

ECSDA	FBE	ESF	EALIC	Implementation Date
<p>Announcements Agree but no specific standard</p>	<p>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.</p>			ECSDA
<p>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.</p>	<p>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. Clear European liability rules determining responsibilities should be established for communication from the issuer through to other parties on the event announcement.</p>			End 2006
<p>12 This must be by using formatted electronic messaging from the issuer at least throughout the chain of intermediaries.</p>				End 2007
<p>15 In case of non-formatted text on the announcement by the issuer (or its agent) the announcement should include a translation into English.</p>				July 2007
<p>13 At a minimum announcements should be made three days before ex date for distributions</p>	<p>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;</p>			End 2006
<p>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.</p>	<p>D.3 The CSD must inform its participants of the official details of the event as communicated by the issuer under the following conditions:</p> <ul style="list-style-type: none"> • 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. 			End 2007
<p>16 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.</p>				End 2007

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	<p>IPD3 The CSD must inform its participants of the official details of the event as communicated by the issuer under the following conditions:</p> <ul style="list-style-type: none"> • 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 ; • Notification by the CSD is mandatory and should be made as soon as possible and no later than 5 business days prior to Record Date; • CSD must inform also participants who receive respective debt instruments' interest payments in their accounts following the initial "5 business day notification"; • 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; • For floating rate instruments, the Payment Date confirmation and the announcement of the next applicable rate with clear reference to the applicable period for that new rate should be two separate events and not combined into the same event; • There should be in any case a separate notification for the (final) interest payment and t • When the payment is made by the paying agent or the issuer and within the CSD, confir • Communication should be made in electronic format based on ISO 6166 and ISO 15022 • The CSD announcement should be made as soon as possible following the issuer anno • Clear liability rules determining responsibilities are needed for the announcements and t 			
<p>ECSDA feel this is an issue for FBE so do not feel it appropriate to have a similiar standard</p>	<p>D.4 The custodian banks and/or CSD members should pass on information received to their clients:</p> <p>IPD04</p> <ul style="list-style-type: none"> • The custodian banks and/or CSD members should inform at least their clients that have holdings or any pending transactions impacted by the event. • The custodian banks and/or CSD members should continuously inform the participants of any subsequent information on the event. • 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 custodian banks and/or CSD members announcement should be made as soon as possible following the issuer/CSD announcement. • 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. 			
<p><i>Data relating to announcements</i></p> <p>17 For fixed income only record date and payment date will be provided on any announcement. For any other distribution the announcements of the corporate action data associated with the event will include an ex date (defined as a 'start of day' date, record date (defined as a 'close of day' date) as well as record and payment dates.</p>	<p>A.1 All cash dividend events must have an ex date, a record date and a payment date and these three dates must be part of the dividend announcement.</p>			<p>End 2007</p>
<p>Considered as a definition rather than a standard.</p>	<p>IP.A1 All interest payment events must have a record date and a payment date and these two dates must be part of the event announcement.</p> <p>IPA9 There is no need for an explicit ex date as accrued interest is accounted for when debt instruments are traded. An ex date may be needed during an interim period of time only for instruments traded in units, until such instruments are phased out. (see recommendations F below).</p> <p>A.2 Ex date is defined as the date as from which trading (including exchange and OTC trading) occurs on the underlying security without the benefit. Ex date must be understood as start of the business day on the specified date.</p>			

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Considered as a definition rather than a standard.	A.5 Record Date is defined as the date at which positions are struck at the end of the day to IPA2 note which parties will receive the relevant entitlement. Record date must be understood as being the end of the business day on the specified date.			
Considered as a definition rather than a standard.	A.11 Payment date is defined as the date at which the distribution is due to take place. IPA5			
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.e. For a T+3 market the ex date should be 2 days prior to record date.	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.	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.		End 2007
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				Only once level playing field issue has been solved
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			End 2007
	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 (D)CSD.	A.3 The ex date must be set by the issuer (in co-ordination with the exchange)			End 2007
	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).			
	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.			End 2007
	A.9 In cases where the issue is eligible in more than one CSD, Issuer and CSDs must liaise			
	IPA8 to enforce the application of the rules listed above in order to ensure a coherent situation across markets.			
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.			End 2007
	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.			
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 IPA7 clients and their account servicing institution.			
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 harmonized (see Barrier 6: Settlement periods for all equity markets within the EU should be harmonised).			End 2010

IP E1 All debt instruments should be quoted as percentage prices;

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	<p>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</p>			
<p>24 Resources All mandatory cash distributions should be in cash and not coupons.</p>	<p>C.1 Securities in Europe should be totally dematerialised and therefore distribution of dividends should be made in cash only. IPC1</p> <p>C.2 During the transition period towards dematerialisation, the creation of interim securities related to mandatory cash dividends should be gradually removed.</p>			End 2009
	<p>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.</p> <p>C.3 When used, these existing interim securities should have a proper and valid ISIN. IPC3</p>			
<p>25 All market claims associated with cash distributions should be in cash and not coupons</p>	<p>C.4 However, any claims should be made in cash only and not in interim securities. IPC4</p>			End 2007
<p>26 Processing 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 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). IPB4</p>			End 2008
	<p>B.2 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>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 (midday) at the latest and preferably immediately after opening of the payment system.</p>			
	<p>B.3 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. IPB3</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>			

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	IPF3 <ul style="list-style-type: none"> • 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. 			

<u>ECSDA</u>	<u>FBE</u>	ESF	EALIC	Implementation Date
<p data-bbox="98 172 318 196">Announcements</p>	<p data-bbox="443 172 712 196">Maturity Redemption</p>			
	<p data-bbox="349 209 1704 296">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="349 347 1704 639">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. 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. Clear European liability rules determining responsibilities should be established for communication from the issuer through to other parties on the event announcement. In case of partial redemption by drawing, issuers should make public the result as soon as possible.</p>			
	<p data-bbox="349 703 1704 759">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="443 799 1704 1326" style="list-style-type: none"> • CSD should inform at least participants that have holdings or any pending transactions impacted by the event; • Notification by the CSD is mandatory and should be made no later than 5 business days prior to Record Date; • CSD must inform also participants who receive respective debt instruments' redemptions in their accounts following the initial "5 business day notification"; • There should be in any case a separate notification for the (final) interest payment and the (final) redemption; • 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; • 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 ; • 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; 			

ECSDA feel this is an issue for FBE so do not feel it appropriate to have a similar standard

Data relating to announcements

- MRD4 The custodian banks and/or CSD members should pass on information received to their clients:
- The custodian banks and/or CSD members should inform at least their clients that have holdings or any pending transactions impacted by the event;
 - The custodian banks and/or CSD members should continuously inform the participants of any subsequent information on the event;
 - 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;
 - The custodian banks and/or CSD members' announcement should be made as soon as possible following the issuer/CSD announcement;
 - 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.
- 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.

Resources

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.

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)

Processing

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.

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.

MRF2 • 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.

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.

MRE2 For partial redemptions by drawing, holdings should be blocked between drawing date and payment date.