

ECSDA	FBE	Notes	DELIVERABLES	"Country" adherence / current status against	Proposed Implementation Plan	Barriers to implementation	Actors Responsible	Proposed Implementation Date/Next Milestone
<i>This column shows the ECSDA standards for distributions and is for information only.</i>	<i>This column shows the ECSDA standards for distributions and is for information only.</i>		<i>This column shows the deliverables ALL markets should introduce. The deliverables are joint ECSDA and ECSDA deliverables based on their standards</i>	<i>This column should provide a textual overview of the current situation in the relevant market. Text should be in red if the deliverable is not met and green if met.</i>	<i>This column should include the proposed date by which implementation of the standard should occur</i>	<i>This column includes any barriers to that deliverable (incl..)</i>	<i>This column should reflect those who are responsible in the local market for implementing the deliverable</i>	<i>This column should provide an easy reference to the current progress of the implementation. Shaded green should include the work "Met" if the standard is met at the start of the process (July 1 2006) or should include the date in which the deliverable was subsequently implemented. If an implementation has been agreed the cell should be orange and the set date included. If no agreed date has been set a red shading should be used.</i>
<b>Announcements</b> Agree but no specific standard					<b>Announcements</b>			
11 All issuers whose securities are held via a (I)CSD must ensure their primary (I)CSD is informed of the official details of a corporate event, at a minimum, as soon as the announcement has been made. This includes any official intention, change or confirmation of an event.	D.1 Requirements in terms of information and distribution mechanisms should be harmonised in the medium term in Europe for the various key stakeholders in the notification chain (issuers, CSDs, custodians) starting from the issuer announcement.  D.2 The issuer (or his agent) should publish details of the event at the minimum in electronic format (e.g. website) on a non-discriminatory basis and as soon as possible on the day of the announcement. The issuer (or his agent) should make available a summary of the event details at least in English.  The issuer (or his agent) should also inform immediately the relevant CSD of the dividend / interest information in formatted form defined and used by the industry such as the ISO 6166 and ISO 15022/20022 standards.		1. All issuers whose securities are held via a (I)CSD must ensure their primary (I)CSD is informed of the official details of a corporate event, at a minimum, as soon as the announcement has been made. This includes any official intention, change or confirmation of an event.	e.g. The CSD is informed via fax as soon as the announcement is made and then publishes it to its clients in electronic form				eg Met
12 This must be by using formatted electronic messaging from the issuer at least throughout the chain of intermediaries.	Clear European liability rules determining responsibilities should be established for communication from the issuer through to other parties on the event announcement.	Liability rests with the party that provides the information in the first instance. Note : Liability to be discussed, but point if	2. Information from issuers (or his agent) to the (I)CSD should be done in formatted form defined and used by the industry such as the ISO 6166 and ISO 15022/20022 standards.	e.g. The CSD and issuers are waiting for the ISO standards for issuers to be completed before implementing this deliverable	e.g. to be met by end 2007		e.g. CSD, issuer agent community.	
15 In case of non-formatted text on the announcement by the issuer (or its agent) the announcement should include a translation into English.			3. In case of non-formatted text on the announcement by the issuer (or its agent) the announcement should include a translation into English.	e.g. Issuers and their agents have agreed to implement this by end of Q1 2007.	e.g. to be met by end 2007		e.g. Issuers and their agents	e.g. Q1 2007
	IPD2 For floating rate instruments, the payable rate should be confirmed as soon as possible and no later than 3 business days prior to Payment Date;	English summary is for the publication on the website, not for the structured feed. ?? Intention, confirmation included (to check ECSDA)	4. At the same time, issuers should make the information available to all and at a minimum on a website including a summary of the event at least in English.	e.g. Although not met at the time of the first gap analysis this has now been implemented in the market	e.g. to be met by end 2006		e.g. Listing authority and issuers	eg August 2006
13 At a minimum announcements should be made three days before ex date for distributions			5. At a minimum announcements should be made the earlier of three days before ex date for distributions or 5 days before Record Date. 6. For floating rate instruments, the payable rate should be confirmed as soon as possible and no later than 3 business days prior to Payment Date 7. Liability rests with the party that provides the information in the first instance.	e.g. The majority are today but company bonds are only announced 2 days before record date.	e.g. to be met by end 2006		e.g. regulators, exchange and issuers	e.g. Q3 2006
14 All (I)CSDs receiving this information should make the information available, without undue delay of receipt from the issuer, at a minimum to all their participants (including other SSS) who have a direct holding or pending transaction in the corporate action security within the CSD at the time of the announcement. The announcement should also be made available to any participant who obtains a new holding or is subject to a new transaction that will be affected by the event. The announcement should be formatted and transmitted electronically in an agreed standard.	D.3 The CSD must inform its participants of the official details of the event as communicated by the issuer under the following conditions:  • CSD should inform at least participants that have holdings or any pending transactions impacted by the event.  • CSD should continuously inform the participants of any subsequent information on the event.  • When the payment is made by the CSD and inside the CSD, the CSD should also provide payment confirmation. • When the payment is made by the paying agent or the issuer within the CSD, confirmation should be provided by the CSD or the paying agent. • Communication should be made in electronic format using industry standards (ISO 6166 and ISO 15022 / 20022). Paper communication should be eliminated in the medium term as the legal requirement for paper is eliminated. • The CSD announcement should be made as soon as possible following the issuer announcement. • Clear liability rules determining responsibilities are needed for the announcements and the payment confirmations made by the CSD to its participants.	CSD to discuss payment confirmation - Liabilities about SLA	8. All (I)CSDs receiving this information should make the information available, without undue delay of receipt from the issuer, at a minimum to all their participants (including other SSS) who have a direct holding or pending transaction in the corporate action security within the CSD at the time of the announcement  9. (I) CSD should continuously inform the participants of any subsequent information on the event.  10. The announcement should also be made available to any participant who obtains a new holding or is subject to a new transaction that will be affected by the event.  11. • Communication should be made in electronic format using industry standards (ISO 6166 and ISO 15022 / 20022). Paper communication should be eliminated in the medium term as the legal requirement for paper is  12. There should be clear transparency between service providers and their clients on liability rules.  13. If a reversal of an event is necessary, an announcement should be made by the (I)CSD prior to processing and all aspects of the event should be reversed.					
If a reversal of an event is necessary, an announcement should be made prior to processing and all aspects of the event should be reversed.								



