depository entity, with only registrations are being made in the account at EURONEXT SECURITIES PORTO.

The application must be made by the interconnection participant, who must send EURONEXT SECURITIES PORTO the following documents:

- the characteristics of the securities concerned;
- the identification of the CSD where the issue is registered;
- The identification of the foreign depository entity;
- The number of securities that will circulate in Portugal in the first instance and their distribution among the participants that are responsible for the accounts of the securities in question.

The above-mentioned registration and control account is debited and credited by EURONEXT SECURITIES PORTO, as a result of changes occurring in the number of securities in circulation in Portugal at any given moment, subject to prior information from the interlinking Financial Intermediary.

### **Direct Links with other Central Securities Depositories (CSDs)**

With T2S, a cross-border settlement agreement was implemented, with a single platform enabling the settlement of all securities belonging to CSDs that have signed such an agreement.

Furthermore, the settlement rules are the same for all CSDs. Cross-border settlement is similar to domestic settlement, using only direct links that are created for that purpose.

In accordance with the interest shown by the members of the Portuguese market, EURONEXT SECURITIES PORTO has created links with Euroclear France, Euroclear Netherlands, with NBB-SSS (Belgium) through Euroclear France and with Clearstream Banking Frankfurt (Germany) and intends to create links with the CSDs Iberclear (Spain) and Monte Titoli (Italy).

T2S distinguishes between two types of cross-border settlement transactions:

- Cross-CSD settlement: refers to cross-border settlement between participants of different CSDs that are in T2S;
- External CSD settlement: refers to cross-border settlement between participants of different CSDs, with some of the CSD(s) involved in the settlement being external to T2S.

In cross-CSD settlement, T2S automatically generates the settlement instructions related to the realignment process (between CSDs) to which the underlying settlement instructions are linked. For external CSD settlement, the realignment has to be managed outside T2S.

Details regarding the specificities of cross-border settlement, as well as the implementation of links, already established and to be established in the future between EURONEXT SECURITIES PORTO and other CSDs, are described in a specific autonomous document, available on the EURONEXT SECURITIES PORTO website ([link](#)) under "Services" / Other Services / "Links with Other CSDs".

## **CHAPTER 16. FOREIGN CURRENCY SETTLEMENT SYSTEM (SLME)**

(cf. Article 55 of INTERBOLSA Regulation No 2/2016 and INTERBOLSA Circular No 4/2016)

The main purpose of the **Foreign Currency Settlement System** (*Sistema de Liquidação em Moeda Estrangeira - SLME*) is to allow the use of currencies other than the Euro in the services provided by EURONEXT SECURITIES PORTO, namely for the payment of interest, payment of redemptions and settlement of off-market transactions.

Thus, the following operations can be settled through the SLME:

- Payment of income and redemption;
- Settlement of *non-clearable* market operations;
- Settlement of operations registered in the *Real Time* Settlement system (OTC, primary market, etc).

Settlement instructions in foreign currency that is not eligible for T2S are processed as follows:

- Physical settlement takes place in T2S, conditional on its financial settlement outside T2S;
- Payment instructions resulting from settlement by the SLME are processed by the Foreign Currency Payments System (*Sistema de Pagamentos em Moeda Estrangeira - SPME*), operated by Caixa Geral de Depósitos (CGD).

### **16.1 USABLE CURRENCIES**

The currencies usable in the SLME are all convertible currencies that can be settled in the SPME operated by CGD. Information on usable currencies is available on the EURONEXT SECURITIES PORTO website under "Services"/"Foreign Currency Settlement System" ([link](#)).

Financial amounts are always presented with the number of decimal places corresponding to the minimum transferable amount. For calculations in foreign currency, the same rounding rules are applied as for the corresponding calculations in Euros, taking into account, however, the number of decimal places usable in each currency.

Monetary amounts are recorded in the SLME and SPME with two decimal places, except for the Japanese yen (JPY), which has no decimal places.

## 16.2 SETTLEMENT

Instructions in non-T2S-eligible currency, relating to non-clearable market transactions and to transactions registered in the *Real-Time* Settlement system, are included in the T2S settlement platform directly by the DCPs or, in the case of ICPs, through the local EURONEXT SECURITIES PORTO systems with physical settlement conditional on the occurrence of financial settlement outside the T2S platform (*CoSD - Conditional Securities Deliveries*).

To this end, EURONEXT SECURITIES PORTO creates all the necessary static data parameterisation on the T2S platform so that settlement instructions in ineligible currency are detected during the validation procedures. When such instructions are detected in T2S, the securities are blocked in the securities delivery account, the delivery instruction is put on hold and a notification message is sent to EURONEXT SECURITIES PORTO, which initiates the financial settlement in foreign currency outside T2S in SPME (CGD). Once confirmation of the financial settlement is received by the SPME, EURONEXT SECURITIES PORTO sends the release of the settlement instruction to T2S and the securities, previously blocked in the 'seller' account, are unblocked and transferred to the securities account of the counterparty, the 'buyer'.

Partial settlement does not apply to settlement (blocking) constraints generated by T2S for Conditional *Securities* Delivery (CoSD); consequently, partial settlement does not apply to the settlement of instructions in ineligible currency by T2S.

In the T2S platform, Delivery versus Payment (DVP) instructions in non T2S-eligible currencies are treated as Free of Payment (FOP) instructions, regardless of their original type, being FOP or DVP, however in order to prevent instructions in non T2S-eligible currency from matching the wrong instructions (e.g. with different amounts/currencies), since the entry into Production of T2S Release 1.2 (November/2016) there are additional matching fields for FOP transactions:

- Currency;
- Amount (Settlement Amount);
- Credit/Debit indicator.

The *matching* tolerances for currencies not eligible for T2S are parameterized in the T2S platform and are available on the EURONEXT SECURITIES PORTO website under "Services"/"Foreign Currency Settlement System" ([link](#)).

In the event of insufficient provision in the accounts to be moved with the CGD, the transaction in question shall be recycled for new settlement attempts, during the same day and in the following days until it is settled or cancelled by EURONEXT SECURITIES PORTO at the request of both parties.

In the case of payment for the corporate actions and/or obligatory reorganisations with distribution of cash (e.g. redemptions), EURONEXT SECURITIES PORTO shall send to the SPME, by 9.30 a.m. WET on the date of payment, the information necessary for the settlement of payment instructions. For further information on the settlement process, please see Chapter 12 - "Settlement of Transactions - *Real Time Settlement System*" of this document.

### **16.3 SECURITIES**

The SLME allows for settlement in debt securities other than any convertible securities and Exchange-Traded Funds (ETFs).

Foreign currency securities non-eligible in T2S and debt instruments registered in nominal amounts with pool factor are treated as a group of non-clearable securities and, therefore, market or multilateral trading facility operations are not processed by CCP. Accordingly, in order to allow the settlement of these operations, Euronext discloses the necessary information to the counterparties, who are responsible for directly including the instructions in the EURONEXT SECURITIES PORTO settlement system.

### **16.4 PARTICIPANTS**

The Foreign Currency Settlement System (SLME) is available to all participants affiliated to EURONEXT SECURITIES PORTO, who directly or indirectly have access to the Foreign Currency Payments System (SPME), managed by CGD.

Participants with direct access must open an account in a currency other than the Euro with the SPME, while participants with indirect access must identify to EURONEXT SECURITIES PORTO the participant with direct access with whom they have established an agreement (attaching proof that the latter accepts that indication). The participant must also have the means and technical capacity to interact with the systems operated by EURONEXT SECURITIES PORTO and, directly or indirectly, with the SPME, operated by CGD, in order to be able to carry out transfer operations in the foreign currencies usable at any given moment in the system.

Participants must provide EURONEXT SECURITIES PORTO with, and keep updated, the following information:

- Identification of the account opened, by currency, with CGD in SPME, directly or indirectly, in the latter case through a direct participant;
- For each currency, identification of the Correspondent Bank (BIC code, as per ISO 9362) and of the foreign currency account opened with the same bank.

## **16.5 NON-COMPLIANCE WITH THE RULES FOR PARTICIPATION**

If a participant that is not a SLME participant, is responsible for a financial transaction in the system, the following procedure applies:

- a) Whenever a debit movement is involved, the system shall treat the operation as financial default (due to the non-existence of the amount to be debited and/or the account opened in the system), with immediate knowledge of the fact being given by the CGD to EURONEXT SECURITIES PORTO;
- b) In the case of a credit movement, CGD shall open a special account (*default* account) in the payment system for the credit of the amount in question, immediately informing EURONEXT SECURITIES PORTO.

The amounts credited to the *default* accounts of the participants shall be withdrawn from such accounts, as soon as possible, being EURONEXT SECURITIES PORTO responsible for the supervision of such situation.

In the case of failures due to non-compliance with the rules of participation, EURONEXT SECURITIES PORTO shall charge a penalty to the defaulting participant.

## **CHAPTER 17. INVESTMENT FUND SYSTEM (SFI)- ORDER ROUTING** (cfr. INTERBOLSA Circular no. 1/2019)

The automatic processing of subscriptions and redemptions of investment units, available through the STD, uses an order routing mechanism that allows orders entered by participants to be sent to the Depository Entity or to the Managing Entity, should this be the option, with the function of accepting/rejecting requests for subscription/redemption of their funds.

This service allows the inclusion of DVP (Delivery Free of Payment) orders (orders with a cash and securities component) and FOP (Free of Payment) orders (orders with a securities component only).

If the Managing Entity decides to be the "**Approving Entity**" for subscription and redemption requests for open-ended investment funds registered with EURONEXT SECURITIES PORTO:

- The Managing Entity has access to the files/messages of the Data Transfer System (STD) for the purpose of accepting/rejecting subscription/redemption requests for its funds as well as information regarding the monitoring of subscription/redemption requests and the distribution of the funds it manages;
- The Depository/Settlement Entity has access to the information necessary to monitor subscription and redemption requests and to perform the financial settlement of the respective subscription and redemption requests, as the financial settlement will be made in its Dedicated Cash Account (DCA), only for DVP orders.

This system applies to issues of units of open-end investment funds that adopt the form of dematerialized representation and are registered in units (UNIT), and financial settlement is carried out in Euros (EUR).

The communications infrastructure used in the routing of subscription and redemption orders is the STD - Data Transfer System.

The Depository Entity or the Managing Entity shall send to EURONEXT SECURITIES PORTO the information necessary for the functioning of the automatic processing of subscriptions and redemptions (order routing), namely the cut-off time for the acceptance of subscription and redemption orders for each fund.

### **17.1 QUANTITIES WITH DECIMALS**

The number of units, if the fund rules permit, can be specified with decimal numbers. The number of usable decimal places varies from fund to fund, and the EURONEXT SECURITIES PORTO system

supports quantities with a maximum of 5 decimal places. The presentation of quantities is made with 14 whole numbers and 5 decimal places.

## **17.2 REGISTRATION AND EXERCISE OF RIGHTS**

### **17.2.1 REGISTRATION OF ISSUES**

The registration of open-end investment fund unit issues is carried out by EURONEXT SECURITIES PORTO using the procedures defined in INTERBOLSA Regulation no. 2/2016 for securities in general. For such purpose, the Managing Entity or the entity that represents it shall send EURONEXT SECURITIES PORTO all the necessary information and EURONEXT SECURITIES PORTO shall proceed with the corresponding registration in the centralised system.

The issued capital account shall be updated during the life of the issue as a result of successive subscription and redemption movements against the securities accounts of the unit-holders.

### **17.2.2 INCOME PAYMENT**

The events of income payment from open-end fund units are processed by EURONEXT SECURITIES PORTO as described in Chapter 10 - "Corporate Actions and Other Events".

## **17.3 ORDER ROUTING**

The order routing functionality allows participants to send, using messages or files, in real time, their clients' subscription and redemption orders to the entity responsible for their acceptance and execution, the Depository Entity or Managing Entity.

This feature allows the inclusion of DVP (Delivery versus Payment) orders, involving securities and cash, and FOP (Free of Payment) orders, involving only securities.

Subscription or redemption orders may be registered indicating the number of units or the equivalent amount in the case of a DVP - Delivery versus Payment or only the number (quantity) of participation units in the case of a FOP - Free of Payment.

When a subscription or redemption order of participation units in quantity is registered, the system validates the number of decimal places indicated in the order, using the number of decimal places allowed for the issue, and rejects the order if the two are not compatible.

The order registration and routing system is available every day the EURONEXT SECURITIES PORTO services are open, during the following working hours:

Processes	Hours (WET)	Remarks
Registration of subscription and redemption requests	<b>8h30 – 16h45</b>	
<b>Cut-off time</b> (for same day processing of the orders) set by the Managing Entity or Depository Entity	Indicated by the Managing Entity or Depository Entity, and cannot be later than <b>16h45</b>	<p>Cancellation requests made after the cut-off of the day prior to settlement shall be rejected by EURONEXT SECURITIES PORTO.</p> <p>Subscription and redemption orders are sent on the same day to the Managing Entity or Depository Entity indicating the date and time of the order registration and, if the order is received after the cut-off time, the reason code "062" will be sent (request registered after the cut-off time of the investment fund); it will be up to the Managing Entity or Depository Entity to decide whether to consider the orders for that day or for the following day.</p>
Confirmation of the subscription and redemption orders by the Managing Entity or Depository Entity	<b>8h30 – 16h45</b>	<p>Confirmation or rejection of subscription or redemption orders must be sent no later than <b>11:00</b> on settlement day.</p> <p>All orders not confirmed by the Managing Entity or Depository Entity by 11:00 on settlement day shall be cancelled by EURONEXT SECURITIES PORTO. Feedback on cancellations is sent via a message with the status "CANC" (Order cancelled) and reason code "069" (Deadline for confirmation by the Managing Entity or Depository Entity expired, order cancelled).</p>

Processes	Hours (WET)	Remarks
Settlement of confirmed subscription and redemption orders	<b>12h00</b>	

### 17.3.1 ORDER ROUTING PROCESS

The following rules shall apply to the order routing process:

1. The participant may register the subscription or redemption orders on the EURONEXT SECURITIES PORTO system by sending a message (mnemonic **SFImsg**) or a file (mnemonic **SFIfile**), indicating the securities account and the intended settlement date and indicating:
  - the number (quantity) of participation units or the respective amount in the case of a DVP - Delivery versus Payment order
  - Only the number (quantity) of participation units in the case of a FOP - Free of Payment order
2. The system validates, in real time, the subscription and redemption orders as to their form and content, namely, as to the registering entity (participant), security (ISIN/CVM code), quantity (no. of decimal places) or amount, currency, securities account (in 10-digit format), settlement date and cut-off time.
3. Following the success of these validations, the orders are accepted and numbered and the Managing Entity and/or the Depository Entity, as well as the participant that made the request, receive in real time through the **SFIId/SFI** mnemonics, respectively, the information on the registration of the orders and the respective order number assigned by the system.
4. For redemption order made in quantity, the system checks whether there is a balance in the specified securities account. If there is a balance in the securities account, the order is registered and the system immediately blocks the securities in T2S (**BL29**) by sending the corresponding blocking instruction. If there is not enough securities in the securities account to satisfy the order, the Approving Entity (Depository or Managing Entity) and the participant that made the request receive, in real time, through the mnemonics **SFIId/SFI**, respectively, information about the rejection and the redemption order is not registered by the system;
5. For redemption orders in amounts, the system blocks (**BL29**) the amounts in the account upon receipt of confirmation from the Approving Entity indicating the amount

