
Operational Notice

27 July 2020

ON_32/2020

T2S Corporate Actions Standards - Adaptation to “Trasformations Standard 3”.

For the attention of: ICPs and DCPs

**Re: T2S Corporate Actions - Adaptation of the Italian market to CASG
Standard 3 on Transformations – Go Live 21 September 2020**

Dear Client,

With reference to the status of ‘non-compliance’ with the T2S “Transformations Standard 3” assigned to the Italian market following the latest compliance monitoring conducted in 2019, we inform you that Monte Titoli will comply with the said standard as of 21 September 2020 in order to regain compliant status as requested by the European Central Bank in a recent letter to the Italian National Stakeholder Group.

Specifically, for ‘EXRI CHOS’ events with the ‘LAPS’ default option whose rights settlement transactions remain unsettled right at the end of the exercise period and to which no Buyer Protection has been applied, Monte Titoli currently generates a transformation in the opposite direction to the original trade. Consequently, when the original security expires, the countervalue of the failed transaction goes from the seller to the buyer, contrary to “Trasformations Standard 3”, which dictates for the crediting of the countervalue in favour of the selling party.

The adaptation described above was also subject to detailed technical analysis by the PTPC Custody Round Table, which was in favour of its application.

Please use the following contact address for any additional information:

Direct Custody

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