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18 For cash distributions, the ex date should be n business days before the record date, where n is one day less than the settlement cycle. <i>i.e. For a T+3 market the ex date should be 2 days prior to record date.</i>	A.7 The record date comes after the ex date and is determined on the basis of the normal settlement cycle for the instrument concerned. The record date should be the ex date minus 1 business day + the length of the settlement period.		26. The gap between the ex and record dates for cash distributions is defined by the settlement cycle so that the ex and record dates are n business days apart, where n is one day less than the trading cycle.					
19 For stock distributions the ex date should be n business days before the record date, where n is one day less than the settlement cycle			27. The gap between the ex and record dates for stock distributions is defined by the settlement cycle so that the ex and record dates are n business days apart, where n is one day less than the trading cycle.					
20 Payment date should be as close to record date as possible, preferably the next working day.	A.12 For equal treatment of investors and reduction of risk, the payment date should be as soon as possible after the record date, and ideally be the day after record date		28. Payment date should be as close to record date as possible, preferably the next working day.					
	IPA3 As the payment date for interest payments is already determined in the terms and conditions of the debt instruments, the record date needs to be adapted to the payment date. The record date must be as close as possible and be moved to Payment Date - 1.							
	IPA4 An explicit payment date should be set by the issuer as part of the terms and conditions of the issuance.							
21 The issuer should be responsible for setting and announcing the ex date, record date and payment date. When necessary, the issuer should set these dates with its primary exchange and/or its primary (I)CSD.	A.3 The ex date must be set by the issuer (in co-ordination with the exchange)	FESE to provide definition of primary Exchange Def	29. The ex date must be announced by the issuer (in co-ordination with the exchange)					
	A.6 In order to minimise claims, an explicit record date should be set by the issuer (Issuer model) or, in markets where the issuer does not set a record date, by the primary CSD (primary CSD defined as per ECSDA terminology).	ECSDA to provide definition of primary (I)CSD.	30. An explicit record date should be announced by the issuer (Issuer model) or, in markets where the issuer does not set a record date, by the primary CSD (primary CSD defined as per ECSDA terminology).					
	A.4 By default OTC transactions follow the ex date definition (i.e. are ex dividend if the trade date is on or after the ex date). In OTC transactions, counterparties may still agree on special dividend arrangements. However, such specific arrangements, when deviating from the market standards, may not automatically be supported in the processing further down the chain. This will lead to exception processing and ultimately are likely to bear extra costs for the counterparties.							
	A.8 In case of multiple listings, Issuer and Exchanges must liaise to enforce the application of the rules listed above in order to ensure a coherent situation across markets.		31. The dates for a distribution should be the same in all countries.					
	A.9 In cases where the issue is eligible in more than one CSD, Issuer and CSDs must liaise to enforce the application of the rules listed above in order to ensure a coherent situation across markets.							
	IPA8							
22 The dates for a distribution should be the same in all countries.	A.13 The payment date should be the same in all countries.	All dates should be the same in all countries						
	IPA6 The payment date should be the same in all countries and the record date should be the same in all countries. However in case of a (national) holiday, the actual payment will take place on the next business day.	no problem with next payment date						
ECSDA feel this is an issue for FBE so do not feel it appropriate to have a similar standard	A.14 The value date applied to clients is a SLA (Service Level Agreement) issue between the clients and their account servicing institution.		32. The value date applied to clients is a SLA (Service Level Agreement) issue between the clients and their account servicing institution.					
	IPA7							
23 Settlement cycles should be harmonised across Europe	A.10 Since trading/settlement cycles are not harmonised yet, the cycle determining the ex/record date time lag should be the one of the primary exchange. In the longer term, the settlement cycle for similar instruments should be harmonised (see Barrier 6: Settlement periods for all equity markets within the EU should be harmonised).	leave it to the exchange	33. Settlement cycles should be harmonised across Europe					
	IP E1 All debt instruments should be quoted as percentage prices;	not yet discussed at ECSDA	34. All debt instruments should be quoted as percentage prices;					
	IP E2 As some debt instruments have been issued in unit amounts, harmonisation should be done over time as existing instruments are redeemed and no new instruments should be issued and listed in units							
<b>Resources</b>					<b>Resources</b>			
24 All mandatory cash distributions should be in cash and not coupons.	C.1 Securities in Europe should be totally dematerialised and therefore distribution of dividends should be made in cash only.	what matter is cash only, demat helps, so are equivalent measures. Deliverables is getting rid of coupons.	35. All mandatory cash distributions should be in cash and not coupons.					
	IPC1							
	C.2 During the transition period towards dematerialisation, the creation of interim securities related to mandatory cash dividends should be gradually removed.							
	IPC2 During the transition period towards dematerialisation, the creation of interim securities related to interest payments should be gradually removed. The impact of the disappearance of coupon (e.g. on reconciliation procedure, commission system,...) should be studied attentively and discussed with the various actors of each local market.							
	C.3 When used, these existing interim securities should have a proper and valid ISIN.		36. When used during a transition period, these existing interim securities should have a proper and valid ISIN.					
	IPC3							
25 All market claims associated with cash distributions should be in cash and not coupons	C.4 However, any claims should be made in cash only and not in interim securities.		37. All market claims associated with cash distributions should be in cash and not coupons					
<b>Processing</b>					<b>Processing</b>			

