
Operational Notice

19 February 2019
ON_13/2019

Migration of assets held in Clearstream Banking Luxembourg to Euroclear Bank

For the attention of: **DCPs, ICPs**
Re: **CROSS-BORDER
SETTLEMENT
INTERNATIONAL
CUSTODY**

Dear Client,

Further to Market Notice [04/2019](#), please find below the details and schedule for the migration in question, together with some operational information that could have an impact on the operations of participants and/or their clients and requires careful attention..

1. Data migration

The migration will take place on Monday 18 March 2019. As of that date, all operations on the assets concerned will be entirely performed through Euroclear Bank, including the centralisation of new foreign financial instruments which Monte Titoli holds through the International CSDs.

2. Asset migration by Monte Titoli

The process of transferring the assets held by Monte Titoli, on behalf of its clients, from Clearstream Banking will commence at the opening of the business day on 18 March 2019 and will be settled, same day, with the new depository. The transfer process is completely automated and fully replicates the operating standards established by T2S for external instructions.

Participants are not affected by the migration, therefore no action is required from them at this stage.



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3. Settlement instructions given by participants that are pending on the migration date

The following sections set out some important operational aspects arising from the Monte Titoli migration that participants are required to consider.

- A. Already matched Instructions with an ISD prior to the migration date but not yet settled by close of business on 15 March 2019 must be cancelled by the counterparties and entered *ex novo* within the Euroclear settlement system.
- B. Instructions entered into the system but not matched by 15 March 2019 will be deleted by Monte Titoli and must be entered *ex novo* by participants, indicating the new Euroclear settlement system.
- C. delivery instructions given by participants with a settlement date on 18 March, Euroclear as the Place of Settlement, and concerning ISINs affected by the migration will be settled immediately after the settlement of the transfers ordered by Monte Titoli for the migration.

4. Tax Service

The tax refund service, aiming to grant participants to obtain a better tax treatment, will continue to be provided with the new depository as of the date of migration. Applications that have already been correctly entered into CBL will be finalised by Monte Titoli with the latter depository.

5. Migration of securities subject to 'Voluntary' or 'Mandatory with choice' Corporate Actions

Financial instruments which are subject to Voluntary and Mandatory Corporate Actions at the time of the migration, and which provide for the blocking of securities, will be migrated by Monte Titoli at a later stage, after the related processing is concluded. Monte Titoli will promptly post a list of the ISINs involved and the operations concerned on MT-X.

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6. Operating summary

The following table summarises the main operational aspects of the migration:

Accounts involved	85077 21891	Monte Titoli c/o CBL Monte Titoli c/o EB
EB settlement system code	"18"	
Date of migration	18.03 TD 18.03 SD	From the opening of the business day
Settlement instructions	Already entered and not matched by 15 March close of business	Cancelled on the initiative of Monte Titoli The instruction must be entered <i>ex-novo</i> with Euroclear Bank as Place of Settlement
	Securities deliveries already entered and matched by 15 March with a preceding settlement date but in <i>fail</i>	Bilateral cancellation by the counterparties to the transaction. The instruction must be entered <i>ex-novo</i> with Euroclear Bank as Place of Settlement
	Securities receipts already entered and matched by 15 March with a preceding settlement date but in <i>fail</i>	Bilateral cancellation by the counterparties to the transaction. Instructions that are not cancelled by participants will be settled in CBL. Monte Titoli will transfer the new positions from CBL to EB through mark-up operations.
Transfer of ISINs which are the subject of "Voluntary" and "Mandatory with choice" corporate actions on the date of migration.	The ISINs will be transferred by Monte Titoli after the processing of the Corporate Action is concluded.	<i>Please refer to the</i> list of securities

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7. Monitoring of activities following migration

Operating offices and Account Managers will be available for any support or other requirements as usual, and to assist in the operations with the new international depository, which have ensured the same level of service as in the past.

Monte Titoli will publish and constantly update the lists of financial instruments and corporate events concerned, making available to participants - in the document section of the MT-X platform - all the relevant information, which participants are kindly asked to forward to their clients.

For further information, please contact

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