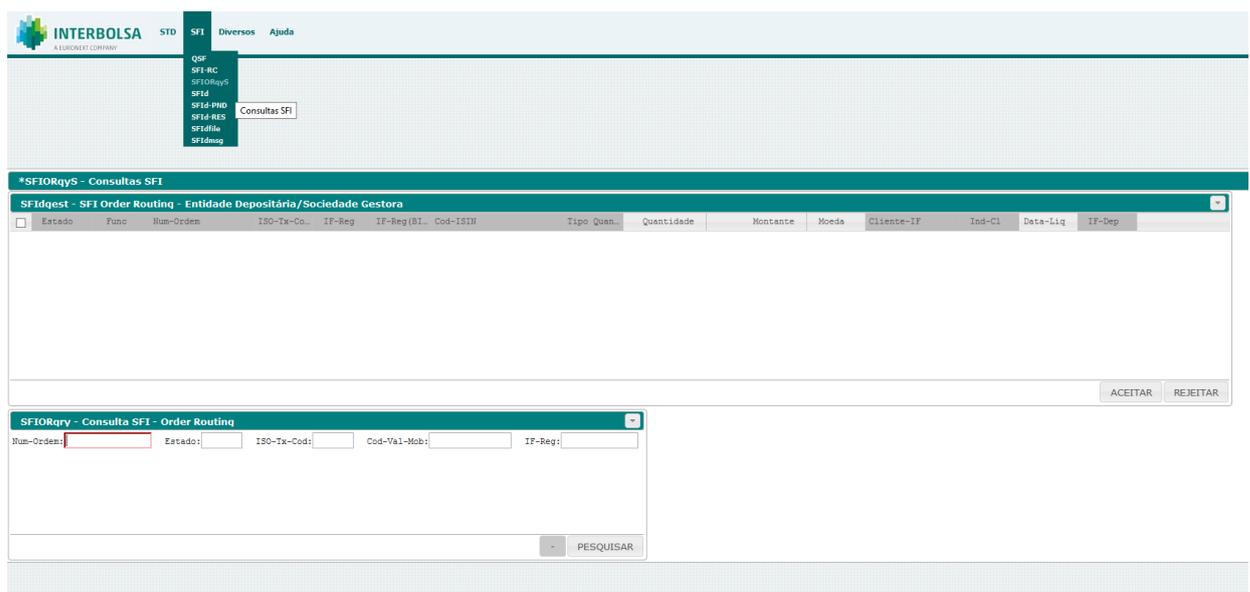
to be redeemed. If there are insufficient funds in the account, the order is rejected and the entity responsible for its execution (Depository or Managing Entity) and the participant concerned are informed, through the **SFI**/**SFI** mnemonics respectively, of the rejection and the redemption order is not registered by the system.

6. The Approving Body (Depository or Managing Entity) confirms/rejects the orders received via the STD / **SFI** menu, using the following mnemonics:

- File **SFI**file - " **Resposta SFI Entidade Depositária/Sociedade Gestora – Subscrição/Resgate** "); or
- Message **SFI**msg - " **Resposta SFI Entidade Depositária/Sociedade Gestora – Subscrição/Resgate** "); or
- Query **SFI**ORqry - " **Consulta SFI - Order Routing**" / **SFI**gest - " **SFI Order Routing – Entidade Depositária/Sociedade Gestora** ".
- The Approving Entity may send in the acceptance instruction, a settlement date and an amount to be settled different from those indicated in the participant's application.

7. In the confirmation/rejection option of subscription/redemption orders through the mnemonic **SFI**ORqry / **SFI**gest, the Depository or Management Company has to perform the following procedures:

- ✓ **Step 1 - perform the search:** if no filter is indicated, by default it lists all pending confirmation requests (**SFI**gest).



The screenshot shows the INTERBOLSA system interface. At the top, there is a navigation menu with 'SFI' selected, showing a dropdown with options: QSP, SFI-RC, SFIORqryS, SFI, SFI-PND, SFI-RES, SFIfile, and SFImsg. Below this, the main window displays the title '\*SFIORqryS - Consultas SFI' and 'SFIgest - SFI Order Routing - Entidade Depositária/Sociedade Gestora'. A table with columns for 'Estado', 'Func', 'Num-Ordem', 'ISO-Tx-Co.', 'IF-Reg', 'IF-Reg(BI)', 'Cod-ISBN', 'Tipo', 'Quan.', 'Quantidade', 'Montante', 'Moeda', 'Cliente-IF', 'Ind-Cl', 'Data-Liq', and 'IF-Dep' is visible. At the bottom, there is a search form for 'SFIORqry - Consulta SFI - Order Routing' with fields for 'Num-Ordem', 'Estado', 'ISO-Tx-Cod', 'Cod-Val-Mob', and 'IF-Reg', and a 'PESQUISAR' button.

- ✓ **Step 2 - make selection:** in the list with the pending orders for confirmation (**SFI**gest), select the orders and choose the desired option (button): : **ACEITAR** or **REJEITAR**.

- ✓ In the case of a DVP (Delivery versus Payment) order, when selecting the option **ACEITAR** the fields must be filled in:
    - "**Quantidade**" - if the subscription/redemption order has been made in "Amount": or
    - "**Montante**" e "**Moeda**" - if the subscription/redemption order has been made in "Quantity";
  - The field "**Montante**" may be changed by the Approving Entity (in the case of a DVP – Delivery versus Payment), and the "**Data-Liq**" field for both types of orders (DVP and FOP) .
8. If a subscription/redemption order is rejected by the Approving Entity, the system marks the request as 'rejected' and informs the participant thereof via the mnemonic **SFI**. The Approving Entity also receives feedback via the mnemonic **SFIId**. If a request for the redemption of blocked securities (see point 3) is rejected, these shall be immediately unblocked. Rejected orders' do not have any further processing, except for reporting.
9. A subscription/redemption order that has been accepted by the Approving Entity is marked as 'accepted' by the system and is stored in the system until the respective settlement date indicated in the request or modified by the Approving Entity. In this case, the participant receives, in real time, a confirmation of the acceptance of the order (mnemonic **SFI**) from the system. The Approving Entity also receives the confirmation information in the mnemonic **SFIId**.
- In the event that the Approving Entity has indicated a settlement date different from the date indicated in the order, the participant receives, in the confirmation message, information that the settlement date has been changed - status "CONF" and reason code "064" (Settlement Date changed by the Depository Entity/Managing Entity).
  - In the case of a DVP, if the Approving Entity has indicated an amount to be settled different from that indicated in the order, the participant receives, in the confirmation message, information that the amount has been changed - status "CONF" and reason code "063" (Amount to be settled changed by the Depository Entity / Managing Entity).
  - In the case of orders placed in quantity, the Approving Body cannot change the quantity, it can only accept or reject the quantity ordered, for both DVP and FOP orders.

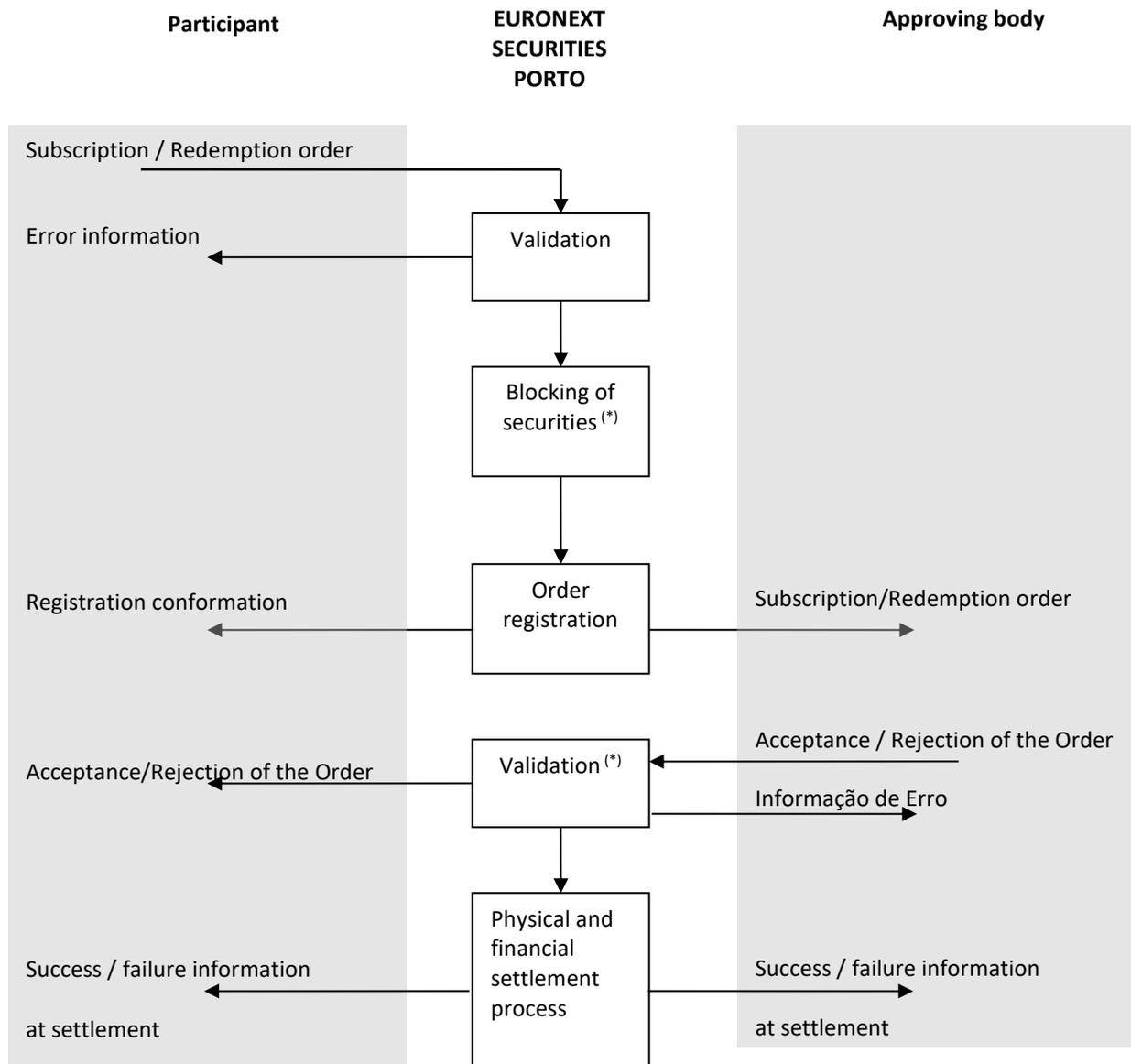
### **17.3.2 PROCESS OF CANCELLATION OF THE ORDER**

For cancellation of subscription or redemption orders the following rules apply:

1. The participant inserts the cancellation instruction into the EURONEXT SECURITIES PORTO system, identifying the number of the subscription or redemption order that he intends to cancel.
2. The system, validates the order as to its form and content and the existence of the order to be cancelled.
3. The system prepares a cancellation instruction to be sent to the Managing Entity/Depository Entity. Subsequently, the cancellation instruction is sent, in real time, through a message, sent immediately after its registration in the system (mnemonic **SFId**).
4. The cancellation is bilateral, that is, the acceptance of the cancellation order by the Approving Entity (Managing Entity/Depository Entity) is required.
5. The Approving Body may accept or reject the cancellation instruction by returning the indication of acceptance or rejection to the system, by sending a message (mnemonic SFI **SFIdmsg**) or file (mnemonic **SFIdfile**).
6. If the request to cancel an order is sent on the day before the settlement day:
  - Before the cut-off the Approving Body can still accept the cancellation on that day;
  - After the cut-off the application is rejected by EURONEXT SECURITIES PORTO and the participant receives information of this rejection from the system.
7. If the cancellation of an order is accepted by the Approving Body, the system marks the request as 'cancelled' and informs the participant thereof, in real time, via the mnemonic **SFI**. The Approving Body also receives the information via the **SFId mnemonic**. Cancelled orders' do not have any further processing, except for Reporting.
8. In case of cancellation of a redemption order, the system automatically unblocks the previously blocked units.
9. The modification of subscription/redemption orders previously accepted by the Approving Entity is not permitted. To do so, a cancellation instruction must be sent, cancelling the accepted order pending settlement (which must be accepted by the Approving Entity). Subsequently, a new subscription/redemption order must be sent to be accepted by the Approving Entity.

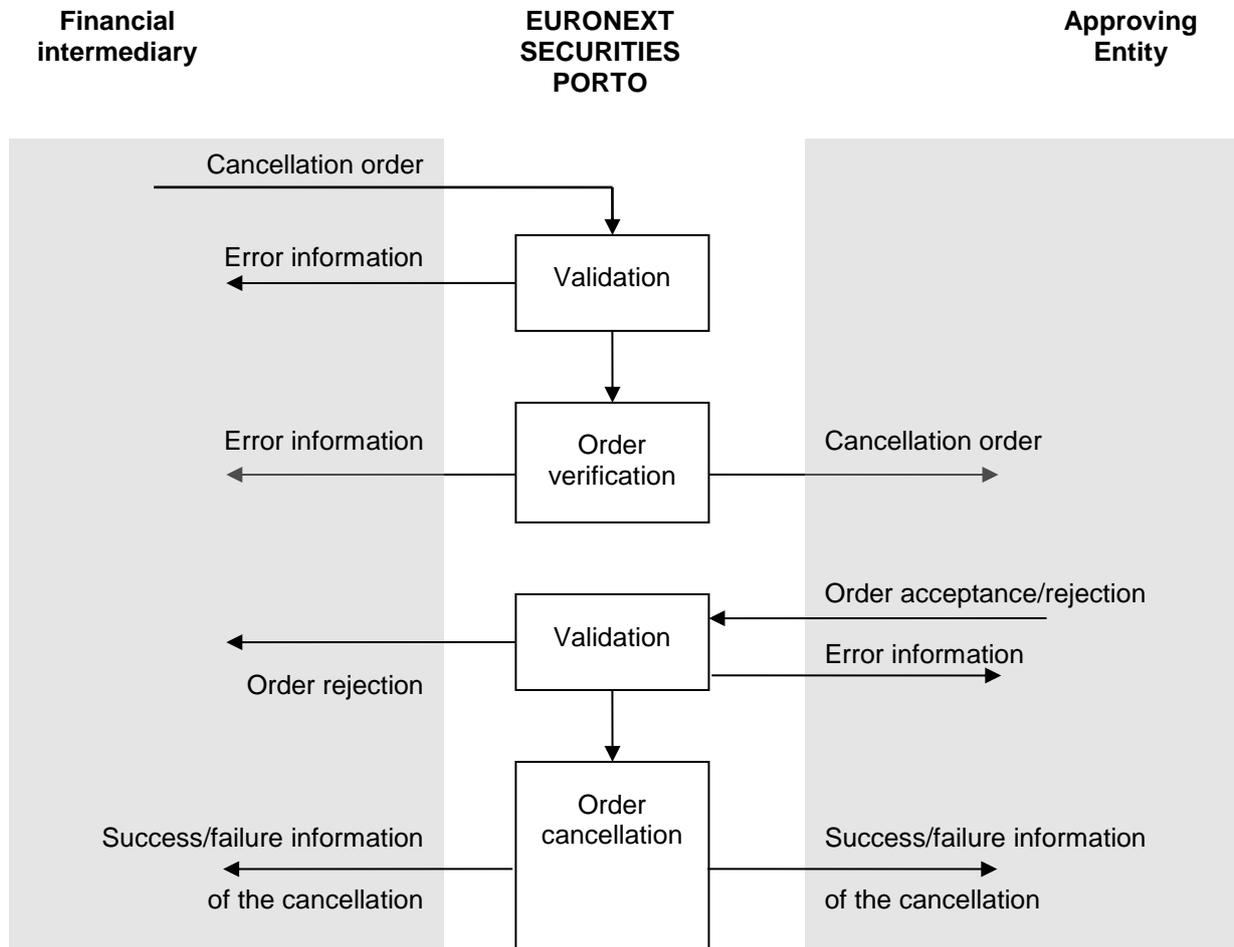
## 17.4 PROCESSING FLOW OF SUBSCRIPTION/REDEMPTION ORDERS

### Subscription and redemption order registration flow



(\*)Only in case of redemption. For redemptions in quantity, blocking will be carried out in the first instance. In the case of redemptions in amounts, the blocking will only be made after confirmation from the approving entity and indication of the amount to be redeemed.