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<p>26 For financial instruments held within an SSS, all cash relating to corporate actions and market claims should have the default of being distributed via the SSS system.</p>	<p>B.1 IPB4 The payment from the issuer or his agent to the financial intermediaries should be made in central bank money where possible (regardless of the settlement model used, integrated or interfaced model).</p> <p>B.2 IPB2 Final and irrevocable payments must be made on payment date by the issuer or his paying agent. The issuer or his paying agent should make payments as early as possible and before noon at the latest.</p> <p>Final and irrevocable payments must be made on payment date by the issuer or his paying agent. The issuer or his paying agent should make payments as early as possible and before noon (midday) at the latest and preferably immediately after opening of the payment system.</p> <p>B.3 IPB3 Non electronic forms of payments such as cheques should be gradually eliminated as they create inefficiencies (extra costs, extra delays, risk of theft, money laundering) for both the issuer and the final investor.</p> <p>IPB4 The payment from the paying agent/CSD is to be made in the original payment currency defined in the terms and conditions of the issue.</p> <p>IP F1 * Classical Repo: a claim is raised in case of outstanding Repo when the interest is paid. * Sell/buy back / buy/sell back: Buy / Sell Backs are traded as normal purchases or sales without any connection between the two transactions. If the coupon date falls between the purchase and the sale, no retrocession is made between the CSD or the counterparties. The practice is that the coupon is included in the calculation of the return leg when the Buy / Sell Back is negotiated.</p> <p>IPF2 * There is no benefit of blocking positions prior to payment date for interest</p> <p>IPF3 * It is necessary to establish clear liability of information (paying agent) about default and/or finality of payment. * Issuer (or its paying agent) should make payments as early as possible and before noon at the latest. If the payment does not take place prior to that time, the issuer/paying agent should inform of the reasons of the non-payment.</p>	<p>Note : from issuer to CSD members, payment in Central Bank money for local currency payments; payment outside CSD or CSD members to their clients can in commercial bank money or payment in foreign currencies.</p> <p>note: when possible.</p> <p>note : should be in the claims environment</p> <p>Note : issue is to be paid later because of technical issues or there is an issuer solvency issue. Need to check how this can be achieved, message wise.</p>	<p>38. from issuer to CSD members, payment in Central Bank money for local currency payments.</p> <p>39. for payment in CSD; payment mechanism should be the same as that used for all other transactions in the CSD.</p> <p>40. In circumstances where the cash proceeds to a distribution cannot be made using the normal central bank money payment mechanism (e.g. foreign currencies) then payment using other mechanisms such as commercial bank money should be used</p> <p>41. The issuer or his paying agent should make payments as early as possible and before noon (midday) at the latest and preferably immediately after opening of the payment system.</p> <p>42. The payment from the paying agent and / or the CSD is to be made using the original payment currency as defined in the issuer announcement.</p> <p>43. No blocking of holdings prior to payment date for interest</p> <p>44. Any funding issues should be reported by the issuer as soon as possible.</p>					

