



To
all Financial Institutes

via eMail

Frankfurt Main, 26 January 2010

Phone ext.: +49 – (0)69 – 58 99 78 – 110

Dear Ladies and Gentlemen,

with regard to the value date specifications for direct (OTC) trades by banks, as well as for “manual” trade entries by intermediaries, the following modifications will be conducted:

As of 22 March 2010, the option to provide the “FZ” (“delivery versus payment”) value date specification with the date of “T+1” will be given. Until now, the “FZ” value date may have only been provided with a date of “T+2” until up to “T+90”. It should be recognized that trades having a “FZ(T+1)” value date specification may only be cancelled at trade/entry date until 08:30 p.m. (online trading session end).

Within the *clearstream* systems, the following rules are valid: Since such a trade will be provided for settlement disposition at value date within the SDS1 run (10:00 a.m.) earliest, it may still be blocked resp. be released before, until 09:30 a.m. the latest, and/or may be released anew for the SDS2 processing until 01:45 p.m. latest, thus still enabling the settlement disposition on T+1 (within the SDS2 run). A released position which, due to lacking coverage, was not provided for settlement disposition within the SDS1 run, may then still be blocked until 01:45 p.m., too.

Presumably as of 21 June 2010, the value date specifications “FO” (“delivery free of payment”) and “FV” (“delivery and payment”) will be abolished.

Besides, with regard to the field assignment along with direct (OTC) trades by banks, the following should be noted: Up to now, along with direct (OTC) trades by banks, the entering party resp. originator has always been identical to either of the two counterparties. Meanwhile, however, it is possible for direct (OTC) trades to be entered by a “trading member only” (account group 32 “XO-NUR-HANDELSTN.” within the KUSTA database), who does not do the settlement by himself. Within both trade confirmations / contract notes, the “trading member only” will then be given as the originator (Label 72, 1st row within the MT512). Within the field “counterparty” (label 82D), the trading member’s settlement institute will be given. Since the originator should also be regarded as the economic buyer or seller in these cases, the originator will additionally be given as “TEILN-V” (“selling participant”) or “TEILN-K” (“buying participant”) on line and in the print file list, and in label 87F in the MT512. This corresponds to the logic applied hitherto along with broker-mediated trades of a “trading member only” in XONTRO, or along with “non-clearers’ trades” from the pre-CCP-time in Xetra.

We are kindly ready to accept your queries and comments to the above issues.

Yours sincerely

A handwritten signature in black ink, reading "M. Hamke R. Einstädter". The signature is written in a cursive style with a large initial 'M' and a distinct 'R'.

Dr. Michael Hamke

Renate Einstädter