## Flow of cancellation of subscription and redemption orders



## 17.5 SETTLEMENT OF SUBSCRIPTION AND REDEMPTION OPERATIONS

Subscription and redemption orders are settled at 12:00 WET on settlement day by sending instructions to the T2S platform.

### 17.5.1 SETTLEMENT OF INSTRUCTIONS IN RELATION TO SUBSCRIPTION OPERATIONS

1. At 12.00 WET on the settlement day are sent to T2S:
  - a. In the case of a DVP, two instructions:

- **Cash Instruction** - PFoD (Payment Free of Delivery) : debit to the participant by credit to the Depository/Settlement Entity;
  - **Securities instruction** – FOP (Delivery Free of Payment) : Credit of the units to the securities account informed by the participant;
  - The FOP instruction is linked to the PFoD instruction with a link type "AFTE" (*After*).
- b. In the case of a FOP order, only the securities instruction, mentioned above.
2. Partial settlement is not allowed (instructions are sent with partial settlement indicator **NPAR**).
3. At the end of the settlement process the Managing Entity and/or the Depository/Settlement Entity and the participant who made the request are informed of the result by messages via STD (settlement confirmation) - mnemonic **SFI** (participants) and **SFIId** (Managing Entity/Depository Entity).

### **Settlement failures**

- a) In these transactions there is no physical failure (of securities) because the units are created at the moment of settlement, after settlement of the cash instruction;
- b) For DVP orders:
- In the event of a financial failure, the payment instruction shall remain in T2S to be recycled for further settlement attempts until the DVP cut-off of the settlement day and, if it fails to settle on that day, it shall attempt to settle on the following business days;
  - The cancellation of pending instructions due to financial failure of the participant is carried out by EURONEXT SECURITIES PORTO upon request of both parties (participant and Approving Entity).

### **17.5.2 SETTLEMENT OF INSTRUCTIONS IN RELATION TO REDEMPTION OPERATIONS**

1. At 12:00 WET on the settlement day are sent to T2S:
- a. In the case of a DVP, two instructions are created:
- **Cash Instruction** – PFoD (Payment Free of Delivery) debit to the Depository/Settlement Entity by credit to the participant;

- **Securities Instruction** – FOP (Delivery Free of Payment) : debit of the units from the securities account reported by the participant (in situation BL29);
  - The FOP instruction is linked to the PFoD instruction with the link type "AFTE" (*After*).
    - b. In the case of a FOP, only the securities instruction, mentioned above.
2. Partial settlement is not allowed (instructions are sent with partial settlement indicator **NPAR**).
  3. At the end of the settlement process the Managing Entity and/or the Depository/Settlement Entity and the participant who made the request are informed of the result by messages via STD (settlement confirmation) - mnemonic **SFI** (participants) and **SFIid** (Managing Entity/Depository Entity).

### **Settlement failures**

- a) In these operations there are no physical failures (of securities) because the units are blocked upon acceptance/confirmation of the redemption order;
- b) For DVP orders:
  - In the event of a financial failure, the payment instruction shall remain in T2S to be recycled for further settlement attempts until the DVP cut-off of the settlement day and, if it fails to settle on that day, it shall attempt to settle on the following business days; The cancellation of pending instructions due to financial failure (of the Depository/Settlement Entity) shall be effective by EURONEXT SECURITIES PORTO upon the request of both parties (participant and Approving Entity).

## **17.6 INFORMATION AND QUERIES**

Files and messages are made available in real-time to participation unit holders and to the Managing Entity and/or the Depository/Settlement Entity, via the STD, which allow the monitoring of subscription and redemption orders, the acceptance/rejection, cancellation and settlement of orders.

- **"Input"** messages/files made available **to participants**:
  - **SFImsg – Subscrição/Resgate UP Fundos de Investimento** (message);
  - **SFIfile – Subscrição/Resgate UP Fundos de Investimento** (file).

- Messages/"**input**" files made available to **the Approving Entity** (Depository or Managing Entity):
  - **SFIormsg – Resposta SFI Entidade Depositária/Sociedade Gestora – Subscrição/Resgate** (message);
  - **SFIidfile – Resposta SFI Entidade Depositária/Sociedade Gestora – Subscrição/Resgate** (File);
  - **SFIORqry – Consulta SFI Order Routing**;
  - **SFIidgest – SFI Order Routing – Entidade Depositária/ Sociedade Gestora**.
  
- messages / "**Output**" files made available **to participants**:
  - During the day:
    - **SFI – Sistema de Fundos de Investimento**;
  - After the end of the settlement day:
    - **SFI-PND - Ordens de Subscrição/Resgate Pendentes Gestora** (with all subscription and redemption orders pending settlement);
    - **SFI-RES - Ordens de Subscrição/Resgate – Resumo do dia** (with all the "settled and cancelled" subscription and redemption orders on the previous settlement day);
  
- Messages/"**output**" files made available **to the Approving Entity** (Depository or Managing Entity):
  - During the day:
    - **SFIid – Sistema de Fundos de Investimento - Entidade Depositária/Sociedade Gestora**;
    - **SFIORqryS – Consultas SFI** (queries on subscriptions/redemptions) - only for the approving entity
  - After the end of the settlement day:
    - **SFIid-PND - Ordens de Subscrição/Resgate Pendentes - Entidade Depositária/Sociedade Gestora** (with all subscription and redemption orders pending settlement);
    - **SFIid-RES - Ordens de Subscrição/Resgate - Entidade Depositária/Sociedade Gestora** (with all subscription and redemption orders "settled and cancelled" on the previous settlement day);
    - **QSF - Quantidade Subscrita por Fundo e IF** (with the total quantity registered in EURONEXT SECURITIES PORTO for each fund and by participant).

If the approving entity is the Managing Entity, **the Depository/Settlement Entity** will have access to the following information, necessary to monitor the subscription and redemption requests, with a view to their financial settlement:

- **SFId - Sistema de Fundos de Investimento - Entidade Depositária/Sociedade Gestora;**
- **SFId-PND - Ordens de Subscrição/Resgate Pendentes - Entidade Depositária/Sociedade Gestora;**
- **SFId-RES - Ordens de Subscrição/Resgate - Entidade Depositária/Sociedade Gestora;**
- **QSF - Quantidade Subscrita por Fundo e IF** (with the total quantity registered in EURONEXT SECURITIES PORTO for each fund and by participant).

<b>System</b>	<b>Interface</b>	<b>Input</b>	<b>Output</b>	<b>Layouts</b>
<b>EURONEXT SECURITIES PORTO</b>	STD "SFI" menu	<b>SFImsg/SFIfile</b> <b>SFIdmsg/SFIdfile</b>	<b>SFI</b> <b>SFId</b> <b>SFI-PND</b> <b>SFId-PND</b> <b>SFI-RES</b> <b>SFId-RES</b> <b>QSF</b>	STD Manual "Annex A1".
	SWIFT - ISO 15022	-	<b>MT536</b> <b>MT537</b> <b>MT544</b> <b>MT546</b> <b>MT548</b>	"ISO 15022 messages" Manual .
<b>T2S</b>	T2S GUI	-	<b>Settlement Instructions</b>	T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	-	<b>semt.017</b> <b>semt.018</b> <b>sese.024</b> <b>sese.025</b>	T2S: UDFS - <i>User Detailed Functional Specifications</i>

## **CHAPTER 18. LENDING MANAGEMENT SYSTEM (SGE)** (cfr. INTERBOLSA Regulation no. 1/2018)

The Lending Management System (*Sistema de Gestão de Empréstimos* - SGE) is a computer platform that is intended to serve as support to a service that EURONEXT SECURITIES PORTO makes available to its participants, the Securities Lending.

This service disseminates information on the demand and supply of securities by participants in the system, confirms existing instructions between counterparties, confirms the characteristics of the loan transaction and settles the opening and closing of loan transactions.

The Lending Management system is available through the STD - Data Transfer System, and the settlement of the respective instructions is carried out on the TARGET2-*Securities* (T2S) platform.

Information concerning the confirmation of settlement instructions is also sent via ISO 15022 messages (MT545/MT547/MT548) if these have been subscribed to by participants.

### **18.1 SECURITIES**

The securities that may be the target of lending operations are the shares that are part of the PSI-20 index.

Whenever certain securities are no longer included in the PSI-20 index, the SGE no longer accepts the registration of new operations on those securities, but keeps the operations already confirmed or opened in the system, processing them normally.

### **18.2 OPERATING HOURS**

The operating hours (WET) of the SGE are as follows:

- a) 07h45 - Application of Corporate Actions in open loans (dividend compensation or cancellation);
- b) 08:30 - Beginning of registration of lending operations;
- c) 10:30 - Opening of *forward* loans and updating of collateral;
- d) 13:00 - Cycle for closing loans;
- e) 14:50 - Real-time loan opening limit (10 mins before DVP cut-off in T2S);
- f) 17:00 - End of registration of lending operations.

### **18.3 SECURITIES LENDING**

Securities lending operation is composed of two interlinked settlement transactions, opening and closing, which are executed in the system under the conditions agreed between the counterparties to the transaction or by direct registration where the participant is both the lender and the borrower (in-house book entry).

The loan conditions are agreed between the parties through the registration of instructions in the SGE. The instructions, of demand or offer of securities, are registered and disseminated through the SGE to all participants, and, if any of the participants is interested in being counterparty in the operation, it may propose its conditions, which are transmitted only to the participant that introduced the first instruction. The latter can then either accept the proposed conditions, through a confirmation operation, or ignore the proposal.

If the code of the counterparty participant is indicated in the instruction to demand or offer securities, this instruction is registered and disseminated, through the SGE, only to the participant indicated, which may propose its conditions, which will be transmitted only and exclusively to the participant that introduced the initial instruction. The latter can then either accept the proposed conditions, through a confirmation operation, or ignore the proposal.

Lending transactions shall be collateralised by the provision of an amount of cash as collateral, the initial amount of which shall be calculated on the basis of the margin agreed between the counterparties to the transaction and the value of which shall be kept up to date by means of daily calculation, with any necessary margin call or collateral call payments being processed in T2S.

### **18.4 REGISTRATION OF INSTRUCTIONS**

Participants can register instructions (bid and ask for securities), as well as manage lending and instruction operations in progress; to do so, they must send instructions, through the STD, Data Transfer System, using messages or files that are processed in real time.

Validated and registered instructions are identified by a number assigned by the system. Valid and unsatisfied instructions that are still in the system at the end of the day are automatically cancelled, in a specific processing to be performed after the closing of the SGE (after 17:00).

The maximum period allowed for the closing date of loan operations is 2 years, although the registration of operations without a closing date is allowed ("*open-end*" operations).

## 18.5 DEMAND OF SECURITIES FOR LOAN

### 18.5.1 DEMAND OF SECURITIES

The participant registers the instruction for demand of securities for lending in the system, which must contain all the compulsory information within the scope of the SGE. The participant may also indicate other contractual conditions that it considers convenient to disclose. For each securities demand instruction validated and registered in the system, information is made available to all participants, through real-time messages (public dissemination).

The information that must be included in the securities demand instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Public dissemination
Type of request	Yes	Yes
Demand instruction number	n.a	Yes
Participant code/BIC that demands securities (Borrower)	Yes	Yes
Participant code/BIC of the counterparty (Lender)	No	No <sup>1</sup>
Security identification (ISIN or CVM)	Yes	Yes
Quantity type (UNIT)	Yes	Yes
Quantity requested	Yes	Yes
Settlement account (Borrower)	Yes	No
Counterparty (Lender) settlement account <sup>2</sup>	n.a	n.a
Loan opening date	Yes	Yes
Loan closing date (not filled for open end loans)	No	Yes
Margin for the daily calculation of the collateral value ( <i>haircut</i> )	No	Yes
Minimum remuneration amount for the loan	No	Yes
Currency code (EUR)	Yes	Yes
Annual remuneration rate of the loan	No	Yes
Annual remuneration rate of the collateral	No	Yes

The demand instruction may be cancelled at any time by the participant that instructed it, and information is made available to the other SGE participants that the cancelled instruction is no

<sup>1</sup> If the security lender Participant Code field is provided in the demand instruction, the dissemination will be carried out in private mode (i.e. bilaterally).

<sup>2</sup> To be used in in-house operations only.

longer active. If, at the moment of cancellation, there are any demand-response instructions available, these shall also be cancelled.

### 18.5.2 OFFER OF SECURITIES

The participant interested in responding to a demand instruction, offering securities for lending, must register the contractual conditions it is willing to offer for the purpose. After validating the securities lending instruction, the system sends the counterparty the information on the recorded offering conditions (private dissemination). In addition to syntactically checking the data, instruction validation consists in checking the correspondence of the information in the fields indicated as being "matching" between the securities offering instruction and the securities demand instruction.

The quantity of values offered must always be equal to the quantity indicated in the demand instruction.

The information that must be included in the securities demand instruction, as well as that which may optionally be added, is set out in the table below:

Information	Mandatory	Public dissemination	Matching
Type of request	Yes	Yes	Yes
Demand instruction number	Yes	Yes	Yes
Reply instruction number	n.a.	Yes	No
Participant code/BIC of the counterparty (Borrower)	Yes	Yes	Yes
Participant code/BIC that demands securities (Lender)	Yes	Yes	No
Security identification (ISIN or CVM)	Yes	Yes	Yes
Quantity type (UNIT)	Yes	Yes	Yes
Quantity requested	Yes	Yes	No <sup>1</sup>
Settlement account (Borrower)	Yes	No	No
Counterparty (Lender) settlement account <sup>2</sup>	n.a.	n.a.	No
Loan opening date	Yes	Yes	Yes
Loan closing date (not filled in for 'open-end' loans)	No	Yes	No
Margin for daily calculation of the collateral value (haircut)	Yes	Yes	No
Minimum amount of remuneration of the loan	Yes	Yes	No
Currency code (EUR)	Yes	Yes	Yes
Annual remuneration rate of the loan	Yes	Yes	No

<sup>1</sup> At the time of response there may be divergences between the demand and the offering amounts.