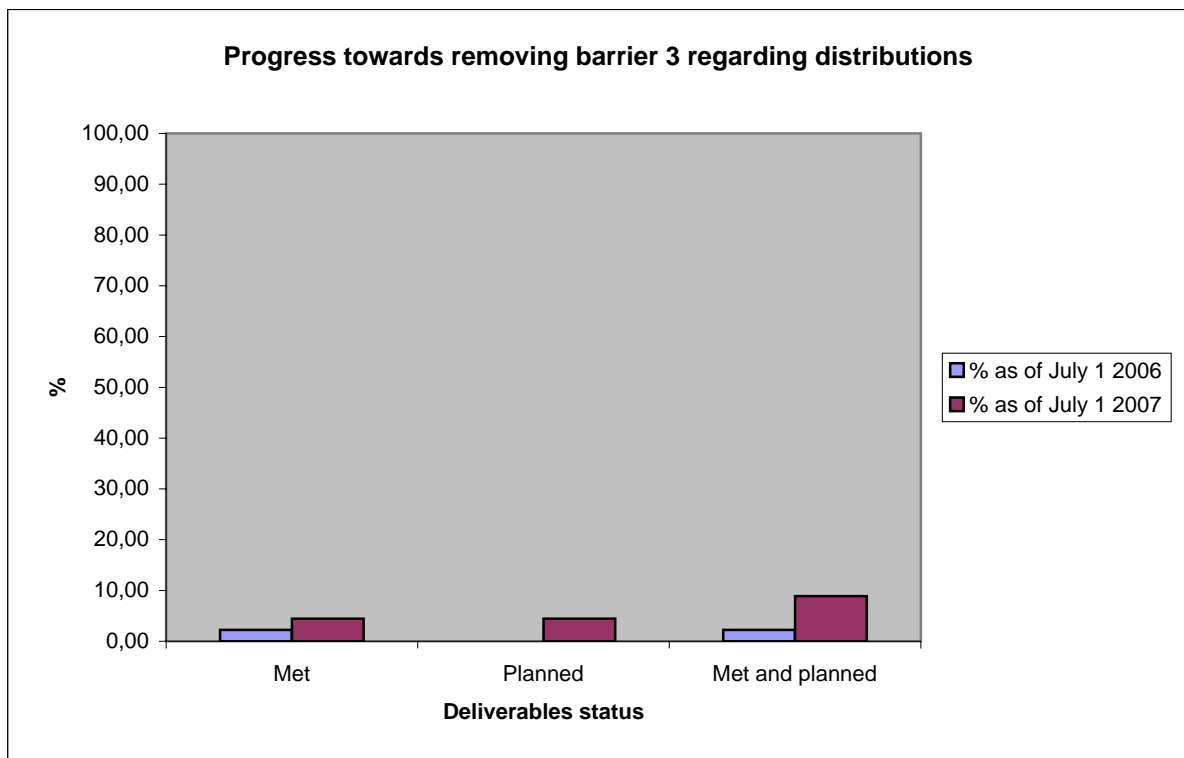
Total Number of deliverables met	2
=	
% met =	4,44%
Total Number of deliverables planned for implementation	2
% planned =	4,44%
Total Number not met =	41
% Not met or planned	91,11%

