

CSD-R LICENCE

Iberclear has obtained authorisation to continue providing its services in accordance with the requirements established in Regulation (EU) No. 909/2014, informally known as CSD Regulation (CSD-R).

Iberclear is now part of the group of European central securities depositories which provide their services under the new standards. This European Regulation seeks greater efficiency in settlement terms and enhanced security with the introduction of discipline and control mechanisms and more exhaustive supervision of the governance and operation of depository entities.

With this licence, Iberclear is continuing to contribute actively to efforts to harmonise post-trading in Europe, taking another step forward in guaranteeing access to capital markets for issuers and participants, while BME achieves another of the milestones in its Strategic Plan.

A tab has been added to the Iberclear website exclusively for CSD-R (Central Securities Depository Regulation), where you can check the follow-up report and other documentation like the White Paper or Frequently Asked Questions about CSD-R: www.iberclear.es/ing/Regulations/CSDR.

What happened lately



FIRST LET FORUM

BME held its first Treasury Liquidity and Efficiency Forum (LET) on October 2nd, enabling financial entities and the infrastructures involved in the Spanish market to share the latest developments in the regulatory and strategic framework at the European level, as well as the initiatives and advances offered by BME to improve liquidity and efficiency in treasury and collateral management.

This event was specifically aimed at treasury managers in the Spanish financial sector and proved a great success, attracting 54 representatives from more than 25 entities.

An information and communication channel is already available to keep in contact with participants in the Forum and to share suggestions and topics of interest for future events, for which there is a new email available forbmelet@grupobme.es.

INFORMATION SESSION ON SETTLEMENT DISCIPLINE

The first info-session on Settlement Discipline within the framework of CSD-R was held on September 24th. Its objective was to inform Iberclear participants about the impact of this discipline on its operations and how this is being addressed in BME's infrastructures. It also explained the next steps which will follow before it goes live.

The event attracted more than 70 representatives from 28 entities and was rated highly by the Iberclear participants. It will undoubtedly make an important contribution to the successful introduction of this important regulatory milestone in our market.

SIBOS 2019

Iberclear was again present at SIBOS, which was held in London this year, with the attendance of the BME Sales Office. This year's event attracted a record attendance of over 11,500 delegates. In addition to Iberclear, the event was also covered by some of the Group's other business units, like BME Clearing.

This year's event featured Javier Hernani, CEO of BME, who took part in a panel of market infrastructures CEOs on the transformation taking place in the sector. After it, a Spanish wine was offered at the BME stand, where a large number of SIBOS delegates attended.

SIBOS is the flagship international event for financial services. This year BME featured over 40 meetings with a variety of clients, fintechs and entities. www.iberclear.es/ing/Newsroom/Fairs-Conferences-Events



New releases

The following new developments have been included:

OPTIONAL SETTLEMENT PROCEDURE FOR FINANCIAL INTERMEDIARIES

Circular 2/2019, of 26 March, broadens the scope of this procedure by allowing the inclusion of trades coming from retail clients. Iberclear's public website has published information about the features, requirements, mode of development and specific risks of the special and optional settlement procedure for financial intermediaries, highlighting how it differs from the general settlement procedure. www.iberclear.es/docs/docsSubidos/N25-19ENa.pdf.

CIRCULAR 3/2019, REGISTRATION OF FOREIGN SECURITIES AND FUNCTIONS OF THE ENTITIES INVOLVED

Circular 3/2019, of 10 September, adapts the Iberclear regulations in force since 1999 on the freedom of choice of the issuer. The Circular regulates the procedure for inclusion of foreign securities in Iberclear, either through the designation of Iberclear as a central securities depository or through the involvement of a link entity. Instruction 15/2019, of 13 September, establishes the procedure to be implemented by link entities to inform Iberclear that the balance reported by the central depository matches the number of securities immobilised and held in the foreign custodian entity's account.

T2S RELEASE 3.2

Instruction 10/2019, of 6 June, implements the main changes included in TS2 Release 3.2. Testing of the changes has been possible since September 30 and they are planned to come into production on 18 November.

Instruction 14/2019, of 2 September, extends the time for two of the partial settlement windows from 9 December 2019, in order to optimize settlement efficiency:

- The partial settlement window from 8.00 a.m. to 8.15 a.m. will close at 8:30 a.m.
- The partial settlement window from 3.45 p.m. to 4.00 p.m. will open at 3:30 p.m.

COLLATERAL MANAGEMENT HARMONISATION STANDARDS

In the context of the Collateral Management Harmonisation standards, Iberclear has submitted a plan for adaptation of the Spanish market to standards for corporate actions and billing to the European Central Bank, through the National Stakeholder Group. This action begins the adaptation to the new standards defined at the European level.