<sup>2</sup> To be used *in in-house* operations only.

Information	Mandatory	Public dissemination	Matching
Annual remuneration rate of the collateral	Yes	Yes	No

The proposed offer instruction can be cancelled at any time by the instructing participant, and information is provided to the counterparty that the instruction is no longer active.

### 18.5.3 CONFIRMATION

The participant that registers the securities demand instruction in the SGE may choose, among the possible offer instructions, the one that is most interesting, agreeing with the conditions of the transaction by sending a confirmation instruction. After the confirmation instruction is validated, the information is disseminated to the counterparties and the lending operation is opened immediately (after settlement in T2S) if the loan opening date is the date of the confirmation, otherwise it is opened at a future date agreed by the parties. Since the quantity registered in the demand instruction and in the securities offer instruction must be the same, the lending transaction is generated by this quantity and a public announcement is made that the demand instruction is no longer available to the market. The remaining offering proposals registered for that securities demand shall be automatically cancelled by the system, and such information shall be disseminated to the corresponding parties.

The validation of the instruction consists, besides the syntactic check of the data, in checking that the information of the fields indicated as being "matching" between the confirmation instruction and the securities offering instruction matches.

The information that must be included in the securities demand instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Public dissemination	Matching <sup>1</sup>
Type of request	Yes	Yes	Yes
Demand instruction number	Yes	Yes	Yes
Reply instruction number	Yes	Yes	Yes
Participant code/BIC that demands securities (Borrower)	Yes	Yes	Yes
Participant code/BIC of the counterparty (Lender)	Yes	Yes	Yes
Security identification (ISIN or CVM)	Yes	Yes	Yes

<sup>1</sup> Os campos indicados nesta coluna como "Sim" são critérios de *matching* obrigatório.

Information	Mandatory	Public dissemination	Matching <sup>1</sup>
Quantity type (UNIT)	Yes	Yes	Yes
Quantity requested	Yes	Yes	Yes
Settlement account (Borrower)	n.a	n.a	Yes
Counterparty (Lender) settlement account <sup>1</sup>	Yes	Yes	Yes
Loan opening date	Yes	Yes	Yes
Loan closing date (not filled in for 'open-end' loans)	Yes	Yes	Yes
Margin for daily calculation of the collateral value (haircut)	Yes	Yes	Yes
Minimum amount of remuneration of the loan	Yes	Yes	Yes
Currency code (EUR)	Yes	Yes	Yes
Annual remuneration rate of the loan	Yes	Yes	Yes
Annual remuneration rate of the collateral	Yes	Yes	Yes

Upon confirmation, if the loan opening date is on the same day, within SGE operating hours, an 'already matched' delivery versus payment (DVP) settlement instruction is created and sent immediately to T2S. The settlement instruction allows the transfer of the securities corresponding to the loan from the available status of the lender's account (Securities Offerer) to the borrower's account (Securities Seeker) against the payment of the initial guarantee (Gi) from the borrower to the lender.

In case the opening date of the loan is in the future (forward transactions), the delivery instruction against payment (DVP) is sent to T2S at the defined opening time (10.30) on the respective opening date.

## 18.6 OFFER OF SECURITIES FOR LENDING

### 18.6.1 SECURITIES OFFER

The participant registers the instruction for the offer of securities for lending in the system, which must contain all the mandatory information within the scope of the SGE. The participant may also indicate other contractual conditions that it considers convenient to disclose.

<sup>1</sup> To be used *in in-house* operations only.

After validation of the instruction and its registration in the system, information will be made available to all participants, through messages in real time (public dissemination).

The information that must be included in the securities offer instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Public dissemination
Type of request	Yes	Yes
Offer Instruction number	n.a.	Yes
Code of the Offering Participant/BIC (Borrower)	No	No <sup>1</sup>
Counterparty Participant/BIC (Lender) code	Yes	Yes
Security code (ISIN or CSD)	Yes	Yes
Quantity type (UNIT)	Yes	Yes
Quantity offered	Yes	Yes
Counterparty settlement account <sup>2</sup> (Borrower)	n.a	n.a
Settlement account (Lender)	Yes	No
Loan opening date	Yes	Yes
Loan closing date (not filled in for 'open-end' loans)	No	Yes
Margin for daily calculation of the collateral value (haircut)	No	Yes
Minimum amount of remuneration of the loan	No	Yes
Currency code (EUR)	Yes	Yes
Annual remuneration rate of the loan	No	Yes
Annual remuneration rate of collateral	No	Yes

An offer instruction may be cancelled at any time by the participant that instructed it, with information being made available to the other participants in the SGE that the cancelled instruction is no longer active. If, at the time of cancellation, there are reply instructions to the offer in question, these will also be cancelled.

### 18.6.2 ACCEPTANCE OF SECURITIES

The participant interested in receiving securities via a loan may enter its securities borrowing instruction into the system by proposing its conditions. Once the instruction is validated, the system informs the counterparty of the proposed conditions (private dissemination). In addition to

<sup>1</sup> If the borrower Participant Code field is provided in the offer instruction, the dissemination is made in private mode (i.e. bilaterally).

<sup>2</sup> To be used in in-house operations only.

syntactically checking the data, validation of the instruction consists in checking that the information in the fields indicated as being "matching" between the borrowing instruction and the securities offering instruction matches.

The amount of securities to be received must always be equal to the amount stated in the offering instruction.

The information that must be included in the securities offer instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Private dissemination	Matching <sup>1</sup>
Type of request	Yes	Yes	Yes
Number of the offer instruction	Yes	Yes	Yes
Number of the demand instruction	n.a.	Yes	No
Participant Code/BIC of the counterparty (Borrower)	Yes	Yes	No
Participant Code/BIC of the offering (Lender)	Yes	Yes	Yes
Security code (ISIN or CSD)	Yes	Yes	Yes
Quantity type (UNIT)	Yes	Yes	Yes
Desired quantity	Yes	Yes	No <sup>2</sup>
Settlement Account (Borrower)	Yes	No	No
Settlement Account (Lender) of the counterparty <sup>3</sup>	n.a	n.a	No
Loan opening date	Yes	Yes	Yes
Loan closing date (not filled in for 'open-end' loans)	No	Yes	No
Margin for daily calculation of the collateral value (haircut)	Yes	Yes	No
Minimum amount of remuneration of the loan	Yes	Yes	No
Currency code (EUR)	Yes	Yes	Yes
Annual rate of return on the loan	Yes	Yes	No
Annual rate of return on collateral	Yes	Yes	No

The demand instruction can be cancelled at any time by the instructing participant, and information is provided to the counterparty that the instruction is no longer active.

<sup>1</sup> The fields indicated in this column as 'Yes' are mandatory matching criteria.

<sup>2</sup> At the time of the response there may be divergences between the offer and the demand quantity.

<sup>3</sup> To be used in in-house operations only.

### 18.6.3 CONFIRMATION

The offering participant can choose the most interesting among the possible demand instructions, agreeing to the conditions of the transaction by sending a confirmation instruction. After validation of the confirmation instruction, the information is disseminated to the trade counterparties and the lending transaction is opened immediately (after settlement in T2S) if the loan opening date is the date of the trade confirmation, otherwise it is opened at a future date agreed by the parties. As the quantity registered in the offer and demand instruction must be the same, the loan transaction is generated by this quantity and a public announcement is made that the instruction is no longer available to the market. The remaining demand proposals registered for that securities offer shall be automatically cancelled by the system. Information on the cancellations shall be disclosed to the corresponding parties.

The validation of the instruction consists, besides the syntactic check of the data, in checking that the information of the fields indicated as matching between the confirmation instruction and the securities demand instruction matches.

The information that must be included in the securities demand instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Private dissemination	Matching <sup>1</sup>
Type of request	Yes	Yes	Yes
Number of the offer instruction	Yes	Yes	Yes
Number of the demand instruction	Yes	Yes	Yes
Participant Code/BIC (Borrower)	Yes	Yes	Yes
Participant Code/BIC of the offering counterparty (Lender)	Yes	Yes	Yes
Security code (ISIN or CSD)	Yes	Yes	Yes
Quantity type (UNIT)	Yes	Yes	Yes
Offered quantity	Yes	Yes	Yes <sup>2</sup>
Settlement Account (Borrower) of the counterparty	n.a	n.a	Yes
Settlement account (Lender) <sup>3</sup>	Yes	Yes <sup>4</sup>	Yes
BIC Borrower/Lender	No	Yes	Yes
Margin for daily calculation of the collateral value (haircut)	Yes	Yes	Yes
Minimum amount of remuneration of the loan	Yes	Yes	Yes
Currency code (EUR)	Yes	Yes	Yes

<sup>1</sup> The fields indicated in this column as 'Yes' are mandatory matching criteria.

<sup>2</sup> The quantity field is only a matching criterion between the receiving of securities instruction and its confirmation.

<sup>3</sup> To be used in in-house operations only.

<sup>4</sup> Only the participant's own account will be shown.

Information	Mandatory	Private dissemination	Matching <sup>1</sup>
Annual remuneration rate of the loan	Yes	Yes	Yes
Annual remuneration rate of the collateral	Yes	Yes	Yes

Upon confirmation, if the loan opening date is on the same day, within SGE operating hours, an 'already matched' delivery versus payment (DVP) settlement instruction is created and sent immediately to T2S. The settlement instruction allows the transfer of the securities corresponding to the loan from the available status of the lender's account (Securities Offer) to the borrower's account (Securities Demand) against the payment of the initial guarantee (Gi) from the borrower to the lender.

If the opening date of the loan is in the future (forward transactions), the settlement instruction against payment (DVP) is sent to T2S at the defined opening time (10.30 a.m.) on the respective opening date.

## 18.7 REGISTRATION OF IN-HOUSE OPERATIONS

The registration of lending operations in which the same participant in the SGE has the functions of both counterparties (borrower and lender) may be carried out by registering in the system only one instruction with all the necessary information. These operations are not made public to the other participants in the system.

After registration, the loan transaction is generated and opened:

- (a) immediately after settlement in T2S, if the loan's opening date is the registration date;
- (b) at a future date, if the transaction is forward.

The information that must be included in the securities search instruction, as well as that which may optionally be added, is set out in the table *below*:

Information	Mandatory	Private dissemination
Type of request	Yes	Yes
Instruction number	n.a.	Yes

Information	Mandatory	Private dissemination
Code of the Participant/BIC seeking values (Borrower)	Yes	Yes
Code of the Participant/BIC offering values (Lender)	Yes	Yes
Security identification (ISIN or CVM)	Yes	Yes
Quantity type (UNIT)	Yes	Yes
Quantity requested	Yes	Yes
Settlement account (Borrower)	Yes	Yes
Settlement account (Lender)	Yes	Yes
Loan opening date	Yes	Yes
Loan closing date (not filled in for 'open-end' loans)	No	Yes
Margin for daily calculation of the collateral value (haircut)	Yes	Yes
Minimum amount of remuneration of the loan	Yes	Yes
Currency code (EUR)	Yes	Yes
Annual remuneration rate of the loan	Yes	Yes
Annual remuneration rate of the collateral	Yes	Yes

After registration and validation by the system, if the loan opening date is on the same day, within SGE operating hours, an 'already matched' delivery versus payment (DVP) settlement instruction is created and sent immediately to T2S. The settlement instruction allows the transfer of the amounts corresponding to the loan from the available status of the lender's account (Securities Offer) to the borrower's account (Securities Demand) against the payment of the initial guarantee (Gi) from the borrower to the lender, according to the information sent by the participant.

If the opening date of the loan is in the future (forward transactions), the delivery against payment (DVP) settlement instruction is sent to T2S at the defined opening time (10.30 a.m.) on the respective opening date.

## 18.8 CANCELLATION OF INSTRUCTIONS

The cancellation of the demand and offer instructions can be automatic or manual.

Unconfirmed demand and offer instructions are automatically cancelled at the end of the day in a specific processing that will take place after the end of the registration of instructions in the system (after 17:00). Automatic cancellation messages will be broadcast to the participants.

Instructions of demand and offer of securities may be cancelled at any time by the participant that entered them into the system. If the cancellation is made on an original instruction (offer or

demand) the cancellation will be publicly disseminated. If the instruction has already received a reply (awaiting confirmation), the system automatically cancels the associated reply(s) and disseminates information to the parties involved.

Once the loan transaction has been confirmed, participants may not cancel it; the only possibility is to anticipate the respective closing date.

## **18.9 LOAN TRANSACTION**

### **18.9.1 OPENING OF THE LOAN**

Loan operations are identified by a number assigned by the system at the time of confirmation. At the moment the loan is opened, according to the established schedule, a DVP settlement instruction with a reference assigned by EURONEXT SECURITIES PORTO is created and sent to T2S to be settled in real time. After validation of the instruction by T2S, a T2S reference will be assigned. Settlements related to lending transactions can then be identified through a reference assigned by EURONEXT SECURITIES PORTO and a reference assigned by T2S.

Loans are accepted with opening at a future date (forward operations), with a maximum admissible period of 20 business days. These operations will be opened in a processing cycle, which will occur at 10:30 a.m. on the respective opening date.

The loan opening operation takes place by sending a delivery versus payment (DVP) settlement instruction to T2S. The settlement is made in T2S by transferring the loan securities from the lender's account (Securities Offer) to the borrower's account (Securities Demand) against the payment of the initial collateral ( $G_i$ ) from the borrower to the lender. After validation, the instruction is immediately submitted for settlement on the platform and is settled if there are, simultaneously, amounts available on the lending FI account and cash on the borrowing FI account.

In case of physical failure (lending participant has no securities on the account for lending) or financial settlement failure (lack of cash on the borrower's cash account) the loan transaction is not opened and is cancelled by EURONEXT SECURITIES PORTO (and the settlement instructions will be cancelled in T2S).

In the case of in-house transactions, the SGE makes the calculations for the financial component and discloses them to the participant concerned, and sends the respective financial instruction to T2S.

The **value of the initial guarantee ( $G_i$ )** is calculated according to the following formula:

$$G_i = Q \times C \times (1 + M)$$

Where:

- G<sub>i</sub> - Initial guarantee ;
- Q - Quantity of securities lent;
- C - Last closing price published by Euronext Lisbon to EURONEXT SECURITIES PORTO;
- M - Agreed margin.