CD = Cash Distributions; IP = Interest Payments; MR = Maturity Redemptions

Barrier 3 Deliverables relating to distributions

Note: Example only. Column relating to "As of July 1 2006" needs to be filled in once and then left, column as of 2007 will automatically update from distributions worksheet. After June 2007 a new column will need to be added

	As of July 1 2006	% as of July 1 2006	As of July 1 2007	% as of July 1 2007
Met	1	2,22	2	4,44
Planned	0	0,00	2	4,44
Met and planned	1	2,22	4	8,89
Not met or planned	44	97,78	41	91,11



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<p data-bbox="226 132 353 148"><b>Announcements</b></p> <div data-bbox="226 268 512 502" style="border: 1px solid black; height: 147px; width: 128px;"></div> <div data-bbox="226 526 512 936" style="border: 1px solid black; height: 257px; width: 128px;"></div> <p data-bbox="226 965 512 1029">ECSDA feel this is an issue for FBE so do not feel it appropriate to have a similiar standard</p>	<p data-bbox="573 132 730 148"><b>Maturity Redemption</b></p> <p data-bbox="517 151 1048 231">MRD1 Requirements in terms of information and distribution mechanisms should be harmonised in the medium term in Europe for the various key stakeholders in the notification chain (issuers, CSDs, custodians) starting from the issuer announcement.</p> <p data-bbox="517 268 1048 367">MRD2 The issuer (or his agent) should publish details of the event at the minimum in electronic format (e.g. website) on a non-discriminatory basis and as soon as possible on the day of the announcement. The issuer (or his agent) should make available a summary of the event details at least in English.</p> <p data-bbox="573 387 1048 467">The issuer (or his agent) should immediately inform the relevant CSD of the maturity information by formatted message based on ISO 6166 and ISO 15022/20022 standards that have been defined and are used by the industry.</p> <p data-bbox="573 488 1048 504">Clear European liability rules determining responsibilities should be</p> <p data-bbox="517 526 1048 566">MRD3 The CSD must inform its participants of the official details of the event as communicated by the issuer under the following conditions:</p> <ul data-bbox="573 587 1048 936" style="list-style-type: none"> <li>• CSD should inform at least participants that have holdings or any pending transactions impacted by the event;</li> <li>• Notification by the CSD is mandatory and should be made no later than 5 business days prior to Record Date;</li> <li>• CSD must inform also participants who receive respective debt instruments' redemptions in their accounts following the initial "5 business day notification";</li> <li>• There should be in any case a separate notification for the (final) interest payment and the (final) redemption;</li> <li>• When the payment is made by the paying agent or the issuer and within the CSD, confirmation should be provided by the CSD or the paying agent;</li> <li>• Communication should be made in electronic format based on ISO</li> </ul> <p data-bbox="517 965 1048 1005">MRD4 The custodian banks and/or CSD members should pass on information received to their clients:</p> <ul data-bbox="573 1026 1048 1412" style="list-style-type: none"> <li>• The custodian banks and/or CSD members should inform at least their clients that have holdings or any pending transactions impacted by the event;</li> <li>• The custodian banks and/or CSD members should continuously inform the participants of any subsequent information on the event;</li> <li>• Communication should be made in electronic format based on ISO 6166 and ISO 15022/20022 standards that have been defined and are used by the industry. Paper communication should be eliminated in the medium term as the legal requirement for paper is eliminated ;</li> <li>• The custodian banks and/or CSD members' announcement should be made as soon as possible following the issuer/CSD announcement;</li> <li>• Clear liability rules determining responsibilities are needed for the announcements and the payment confirmations made by the custodian banks and/or CSD members to their clients.</li> </ul>				ECSDA proposals	

