
Market Notice

6th September 2017
MN_65/2017

Monte Titoli extends the Investor CSD service to T2S with direct coverage of the Spanish market

For the attention of: DCPs, ICPs
Priority: MEDIUM
Re: INVESTOR CSD SERVICES

Dear Client,

We are pleased to announce that as of 18 September 2017, with the Final Wave migration, Monte Titoli will extend its offer to the T2S markets, leveraging its direct relationship with the Spanish domestic depository to complete its coverage of all financial instruments, shares as well as corporate and government bonds.

This market will be added to the Austrian, Belgian, French, Greek, Dutch, Swiss and German markets where Monte Titoli already provides custody, settlement, asset servicing and tax services. Clients of Monte Titoli will therefore have access to the major T2S area markets via a single entry point, with the same connection methods, harmonised procedures and competitive cut-off procedures.

The main details of the Spanish market services are set out below and the updated Country Profile of the Spanish market is available at the following [link](#).

Your Relationship Manager can provide further information:

Sales team

Email: Salesteam@lseg.com

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London
Stock Exchange Group

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Changes to Spanish market operability valid as of 18 September 2018

ACCOUNTS STRUCTURE

Iberclear will unify its ARCO (share) and CADE (bonds) platforms in ARCO: Monte Titoli will therefore maintain a single account with the central depository (IBRCMOTIITMMXX000000001OMEX0000001) for the management of all types of securities.

Commencing from Wednesday 13 September, Monte Titoli will transfer the Spanish corporate bonds currently held in Euroclear Bank to Iberclear.

Further details will be provided in a subsequent Market Notice.

CUSTODY

Clients will benefit from a general improvement in cut-off times thanks to the management of Corporate Actions for all types of Spanish securities directly through Iberclear in its capacity as a CSD Issuer, without further intermediaries.

SETTLEMENT

An initial benefit arising from the migration, which will result in Iberclear being an Internal CSD in T2S in the same manner as Monte Titoli, will be the abandonment of the current system of exclusively FOP unmatched settlement operations in favour of DVP regulation in EUR with no pre-positioning and with a matching obligation, according to the cross-CSD mode standard in T2S.

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With the transfer to Iberclear of Spanish securities currently held at Euroclear Bank, the securities may also be used as Collateral in the Central Bank.

In addition, Monte Titoli will not require its Clients to disclose information on the second-tier beneficiary of any transaction performed on Spanish equities, as the communication to the Spanish CSD will be limited to top-tier information.

TAX SERVICES

Monte Titoli will offer immediate refund and quick refund services FOR bonds.

A quick refund service will also be introduced for shares.

CORPORATE ACTIONS ON FLOW

The Spanish market has no specific procedures for the Corporate Actions on Flow process, which will therefore be handled by the standard procedures already in place for cross-CSD settlement to other CSDs within T2S. In particular, market claims, where they arise, will be processed gross.

OPERATIONAL DOCUMENTS

The updated operational documentation ('Tablemat') is available on the [page of the 'Cross-border' section of the Monte Titoli website](#) dedicated to Spain.

For further information, please contact the following offices according to the area concerned:

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