### **18.9.2 CLOSING OF THE LOAN**

The loan transaction is closed automatically on the specified closing date in the closing processing cycle at 13:00 by creating and sending to T2S an already matched DVP settlement instruction, where the financial component is equal to the result of netting the compensation from return to the borrower of the collateral plus the remuneration for the collateral and the payment to the lender of the remuneration for the loan. The quantity of the lent securities will be debited from the borrower securities account against the credit on the lender securities account. After validation, the settlement of the instruction takes place immediately in T2S if there are, simultaneously, securities available on the borrower's securities account and cash on the lenders cash account.

In the case of in-house transactions, the SGE makes the calculations regarding the financial component and discloses them to the participant concerned, and sends the financial instruction to T2S.

In the event of physical failure (borrower has no securities on the account to return) or financial settlement failure the loan transaction is cancelled by EURONEXT SECURITIES PORTO (and the corresponding settlement instructions will be cancelled in T2S) and the loan counterparties must close or execute the collateral outside of the SGE system.

The **remuneration of the loan** is calculated according to the following formula:

$$R = \max \{K; ((Q \times C \times T) / 360 \times P) \}$$

Where:

- R - Remuneration of the loan;
- K - Minimum required compensation;
- Q - Quantity of securities lent;
- C - Last closing price published by Euronext Lisbon to EURONEXT SECURITIES PORTO;
- T - Annual remuneration rate;

Q - Loan term in days.

The loan remuneration calculated will be the higher of the two components of the formula, i.e. if K is greater than  $(Q \times C \times T) / 360 \times P$  the K value will be used, otherwise the value given by the second component of the formula will be used.

The **collateral remuneration** is calculated according to the following formula:

$$R_g = \sum_i^n (G_i \times T_{g_i} / 360 \times P_i)$$

Where:

$R_g$  - Collateral Remuneration;

$G_i$  - Collateral required in the period;

$T_{g_i}$  - Annual remuneration rate on the collateral in place during the period;

$P_i$  - Period (in days) corresponding to the applicability of the required rate and/or collateral;

n - Total number of periods subject to calculation - (resulting from the number of changes in the required collateral and/or the collateral remuneration rate).

### 18.9.3 DAILY MARGIN CALCULATION

The value of the required collateral ( $G_E$ ) is revalued automatically every day according to the following expression

$$G_E = Q \times C \times (1 + M)$$

Where:

$G_E$  - Required collateral;

Q - Quantity of securities lent;

C - Last closing price published by Euronext Lisbon to EURONEXT SECURITIES PORTO;

M - Agreed margin.

Whenever the required collateral<sup>1</sup> exceeds the value of the collateral posted and the value of the margin call is greater than or equal to the minimum call amount<sup>2</sup>, the borrowing participant shall be required to provide a reinforcement of the collateral. This shall be done by sending a payment free of delivery (PFD) instruction to T2S: debiting the borrowing participant's cash account (DCA) and crediting the lending participant's cash account (DCA). In cases where the calculated required

<sup>1</sup> In the first phase of the project, guarantees are made in cash. In a second phase, the provision securities may be considered as collateral.

<sup>2</sup> The amount considered for the required minimum is €25.00.

collateral is lower than the collateral posted and the value of the difference is greater than or equal to the minimum required amount, a PFD instruction to credit the borrowing participant's cash account (DCA) in the amount of the difference, against a debit to the lending participant's cash account (ACD), shall be sent to T2S.

In the case of in-house transactions, the SGE shall perform the calculations for the financial component in the same manner and disclose them to the participant concerned, and send the respective PFD instruction to T2S.

## **18.10 MANAGEMENT OF OPEN TRANSACTIONS**

### **18.10.1 CHANGE OF THE LOAN CLOSING DATE**

Any of the participants involved in an open loan transaction may propose a change of the closing date of the transaction. After the alteration instruction is entered into the system, the counterparty participant is notified by the system by means of a real-time message. If the counterparty accepts the proposal, a message confirming the change will be sent to the requesting participant. Proposals that are not confirmed by **17:00** will be automatically cancelled after the system closes. If the new date coincides with the current date, the system shall close the loan early by submitting the closing operation for settlement, according to the defined schedule, in the 13:00 processing cycle.

### **18.10.2 CHANGE IN THE COLLATERAL REMUNERATION RATE**

Any of the participants involved in an open loan transaction can propose a change of the collateral remuneration rate. After the change instruction is entered into the system, the counterparty participant will be notified by sending a change confirmation message in real time. If the counterparty accepts the proposed change, a message will be sent to the proposing participant. Unconfirmed proposals shall be automatically cancelled after the system is closed, with the rate in force until then remaining unchanged.

## 18.11 CORPORATE ACTIONS TREATMENT

Whenever there is corporate action over a certain security eligible to the SGE, the system provides participants with information about this fact in advance. The system only provides information on the date and type of event to occur.

### 18.11.1 DIVIDENDS

On the payment date, the system sends a PFD instruction to T2S to compensate the dividend: debit the borrower's cash account (DCA) by an amount equal to the dividend (gross) against the credit to the lender participant's cash account (DCA).

### 18.11.2 OTHER CORPORATE ACTIONS

Given that in the current phase EURONEXT SECURITIES PORTO does not automatically compensate other income from corporate actions, the lending operations within the scope of the SGE shall be closed in advance by the participants whenever during the loan period other corporate actions resulting in an income other than dividends occur on the securities that are the object of the loan.

However, if the parties involved do not close the loan operations before the processing date of the corporate action (record date/market deadline) in the situation referred to in the previous paragraph, EURONEXT SECURITIES PORTO shall carry out the treatment, according to the type of event involved, as specified in the following table.

Corporate action	Treatment to be carried ou <sup>1</sup>
Capital reduction	Cancellation
Merger	Cancellation
Spin off	Cancellation
Change of security code	Cancellation
Conversion from physical to dematerialised securities	Cancellation
Incorporationo	No additional treatment

<sup>1</sup> Counterparties shall close or execute Collateral outside the system whenever cancellations occur on outstanding loans.

Corporate action	Treatment to be carried out <sup>1</sup>
Subscription	No additional treatment
Split	Cancellation

### 18.12 INFORMATION TO PARTICIPANTS

EURONEXT SECURITIES PORTO provides participants (Lenders and Borrowers) with a set of real-time information.

On a daily basis, in addition to the information normally provided to the participants (files and messages), information is also disclosed on the value of the collateral given and settlement liabilities for each of the operations carried out.

All information regarding registration, confirmation, settlement and cancellation or rejection of loan operations can be consulted through the STD application, **SGE** menu (mnemonics SGE, SGE-PND and SGE-RES), as well as through **ISO 15022** messages (MT545, MT547 and MT548).

### 18.13 INFORMATION FLOW

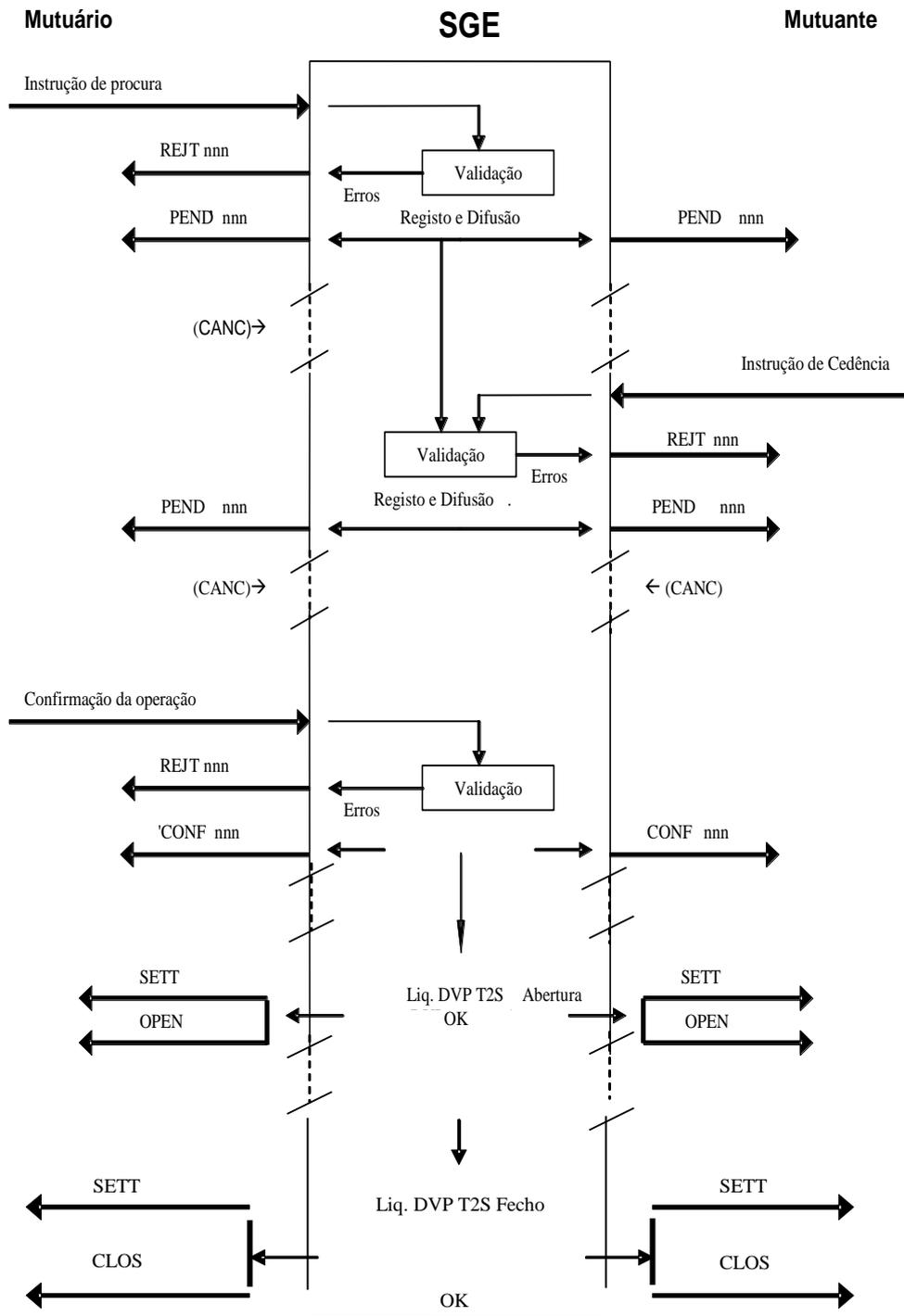
The following diagrams schematise the sequence of messages/operations received and sent during the process of processing any of the instructions/operations associated with the SGE. System feedback is provided by sending 'SGE' messages whose status and reasons codes (nnn) are specified in the diagrams that follow. The rejection messages can contain from one up to eight reasons codes, according to the summary table below, of operations that can be performed within the scope of the SGE:

Name of the operation
Registration of Instruction of Offer of securities for Loan
Registration of Instruction of Demand for securities for Loan
Opening of the Loan Transaction
Closing of the Loan Transaction

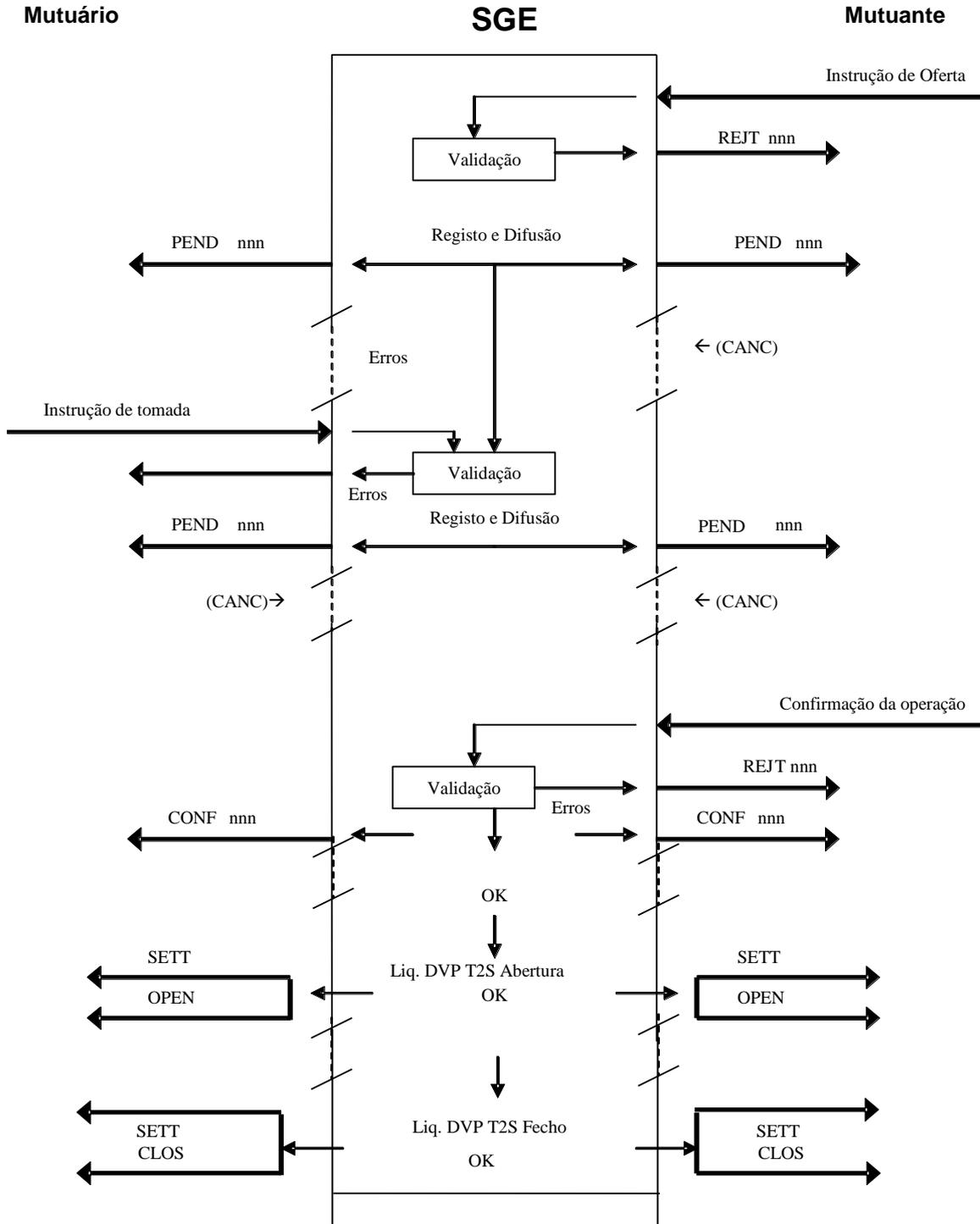
<b>Name of the operation</b>
Cancellation of Offer Instruction
Cancellation of Demand Instruction
Change in the closing date of the Loan
Change in the Remuneration Rate of the Collateral.
Operations/instruction queries (Overview + Details) - SLRTqry

The segmentation of operations presented in the diagrams that follow was carried out in accordance with the division indicated in the previous table.

### Securities Lending transaction - initiated by Demand (Borrowers).



### Securities Lending Transaction - initiated by the Offeror (Lenders)





## **CHAPTER 19. SETTLEMENT OF PUBLIC/PRIVATE OFFERINGS** (cf. Article 56 of INTERBOLSA Regulation No 2/2016)

The results of special transactions (Tender Offer, Sell Offer, Subscription Offer, Exchange Offer, etc. ) may be determined in a special market session or by the offeror/participant representing the offeror/issuing entity.