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<i>Data relating to announcements</i>	MRA1 All maturity payment events must have a record date and a payment date and these two dates must be part of the event announcement.					
	MRA9 There is no need for an explicit ex date as the underlying security ceases its existence when reaching its maturity date.					
	MRA2 Record Date is defined as the date at which positions are struck at the end of the day to note which parties will receive the relevant entitlement. Record date must be understood as end of the business day on the specified date. Record Date is also the lotto day in case of drawing/lottery.					
	MRA5 Payment date is defined as the date at which the distribution is due to take place.					
	MRA3 As the payment date for a redemption is already determined in the terms and conditions of the debt instruments, the record date needs to be adapted to the payment date. The record date must be as close as possible to payment date and be moved to Payment Date - 1 at maturity.					
	MRA4 An explicit payment date should be set by the issuer as part of the terms and conditions of the issuance.					
	MRA8 In cases where the issue is eligible in more than one CSD, Issuer and CSDs must liaise to enforce the application of the rules listed above.					
	MRA6 The payment date should be the same in all countries. The record date should be the same in all countries. However in case of a (national) holiday, the actual payment will take place on the next business day.					
	MRA7 The value date applied to clients is a SLA (Service Level Agreement) issue between the clients and their account servicing institution.					
	MRC1 Securities in Europe should be totally dematerialised and therefore distribution should be made in cash only.					
<i>Resources</i>	MRA9 There should not be claims on a redemption. The last possible settlement must be before Payment Date (i.e. on Record Date when Record Date will be Payment Date -1)					
<i>Processing</i>	MRB1 The payment from the issuer or his agent to the financial intermediaries should be made in central bank money where possible (regardless of the settlement model used, integrated or interfaced model).					
	MRB2 Final and irrevocable payments must be made on payment date by the issuer or his paying agent. The issuer or his paying agent should make payments as early as possible and before noon (midday) at the latest and preferably immediately after opening of the payment system.					
	MRB3 Non electronic forms of payments such as cheques should be gradually eliminated as they create inefficiencies (extra costs, extra delays, risk of theft, money laundering) for both the issuer and the final investor.					
	MRB4 The payment from the paying agent/CSD is to be made in the original payment currency defined in the terms and conditions of the issue.					

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	<p>MRF1 • Repo and Sell/Buy transactions on drawn securities should be avoided. This is already the case for OTC Repo trades; where partial redemptions take place during the contract, such contract stipulates which rule applies.</p> <p>MRF2 • It is necessary to establish clear liability of information (paying agent) about default and/or finality of payment.</p> <p>• Issuer (or its paying agent) should make payments as early as possible and before noon at the latest. If the payment does not take place prior to that time, the issuer/paying agent should inform of the reasons of the non-payment.</p> <p>MRE1 There should be no blocking of the debt instrument for final maturity as this process is cumbersome and does not bring substantial operational benefits.</p> <p>MRE2 For partial redemptions by drawing, holdings should be blocked between drawing date and payment date.</p>					