The information required by EURONEXT SECURITIES PORTO for the physical and financial settlement of orders is sent via the STD application, '**Liquidação**' menu, '**OpEspeciais**' submenu, through the "**LOEfile**" file on the agreed day (until SD-1, where SD is the Settlement Date):

- Euronext Lisbon, in the case of operations carried out in Special Market Session;
- By the offeror/participant representing the offeror/issuing entity, in the case of transactions not carried out in a Special Market Session.

### **19.1 PHYSICAL AND FINANCIAL SETTLEMENT**

These transactions are settled on participants' securities accounts and financial accounts (DCAs) on the T2S platform.

EURONEXT SECURITIES PORTO generates the corresponding settlement instructions that are sent to the T2S platform for settlement in the night-time settlement (NTS) period. Partial settlement is not allowed for these operations.

The file '**LOEfile**' must be sent by '**SD-1**' (by 14:00 WET), where **SD = Settlement Date**.

If, exceptionally, the file is sent after 14:00 WET, EURONEXT SECURITIES PORTO cannot guarantee that settlement information on pending instructions will be sent to participants.

For the settlement of special transactions, EURONEXT SECURITIES PORTO creates settlement instructions (already matched) and sends them to T2S before the end of the business day (EOD), prior to the settlement date (SD-1) - via **sese.023** messages (**ISO 20022**).

### 19.1.1 CHARACTERISTICS OF SETTLEMENT INSTRUCTIONS SENT TO T2S

Types of settlement instructions (transaction type) received by EURONEXT SECURITIES PORTO and sent to T2S:

- DVP (Delivery against payment);
- FOP (Free of payment);
- PFOD (Payment free of delivery);
- ISO Transaction Code =TRAD (Trade);
- Place of Trading: 'EXCH' if the file is sent by Euronext Lisbon or 'blank' if the file is sent by the participant;
- Settlement priority: the highest priority '**priority 1**' (reserved priority) is applied to these instructions so that they are settled before the other instructions;
- Partial settlement indicator: 'NPAR' (partial settlement not allowed);
- Opt-out indicator: 'Y' - Yes (no market claims/transformations).

### 19.1.2 SETTLEMENT

The settlement of instructions in relation to public/private offers is processed in T2S during the night-time settlement period (starting at 19.00 WET) - sequence 4.

Transactions not settled in the night-time settlement period of T2S attempt to settle again during the settlement day, in the daytime settlement period, until their full settlement or cancellation by EURONEXT SECURITIES PORTO, if necessary.

Date	Procedure
Up to "SD-1" SD - settlement date	Euronext Lisbon or the participant representing the offering issuer sends EURONEXT SECURITIES PORTO the information with the physical and financial settlement through the <b>LOEfile</b> - Special Transaction Settlement file (see <a href="#">layout in the STD manual</a> ).  EURONEXT SECURITIES PORTO validates the file, and if errors are found, these are made available through the <b>C-LOE</b> mnemonic of the STD application.
End of "SD-1"	Prior to the night-time settlement period of the settlement day, EURONEXT SECURITIES PORTO provides participants with settlement information about the instructions to be settled in the night-time settlement period in T2S via:

Date	Procedure
	<ul style="list-style-type: none"> <li>○ <b>MT537</b> (<i>Statement of Pending Transactions</i>), via SWIFT (only for participants who have previously subscribed to these messages);</li> <li>○ <b>LOE</b> message, via STD;</li> <li>○ File '<b>LOE-PND</b>', via STD;</li> <li>○ DCPs can obtain this information directly from T2S via the <b>semt.018</b> messages (<i>Securities Transaction Pending report</i>) or via the T2S GUI.</li> </ul>
In "SD"	After the night settlement period and during the Settlement day, EURONEXT SECURITIES PORTO provides settlement information to all participants, with the pending instructions, settled instructions and cancelled instructions, through the message, ' <b>LOE</b> ' via STD.
End of "SD"	<p>After the end of the day settlement processing, EURONEXT SECURITIES PORTO provides participants with settlement information, with instructions settled during the settlement day (including the night settlement period), through:</p> <ul style="list-style-type: none"> <li>○ <b>MT536</b> (<i>Statement of Transactions</i>), via SWIFT (only for participants who have previously subscribed to these messages);</li> <li>○ <b>LOE-RES</b> file and '<b>LIQ-RES</b>' file, via STD;</li> <li>○ DCPs can obtain this information directly from T2S via the <b>semt.017</b> (<i>Securities Transaction Posting Report</i>) messages or via the T2S GUI.</li> </ul>

**Note:** EURONEXT SECURITIES PORTO may, given the conditions and circumstances of the operation in question, define settlement procedures and deadlines different from those described, in coordination with the entities involved.

### 19.1.2.1 Settlement process for each type of transaction

#### **A. Takeover Bid - Public/Private Offer (OPA)**

Instructions to be sent by EURONEXT SECURITIES PORTO to T2S:

- **DVP instructions (sese.023):**
  - Debiting the securities accounts of the participants and crediting the securities account of the leading participant in the operation; and
  - Debiting the leading participant's cash account and crediting the participants' cash accounts.

## **B. IPO - Public/Private Offering (OPV)**

Instructions to be sent by EURONEXT SECURITIES PORTO to T2S:

- **DVP instructions (sese.023):**
  - Debiting the lead participant's securities account and crediting the participants' securities accounts (usually the "default" account); and
  - Debit the cash accounts of the participants and credit the cash account of the leading participant in the operation.

## **C. Public/Private Offering for Subscription (OPS)**

The instructions sent by EURONEXT SECURITIES PORTO to T2S (linked on an all-or-nothing basis - Linked Type "WITH") are:

- **FOP Instructions (sese.023):** debit the 'T2S Issuance Account' and credit the participants' securities accounts (usually the default account); and
- **PFOD instructions (sese.023):** debit the participants' cash accounts and credit the lead participant's cash account.

## **D. Public/Private Exchange Offer (OPT)**

### **1 - Exchange of securities (already existing securities) without any payment**

The instructions sent by EURONEXT SECURITIES PORTO for T2S (linked on an all-or-nothing basis - Linked Type "WITH") are:

- **FOP Instructions (sese.023):**
  - Debit the securities accounts of the participants and credit the securities account of the leading participant in the operation by the quantity of securities to be delivered (the "default" account is normally used); and
  - Debit the securities account of the leading participant in the operation and credit the securities accounts of the participants, for the quantity of receivables (the "default" account is normally used).

### **2 - Exchange of securities (the securities to be credited do not exist - new) without any payment**

The instructions sent by EURONEXT SECURITIES PORTO to T2S (linked on an all-or-nothing basis - Linked Type "*WITH*") are:

○ **FOP Instructions (sese.023):**

- Debit the securities accounts of the participants and credit the securities account of the leading participant in the operation, for the quantity of securities to be delivered (the "default" account is normally used); and
- Debiting the issue account in T2S and crediting the participants' securities accounts by the amount of the receivable (the default account is normally used).

**3 - Exchange of securities (the securities to be credited already exist) with payment**

The instructions sent by EURONEXT SECURITIES PORTO to T2S (linked on an all-or-nothing basis - Linked Type "*WITH*") are:

○ **DVP instructions (sese.023):**

- Debit the securities accounts of the participants and credit the securities account of the leading participant in the operation by the quantity of securities to be delivered (the "default" account is normally used); and
- Debit the cash account of the leading participant of the operation and credit the cash accounts of the participants for the amount to be credited.

- **FOP Instructions (sese.023):** By debiting the securities account of the participant who is the leader of the operation and crediting the securities account of the participants, by the quantity of the receivables (the "default" account is normally used).

**4 - Exchange of securities (the securities to be credited that do not exist - new) with payment**

Instructions are sent by EURONEXT SECURITIES PORTO to T2S (linked on an all-or-nothing basis - Linked Type "*WITH*"):

○ **DVP instructions (sese.023):**

- Debit the securities accounts of the participants and credit the securities account of the leading participant in the operation by the quantity of securities to be delivered (the "default" account is normally used); and
- Debit the cash account of the leading participant of the operation and credit the cash accounts of the participants for the amount to be credited.

- **FOP Instructions (sese.023):** By debiting the issue account in T2S and crediting the participants' securities account by the quantity of the receivables (the default *account* is normally used).

#### **19.1.2.2 Settlement failure**

No partial settlement shall take place.

Transactions not settled in the night-time settlement period of T2S attempt to settle again during the settlement day, in the daytime settlement period, until their full settlement or cancellation by EURONEXT SECURITIES PORTO, if necessary.

#### **19.1.2.3 Information available for consultation**

On settlement day (SD), before the night-time settlement period in T2S, EURONEXT SECURITIES PORTO provides participants with information on the settlement of the instructions to be settled:

- Via STD:
  - **'LOE'** message, available on the business day before the settlement date (around 17:00 WET), with pending instructions;
  - File **'LOE-PND'**, available at the beginning of the settlement day, with the pending instructions;
- Via SWIFT (ISO 15022): **MT537** (Statement of Pending Transactions), via SWIFT (only for those participants who have previously subscribed to these messages);
- DCPs can obtain this information directly from T2S via the **semt.018** messages (Securities Transaction Pending report) or via the T2S GUI.

After the night-time settlement period and during the daytime settlement period, EURONEXT SECURITIES PORTO provides participants with settlement information with pending instructions, settled instructions and cancelled instructions, through:

- **LOE'** message, via STD.

After the close of the day (EOD) of settlement of the transaction, EURONEXT SECURITIES PORTO provides participants with settlement information, with all instructions settled during the settlement day, through:

- **MT536** (Statement of Transactions), via SWIFT (only for those participants who have previously subscribed to these messages);
- **LOE-RES'** file **and 'LIQ-RES' file**, via STD;
- DCPs can obtain this information directly from T2S via the **semt.017** (Securities Transaction Posting Report) messages or via the T2S GUI.

System	Interface	Input	Outputs	Layouts
<b>EURONEXT SECURITIES PORTO</b>	STD "Liquidação" menu	<b>LOEfile</b>	<b>LOE</b>	STD Manual "Annex A1"
	SWIFT - ISO 15022	-	<b>MT536 MT537 MT544 MT546 MT548</b>	"ISO 15022 Messages" Manual
<b>T2S</b>	T2S GUI	-	<b>Settlement Instructions</b>	T2S: UHB - <i>User Handbook</i>
	SWIFT - ISO 20022	-	<b>semt.017 semt.018 sese.024 sese.025</b>	T2S: UDFS - <i>User Detailed Functional Specifications</i>

## **CHAPTER 20. INTERACTIVE DATA QUERY - STD**

### **20.1 INSTRUCTION QUERY**

There are three mnemonics available in the "Liquidação" menu of the STD dedicated to interactive querying of SLrt data - **SLRTqryS** [Super-mnemonic]: **SLRTqry**, **SLRTinfo** and **SLRTdet**. These mnemonics work together to allow the user to perform searches for data relating to the SLrt system.

Details of query operation and mnemonic formats are available in the STD Manual "Appendix A1".

### **20.2 QUERY OF ACCOUNT POSITIONS**

There are three mnemonics available in the STD's "MovConta" menu, dedicated to the interactive query of account position data: **POSqry** [Super-mnemonic], **POS-Q**, **POS-R** and **POS-D**. These mnemonics work together to allow the user to search for account position data.

Details of query operation and mnemonic formats are available in the STD Manual "Appendix A1".

### **20.3 QUERY OF COLLATERAL IN FAVOUR OF FGD E SII**

There are three mnemonics available in the "MovConta"/sub-menu "Garantias" of the STD, dedicated to the interactive consultation of data on securities given as guarantee/pledge to the Deposit Guarantee Fund (FGD) and the Investor Compensation Scheme (SII): **GRTqry** [Super-mnemonic], **GRT-Q** and **GRTinfo**. These mnemonics work together to enable the user to search for data on guarantees.

Details of query operation and mnemonic formats are available in the STD Manual "Appendix A1".

## 20.4 SFI QUERY - ORDER ROUTING

In the "SFI" menu of the STD, there are three menu items dedicated to the interactive consultation of subscription and redemption requests: **SFIORqryS** [Super-mnemonic], **SFIORqry** and **SFIIdgest**. This consultation is made available to the Approving Entity (Managing Entity or Depository Entity).

The three mnemonics work together allowing the Approving Entity (Managing Entity or Depository Entity) to perform searches related to subscription and redemption requests, made through the SFI - order routing.

Details of query operation and mnemonic formats are available in the STD Manual "Appendix A1".

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**CHAPTER 21. TABLES - INPUTS/OUTPUTS/OTHER**
**21.1 SUMMARY OF INPUTS/OUTPUTS**

Type of instructions	Description	STD files/messages				ISO 15022 messages				ISO 20022 messages (for DCP participants)			
		Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation
<b>Settlement instructions</b>													
<b>Settlement Instructions</b>	SLrt registration	SLRTmsg SLRTfile	SLRT	SLRT-RES SLRT-PND	MT540 MT541 MT542 MT543	MT548	MT544 MT545 MT546 MT547	MT536 MT537	sese.023	sese.024	sese.025	sem.017 sem.018	
	Registering Internal Transfers	TRFmsg TRFfile	MVI	MVI-RES MVI-PND	-	-	-	-	-	-	-	-	
	Market Instructions	-	SLRT	SLRT-RES SLRT-PND	-	MT548	MT544 MT545 MT546 MT547	MT536 MT537	-	sese.024	sese.025	sem.017 sem.018	
<b>Blocking instructions</b>													
<b>Blocking, Earmarking, Reservation</b>	Registration in the same account	TRFmsg TRFfile	MVI	MVI-RES MVI-PND	MT524	MT508	MT538	sem.013	sem.014	sem.015	sem.016 sem.034		
<b>Blocking</b>	Constitution/ Extinguishment of pledge in favour of FGD/SII	GRTmsg GRTfile	GRT	GRT-RES GRT-PND	-	MT508	MT538	-	-	sem.015	sem.016		
	Execution of pledge in favour of IBS/FGD	GRTmsg GRTfile	GRT	GRT-RES GRT-PND	-	MT548	MT544 MT546	MT536	-	sese.024	sese.025	sem.017	

Type of instructions	Description	STD files/messages				ISO 15022 messages				ISO 20022 messages (for DCP participants)			
		Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation
<b>Maintenance instructions</b>													
<b>Amendment</b>	SLrt instructions	SLRTmsg SLRTfile	SLRT	-									
	<b>Hold/Release</b>	Market Instructions	EXCHmsg EXCHfile	SLRT	-	MT530	MT548	-	sese.030	sese.031	-		
<b>Cancellation</b>	SLrt instructions	SLRTmsg SLRTfile	SLRT	SLRT-RES SLRT-PND	MT540 MT541 MT542 MT543	MT548	MT536	sese.020	sese.027	semt.033			
	Market Instructions	EXCHmsg EXCHfile	SLRT	SLRT-RES SLRT-PND									
	Internal Transfers	TRFmsg TRFfile	MVI	MVI-RES MVI-PND	MT540 MT542	MT548	MT536						
	Internal transfers (blocking, reservation, earmarking)	TRFmsg TRFfile	MVI	MVI-RES MVI-PND	MT524	MT508	MT538	sese.020	sese.027	semt.033			
<b>Allegements</b>													
<b>Allegement notification</b>	SLrt instructions	-	SLRT	SLRT-PND	-	MT578	-	-	sese.028	semt.019			
<b>Allegement exclusion</b>	SLrt instructions	-	-	-	-	-	-	-	sese.029	-			
<b>Allegement Cancellation</b>	SLrt instructions	-	SLRT	SLRT-RES	-	MT578	-	-	semt.020	-			
	Market Instructions	-	SLRT	SLRT-RES	-								
<b>Account position</b>													
<b>Account position</b>	At the end of the day	-	-	POS-EOD	-	-	-	MT535	-	-	semt.002		

Type of instructions	Description	STD files/messages				ISO 15022 messages				ISO 20022 messages (for DCP participants)			
		Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation	Oper.	State warning	Confirmation	Reconciliation
	After settlement of night-time processing in T2S	-	-	-	POS-CA	-	-	-	-	-	-	-	semt.002
<b>Valuation of securities</b>	At the end of the day	-	-	-	VM-VAL	-	-	-	-	-	-	-	-
<b>T2S Notifications</b>													
<b>Auto - collateralization</b>	Instructions generated by T2S	-	SLRT	-	-	MT548	-	-	-	-	sese.032		-
	Settlement	-	SLRT	SLRT-RES	-	MT548	MT536	-	sese.024	sese.025	semt.017		
	Release of the reversed transaction (refund) by the participant	SLRTmsg SLRTfile	SLRT	-	MT530	MT548	-	sese.030	sese.031		-		
<b>CoSD - Conditional Securities Delivery</b>	Instructions generated by T2S	-	SLRT	SLRT-RES SLRT-PND	-	MT548	-	MT536 MT537	-	sese.032		-	
<b>Settlement Instructions</b>													
<b>Settlement Instructions</b>	Registration of SFI Instruction	SFImsg SFITfile SFIdmsg SFIdfile SFIOrqryS	SFI SFId	SFI-RES SFI-PND SFId-RES SFId-PND QSF	-	-	MT544 MT545 MT546 MT547	MT536 MT537	-	sese.025	sese.025	semt.017 semt.018	
<b>Settlement Instructions</b>	Registration of SGE instructions	SGEmsg SGETfile	SGE	SGE-RES SGE-PND	-	-	MT544 MT545 MT546 MT547	MT536 MT537	-	sese.025	sese.025	semt.017 semt.018	

## 21.2 SUMMARY OF INPUTS/OUTPUTS - CORPORATE ACTIONS ON STOCKS AND GENERAL MEETINGS

### SECURITIES OTHER THAN DEBT

Event	Description	STD files/messages	ISO 15022 messages	Reports
<b>Events</b> <b>(Corporate Actions on Stocks)</b>	<u>Notification</u>	Message: "NOTEVT - Event Notification"  File: "EDC - Events to Occur"	MT564	"Event Announcement Report"
	<u>Confirmation</u>	Message: "CONF EVT - Confirmation of Events"  Message: "CORP"	MT566	"Income/Refunds Credited to.... "
	<b>Subscription</b> <ul style="list-style-type: none"> <li>- Requests</li> <li>- Orders - State</li> <li>- Subscription Requests (Accumulated)</li> <li>- Subscription and Apportionment</li> <li>- Results</li> </ul>	File/Message: ISI Message: CPS File: PSA  File: ISA  Message: "CORP"	MT565 MT567 - -	"Account Position"

### DEBT SECURITIES

Events	Description	Digital app Participants	ISO 15022 messages	
<b>Events</b> <b>(Corporate Actions on Stocks)</b>	<u>Notification</u>	Notification report  CA Monitoring screen	MT564	
	<u>Confirmation</u>	Settlement Information Report  Payment Details Monitoring	MT566	
	<b>Convertible bonds</b>  Requests  Orders - State	CA Instruction Creation CA Instructions by File upload  CA instruction Monitoring	MT565 MT567	

**GENERAL MEETINGS**

<b>General Meetings</b>	<u>Notification</u>	<u>Message: "NOTEVT - Event Notification"</u>	MT564 MT568	-

### 21.3 STD - FILES AND MESSAGES

Comments regarding the sending of files through STD:

After sending the file, a message is displayed indicating the number of records considered and the total size of the file.

- **For files that are subject to a pre-validation**, with the validation returned in the mnemonic 'CRITICAS' (e.g. DPN, FIA, etc.), the following actions are triggered:
  - If the pre-validation does not result in an error, a box is displayed indicating that the file has been pre-processed;
  - If the file contains errors, the box signals the existence of errors and the mnemonic 'CRITICAS', if it is not already open, is automatically opened for the display of the pre-validation record.
  
- **For files that are not pre-validated** the validation return is provided in the respective output mnemonic: for example, the result of the validation of the file SLRTfile is provided in the mnemonic SLRT.

Mnemonics	Description	Type	Source
<b>AIFfile</b>	Deposit of securities in certificate Form (Global Note)	<b>Input</b>	<b>Participant</b>
<b>DPIfile</b>	Deposit of securities in certificate form	<b>Input</b>	<b>Participant</b>
<b>DPN</b>	Details of the Identification of Beneficial Owners	<b>Input</b>	<b>Participant</b>
<b>EXCHmsg/EXCHfile</b>	Maintenance of Stock Exchange Instructions (message/file)	<b>Input</b>	<b>Participant</b>
<b>FIA</b>	Beneficial Owner Identification	<b>Input</b>	<b>Participant</b>
<b>GRTmsg/GRTfile</b>	Movements of collateral with Special Entities (FGD and SII) (message/file)	<b>Input</b>	<b>Participant</b>
<b>ISImsg/ISIfile</b>	Subscription Request	<b>Input</b>	<b>Participant</b>
<b>LEVfile</b>	Withdrawal of securities in certificate form	<b>Input</b>	<b>Participant</b>
<b>LOEmsg/LOEfile</b>	Settlement of Special Operations	<b>Input</b>	<b>Participant</b>
<b>RSS</b>	Result of the Subscription and surplus distribution	<b>Input</b>	<b>Issuer / Issuer's agent</b>
<b>SFImsg/SFIfile</b>	SFI Reply from Deposit Entity/ Managing Entity - Subscription/Redemption Orders	<b>Input</b>	<b>Deposit Entity/Managing Entity</b>
<b>SFImsg/SFIfile</b>	Subscription/Redemption Open End Investment Funds	<b>Input</b>	<b>Participant</b>
<b>SFIORqyS</b>	SFI Order Routing Query	<b>Input</b>	<b>Deposit Entity/Managing Entity</b>
<b>SGEmsg/SGEfile</b>	Securities Lending and Borrowing Instructions	<b>Input</b>	<b>Participant</b>
<b>SLRTmsg/SLRTfile</b>	Instructions SLrt (message/file)	<b>Input</b>	<b>Participant</b>
<b>SLRTqry</b>	SLrt Query	<b>Input</b>	<b>Participant</b>

<b>Mnemonics</b>	<b>Description</b>	<b>Type</b>	<b>Source</b>
<b>TCN</b>	Reconciliation of Account Balances	<b>Input</b>	<b>Participant</b>
<b>TRFmsg/TRFfile</b>	Internal Transfers (message/file)	<b>Input</b>	<b>Participant</b>
BR-T2S	T2S Business Rules (used in several messages and files)	Output	EURONEXT SECURITIES PORTO
<b>C-DPN</b>	Validation results of DPN file - Identification Of Beneficial Owners	Output	EURONEXT SECURITIES PORTO
<b>C-FIA</b>	Validation results of FIA - beneficial owner Identification file-validation	Output	EURONEXT SECURITIES PORTO
<b>CHECKdig</b>	Check digit calculator (Securities Account)	Output	EURONEXT SECURITIES PORTO
<b>C-LOE</b>	Validation results of the file LOEfile	Output	EURONEXT SECURITIES PORTO
<b>CONF EVT</b>	Corporate Actions Confirmation	Output	EURONEXT SECURITIES PORTO
<b>CORP</b>	Corporate Actions Monitoring	Output	EURONEXT SECURITIES PORTO
<b>CPI</b>	Corrections/Other movements done by EURONEXT SECURITIES PORTO	Output	EURONEXT SECURITIES PORTO
<b>CPS</b>	Validation results of ISI- Subscription Request	Output	EURONEXT SECURITIES PORTO
<b>CRITICAS</b>	Validation of files sent	Output	EURONEXT SECURITIES PORTO
<b>CSS</b>	Validation results of tee RSS file - Result of the Subscription Allotment	Output	EURONEXT SECURITIES PORTO
<b>CTC</b>	Validation results of the TCN file - Reconciliation of Account Balances	Output	EURONEXT SECURITIES PORTO
<b>DN</b>	Identification of the Beneficial Owners (Total)	Output	EURONEXT SECURITIES PORTO
<b>DPN-Tab</b>	Identification Of Beneficial Owner – table of errors	Output	EURONEXT SECURITIES PORTO
<b>EDC</b>	Corporate Actions Notice	Output	EURONEXT SECURITIES PORTO
<b>FIA-ACT</b>	Beneficial Owners Identification-Current	Output	EURONEXT SECURITIES PORTO
<b>GRT</b>	Collateral transfers with Special Entities	Output	EURONEXT SECURITIES PORTO
<b>GRTinfo</b>	Collateral Query - Details	Output	EURONEXT SECURITIES PORTO
<b>GRT-Q</b>	Collateral Query	Output	EURONEXT SECURITIES PORTO
<b>GRT-PND</b>	Pending collateral transfers with Special Entities	Output	EURONEXT SECURITIES PORTO
<b>GRT-RES</b>	Collateral transfers with Special Entities – Summary of the Day	Output	EURONEXT SECURITIES PORTO
<b>IDE-TIT</b>	Holder Identification-Calendar	Output	EURONEXT SECURITIES PORTO
<b>INFORM</b>	Informative Messages	Output	EURONEXT SECURITIES PORTO
<b>ISA</b>	Subscription - Result of the Surplus Allotment	Output	EURONEXT SECURITIES PORTO
<b>ISSUANC</b>	Securities Issues' Registration and Cancellation	Output	EURONEXT SECURITIES PORTO
<b>LIQ-RES</b>	Summary with all the Instructions settled on the previous settlement day	Output	EURONEXT SECURITIES PORTO
<b>LOE</b>	Settlement of Special Operations	Output	EURONEXT SECURITIES PORTO

<b>Mnemonics</b>	<b>Description</b>	<b>Type</b>	<b>Source</b>
<b>LOE-PND</b>	Pending Special Operations	Output	EURONEXT SECURITIES PORTO
<b>LOE-RES</b>	Special Operations – Summary of the Settlement Day	Output	EURONEXT SECURITIES PORTO
<b>LOG</b>	Log of the file transfer	Output	EURONEXT SECURITIES PORTO
<b>MAPAS</b>	Reports of the day	Output	EURONEXT SECURITIES PORTO
<b>MVI</b>	Internal Securities transfers	Output	EURONEXT SECURITIES PORTO
<b>MVI-PND</b>	Pending Internal Securities transfers	Output	EURONEXT SECURITIES PORTO
<b>MVI-RES</b>	<i>Internal Securities transfers – Daily Summary</i>	Output	EURONEXT SECURITIES PORTO
<b>NOTEVT</b>	Corporate Actions Notification	Output	EURONEXT SECURITIES PORTOA
<b>PNA</b>	Request for Identification of Beneficial Owners	Output	EURONEXT SECURITIES PORTO
<b>POS-CA</b>	Securities account balances after physical settlement in NTS of corporate actions	Output	EURONEXT SECURITIES PORTO
<b>POS-D</b>	Securities Balances Query – Details	Output	EURONEXT SECURITIES PORTO
<b>POS-EOD</b>	End of day Securities Balances	Output	EURONEXT SECURITIES PORTO
<b>POS-Q</b>	Securities balances Query	Output	EURONEXT SECURITIES PORTO
<b>POS-R</b>	Securities Positions Query - Summary	Output	EURONEXT SECURITIES PORTO
<b>POSZ</b>	Balances of securities not migrated to T2S	Output	EURONEXT SECURITIES PORTO
<b>PSA</b>	Subscription Requests - Accumulated	Output	EURONEXT SECURITIES PORTO
<b>PSS</b>	Subscription and Allotment Requests	Output	EURONEXT SECURITIES PORTO
<b>QSF</b>	Subscribed Quantity by Investment Fund and Participant	Output	EURONEXT SECURITIES PORTO
<b>SACs</b>	Securities Accounts	Output	EURONEXT SECURITIES PORTO
<b>SFI</b>	Investment Funds Order Routing	Output	EURONEXT SECURITIES PORTO
<b>SFIId</b>	Investment Funds Order Routing –Deposit entity/Managing Entity	Output	EURONEXT SECURITIES PORTO
<b>SFIId-PND</b>	Pending Subscription/Redemption Orders – Deposit Entity/Managing Entity	Output	EURONEXT SECURITIES PORTO
<b>SFIId-RES</b>	Subscription/Redemption Orders – Deposit Entity/Managing Entity	Output	EURONEXT SECURITIES PORTO
<b>SFI-PND</b>	Pending Subscription/Redemption Orders	Output	EURONEXT SECURITIES PORTO
<b>SFI-RC</b>	Reason codes used in the SFI and SFIId messages	Output	EURONEXT SECURITIES PORTO
<b>SFI-RES</b>	Subscription/Redemption Orders - Summary of the day	Output	EURONEXT SECURITIES PORTO
<b>SGE</b>	Securities Lending & Borrowing Management System	Output	EURONEXT SECURITIES PORTO
<b>SGE-PND</b>	Pending Securities Lending & Borrowing Orders	Output	EURONEXT SECURITIES PORTO
<b>SGE-RC</b>	Reason codes used in the SGE message	Output	EURONEXT SECURITIES PORTO

<b>Mnemonics</b>	<b>Description</b>	<b>Type</b>	<b>Source</b>
<b>SGE-RES</b>	Securities Lending & Borrowing Orders - Summary of the day	Output	EURONEXT SECURITIES PORTO
<b>SGE-SEC</b>	Eligible Securities for Lending & Borrowing	Output	EURONEXT SECURITIES PORTO
<b>SLRT</b>	Real Time Settlement System (Stock Exchange, OTC and other instructions)	Output	EURONEXT SECURITIES PORTO
<b>SLRTdet</b>	Instruction Details	Output	EURONEXT SECURITIES PORTO
<b>SLRTinfo</b>	SLrt Query Results	Output	EURONEXT SECURITIES PORTO
<b>SLRT-PND</b>	SLrt - Pending Instructions (Stock Exchange, OTC and other instructions)	Output	EURONEXT SECURITIES PORTO
<b>SLRTqry</b>	SLrt Query	Output	EURONEXT SECURITIES PORTO
<b>SLRT-RC</b>	Reason codes used in the SLRT message	Output	EURONEXT SECURITIES PORTO
<b>SLRT-RES</b>	SLrt -Daily Summary (Stock Exchange, OTC and other instructions)	Output	EURONEXT SECURITIES PORTO
<b>Tab-CP</b>	Portuguese Postal Codes - table	Output	EURONEXT SECURITIES PORTO
<b>Tab-FIA</b>	FIA Errors - table	Output	EURONEXT SECURITIES PORTO
<b>TAB-MVI</b>	MVI Error Table	Output	EURONEXT SECURITIES PORTO
<b>TPA</b>	Countries	Output	EURONEXT SECURITIES PORTO
<b>VM-LINK</b>	Authorized Securities - Links	Output	EURONEXT SECURITIES PORTO
<b>VM-SOD</b>	Securities Information - Start of Day	Output	EURONEXT SECURITIES PORTO
<b>VM-VAL</b>	Securities Information at the End of Day - Valuation of Securities	Output	EURONEXT SECURITIES PORTO
<b>WEC</b>	Autonomous Warrants (Information)	Output	EURONEXT SECURITIES PORTO

## 21.4 SWIFT ISO 15022 MESSAGES

Message	Description	Type	Sender
<b>MT508</b>	Intra-Position Advice	Output	EURONEXT SECURITIES PORTO
<b>MT524</b>	Intra-Position Instruction	<b>Input</b>	<b>Participant</b>
<b>MT530</b>	Transaction Processing Command	<b>Input</b>	<b>Participant</b>
<b>MT535</b>	Statement of Holdings	Output	EURONEXT SECURITIES PORTO
<b>MT536</b>	Statement of Transactions	Output	EURONEXT SECURITIES PORTO
<b>MT537</b>	Statement of Pending Transactions	Output	EURONEXT SECURITIES PORTO
<b>MT538</b>	Statement of Intra-Position Advices	Output	EURONEXT SECURITIES PORTO
<b>MT540</b>	Receive Free	<b>Input</b>	<b>Participant</b>
<b>MT541</b>	Receive Against Payment	<b>Input</b>	<b>Participant</b>
<b>MT542</b>	Deliver Free	<b>Input</b>	<b>Participant</b>
<b>MT543</b>	Deliver Against Payment	<b>Input</b>	<b>Participant</b>
<b>MT544</b>	Receive Free Confirmation	Output	EURONEXT SECURITIES PORTO
<b>MT545</b>	Receive Against Payment Confirmation	Output	EURONEXT SECURITIES PORTO
<b>MT546</b>	Deliver Free Confirmation	Output	EURONEXT SECURITIES PORTO
<b>MT547</b>	Deliver Against Payment Confirmation	Output	EURONEXT SECURITIES PORTO
<b>MT548</b>	Settlement Status and Processing Advice	Output	EURONEXT SECURITIES PORTO
<b>MT564</b>	Corporate Actions Notification	Output	EURONEXT SECURITIES PORTO
<b>MT565</b>	Corporate Actions Instruction	<b>Input</b>	<b>Participant</b>
<b>MT566</b>	Corporate Actions Confirmation	Output	EURONEXT SECURITIES PORTO
<b>MT567</b>	Corporate Actions Status and Processing Advice	Output	EURONEXT SECURITIES PORTO
<b>MT578</b>	Settlement Allegement	Output	EURONEXT SECURITIES PORTO
<b>MT568</b>	Corporate Action Narrative – General Meetings	Output	EURONEXT SECURITIES PORTO

## 21.5 INDIVIDUAL SUBSCRIPTION SWIFT ISO 15022 MESSAGES

Description	Messages	Input	Output
Statement of Holdings (EOD)	<b>MT535</b>		<b>X (EOD)</b>
Statement of Transactions	<b>MT536</b>		<b>X</b>
Statement of Pending Transactions	<b>MT537</b>		<b>X</b>
Statement of Intra-Position Advices	<b>MT538</b>		<b>X</b>
Settlement Status and Processing Advice	<b>MT548</b>		<b>X</b>
Settlement Allegement	<b>MT578</b>		<b>X</b>
Corporate Action Notification	<b>MT564</b>		<b>X</b>
Corporate Action Confirmation	<b>MT566</b>		<b>X</b>

**21.6 GROUP SUBSCRIPTION SWIFT ISO 15022 MESSAGES**

Description	Messages	Input	Output
Receive Free	<b>MT540</b>	<b>X</b>	
Receive Against Payment	<b>MT541</b>		
Deliver Free	<b>MT542</b>		
Deliver Against Payment	<b>MT543</b>		
Transaction Processing Command	<b>MT530</b>		
Settlement Status and Processing Advice	<b>MT548</b>		<b>X</b>
Receive Free Confirmation	<b>MT544</b>		<b>X</b>
Receive Against Payment Confirmation	<b>MT545</b>		
Deliver Free Confirmation	<b>MT546</b>		
Deliver Against Payment Confirmation	<b>MT547</b>		
Intra-Position Advice	<b>MT508</b>		<b>X</b>
Intra-Position Instruction	<b>MT524</b>	<b>X</b>	
Corporate Action Instruction	<b>MT565</b>	<b>X</b>	
Corporate Action Status and Processing Advice	<b>MT567</b>		<b>X</b>

## 21.7 SWIFT ISO 20022 MESSAGES

Message	Description	Type	Sender
<b>semt.002</b>	Securities Balance Custody Report	Output	T2S
<b>semt.013</b>	Intra Position Movement Instruction	<b>Input</b>	<b>Participant</b>
<b>semt.014</b>	Intra Position Movement Status Advice	Output	T2S
<b>semt.015</b>	Securities Settlement Restriction Confirmation	Output	T2S
<b>semt.016</b>	Intra Position Movement Posting Report	Output	T2S
<b>semt.017</b>	Securities Transaction Posting Report	Output	T2S
<b>semt.018</b>	Securities Transaction Pending report	Output	T2S
<b>semt.019</b>	Securities Settlement Transaction Allegement Report	Output	T2S
<b>semt.020</b>	Securities Message Cancellation Advice	Output	T2S
<b>semt.033</b>	Securities Transaction Cancellation Request Report	Output	T2S
<b>semt.034</b>	Intra Position Movement Pending Report	Output	T2S
<b>sese.020</b>	Securities Transaction Cancellation Request	<b>Input</b>	<b>Participant</b>
<b>sese.023</b>	Securities Settlement Transaction Instruction	<b>Input</b>	<b>Participant</b>
<b>sese.024</b>	Securities Settlement Transaction Status Advice	Output	T2S
<b>sese.025</b>	Securities Settlement Transaction Confirmation	Output	T2S
<b>sese.027</b>	Securities Transaction Cancellation Request Status Advice	Output	T2S
<b>sese.028</b>	Securities Settlement Allegement Notification	Output	T2S
<b>sese.029</b>	Securities Settlement Allegement Removal Advice	Output	T2S
<b>sese.030</b>	Securities Settlement Condition Modification Request	<b>Input</b>	<b>Participant</b>
<b>sese.031</b>	Securities Settlement Condition Modification Status Advice	Output	T2S
<b>sese.032</b>	Securities Settlement Transaction Generation Notification	Output	T2S
<b>seev.045</b>	Shareholders Identification Disclosures Request	<i>Output</i>	Euronext Securities Porto
<b>seev.046</b>	Shareholders Identification Disclosures Request Cancellation	<i>Output</i>	Euronext Securities Porto
<b>seev.047</b>	Shareholders Identification Response	<b>Input</b>	<b>Participant</b>
<b>seev.048</b>	Shareholders Identification Response Cancellation	<b>Input</b>	<b>Participant</b>
<b>seev.049</b>	Shareholders Identification Disclosures Response Status Advice	<i>Output</i>	Euronext Securities Porto

## 21.8 TABLE OF SECURITIES SITUATION ON ACCOUNT

Type	Description
AWAS	AVAILABLE
BL02	BLOCKED FOR WITHDRAWAL
BL03	BLOCKED FOR PLEDGE
BL04	BLOCKED FOR GUARANTEE
BL09	BLOCKED – VARIOUS
BL10	JUDICIAL BLOCKING
BL11	BLOCKED FOR SETTLEMENT
BL24	PLEDGE IN FAVOUR OF SII
BL25	EXECUTION OF PLEDGE IN FAVOUR OF SII
BL26	BLOCKED FOR CORPORATE ACTIONS (RIGHTS)
BL27	PLEDGE IN FAVOUR OF FGD
BL29	BLOCKED FOR REDEMPTION (PARTICIPATION UNITS)
COLL	COLLATERAL
COSP	BLOCKED FOR CONDITIONAL SECURITIES DELIVERY
EA40	EARMARKED FOT SETTLEMENT
EA43	EARMARKED FOR SECURITIES RESULTING FOM CORPORATE ACTIONS (Transfer made by EURONEXT SECURITIES PORTO)
EXXX	EARMARKED FOR AUTO-COLLATERAL (OTHER CURRENCIES)
EEUR	EARMARKED FOR AUTO-COLLATERAL (EURO)
RE35	RESERVED FOR SETTLEMENT
<b>AGGR</b>	<b>AGREGATED (Sum of all situations) AVAI + NAVL</b>
<b>AVAI</b>	<b>AVAILABLE (AWAS; EA40; EA43; EXXX; EEUR)</b>
<b>NAVL</b>	<b>NOT AVAILABLE (BL02; BL03; BL04; BL09; BL10; BL11; BL24; BL25; BL26; BL27; BL29; COLL; COSP; RE35)</b>

## GLOSSARY

**"Competent Authority – (Autoridade Competente)"** - the entity designated, pursuant to Article 11 of Regulation (EU) No 909/2014, as responsible for the authorisation and supervision of EURONEXT SECURITIES PORTO

**"Central Securities Depository Counters – (Balcões da Central de Valores Mobiliários)"**, in short **"CVM Counter" – "Balcão da Central"** - the service counter of the central vault, located in suitable geographical locations, which exclusively and solely receive and deliver securities, as well as the respective receipts and payments

**"Caixa Geral de Depósitos, S.A."** - the credit institution designated by EURONEXT SECURITIES PORTO for the provision of financial services in a currency other than the euro, inherent to the financial settlement of operations carried out through the systems managed by this managing entity

**"Central Securities Depository or, Central Securities Depositories, or for short, Central or CSD"** - EURONEXT SECURITIES PORTO under the terms defined in Regulation (EU) No 909/2014

**"Central Securities Depository Vault"** or, in short, **"Central Vault"** - an integrated set of computer and human resources which, in specially designated locations and interconnected with the central securities depository systems, provides the service of safekeeping and immobilisation of physical securities, under the terms and conditions laid down in these Rules and in any other applicable provisions

**"Static data"** - the relevant information for settlement purposes that EURONEXT SECURITIES PORTO includes and maintains in the T2S platform, relating to participants, securities held in a centralised system, securities accounts opened in the EURONEXT SECURITIES PORTO systems, cash accounts to be moved on the T2S platform

**"T2S settlement day"** means the business day on which settlement takes place in the T2S platform, according to the settlement processing hours set out in the T2S Rules and other operational documents, as well as in the EURONEXT SECURITIES PORTO Notice regarding the operating hours of its systems

**"Business day"** - the days on which the settlement systems are open, as provided for in the EURONEXT SECURITIES PORTO Notice regarding the systems' operating hours

**"Settlement Finality Directive"** - Directive 98/26/EU of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, as transposed into Portuguese law by Decree-Law 486/99 of 13 November 1999 and Decree-Law 221/2000 of 9 September 2000, as amended

**"Directly Connected Party (DCP)"** means a participant authorised by EURONEXT SECURITIES PORTO with a direct connection to the T2S platform

**"Operational Document"** means the user manuals containing operational, functional and technical specifications relating to the services provided through the EURONEXT SECURITIES PORTO systems issued by this management entity, as well as those issued by the Eurosystem in relation to T2S Rules

**"Eurosystem"** means the central banking system of the euro area. The Eurosystem comprises the European Central Bank and the national central banks of the EU Member States which participate in the euro area, i.e. which have adopted the euro as their currency

**"Indirectly Connected Party (ICP)"** means a participant connected to the T2S platform indirectly via the EURONEXT SECURITIES PORTO systems

**"Institution Providing Custody Services"** - the entity appointed by EURONEXT SECURITIES PORTO for the provision of securities safekeeping services

**"Settlement Instructions"** - the transfer orders to be settled in the EURONEXT SECURITIES PORTO settlement systems, through the T2S platform

**"Matching"** means the process used to compare the details of settlement instructions included by participants to ensure that both parties agree on the relevant terms of the transaction

**"Participant"** - the entity authorized, under the terms of the specific regulations of EURONEXT SECURITIES PORTO, to participate in the systems and services provided by EURONEXT SECURITIES PORTO, in accordance and in compliance with the rules established for the operation of such systems and services; for the purposes of these Regulations and the associated Circulars and notices, it is understood that the term participant does not include issuers with values registered in the systems managed by EURONEXT SECURITIES PORTO, and whenever the rules are applicable to issuers, express mention is made therein

**"Target Participant"** - the participant in the EURONEXT SECURITIES PORTO systems that is in charge of the account to which the securities are intended to be transferred

**"Origin participant"** means the participant on whose account the securities to be transferred are registered

**"T2S Rules"** means the technical and functional documents issued by the Eurosystem, which constitute the relevant documents relating to the operational and technical operation of the T2S platform, namely the *User Requirements Documents* (URDs) and the *User Detailed Functional Specifications* (UDFS) and subsequent amendments thereto, which are available on the European Central Bank's website (key documents) at

<http://www.ecb.europa.eu/paym/t2s/about/keydocs/html/index.en.html>

**"Regulation (EU) No 909/2014"** - the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and

on central securities depositories (CSDs) and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012

**"settlement service"** means the service provided by EURONEXT SECURITIES PORTO through the T2S platform, which allows the settlement in euro, or another central bank currency accepted by the platform, of securities instructions; it also includes the service provided by EURONEXT SECURITIES PORTO through the Foreign Currency Settlement system, which allows the settlement in a currency other than euro not supported by the T2S platform, of securities instructions

**"Systems"** - the settlement systems and centralized securities systems managed by EURONEXT SECURITIES PORTO

**"TARGET2 (T2)"** - the real-time gross settlement system for payments in euro of the Eurosystem, based on a single shared platform enabling settlement in central bank money; TARGET2 is legally composed of a number of decentralised components per country, harmonised in all that does not conflict with any national legislative impossibility. In Portugal, the system is formalised in Banco de Portugal Instruction No 54/2012, which regulates the TARGET2-PT system

**"TARGET2-Securities (T2S)"** means the technical platform set up by the Eurosystem for the provision of securities settlement services to CSDs and, through CSDs, to CSD participants in central bank money

**"T2S Framework Agreement"** means the agreement, including its annexes forming an integral part thereof, signed between EURONEXT SECURITIES PORTO and the Eurosystem governing the provision of securities settlement services in central bank money, as published on the ECB's website (key documents) at <http://www.ecb.europa.eu/paym/t2s>