

Circular nº 08/2017, of 4 September

**ARCO SETTLEMENT SYSTEM.
APPROVAL OF THE PROCEDURES MANUAL**

Please note that only the Spanish version of this Circular produces legal effect. Any translation is provided for commercial purposes only.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.(hereinafter IBERCLEAR) is the company responsible for managing the securities operations settlement system in the Book-entry Register managed by it that are admitted for trading on official secondary markets, multilateral trading systems or others.

In the first phase of the Reform of the Securities Clearing, Settlement and Registration System, this system, known as the ARCO Securities Settlement System (hereinafter ARCO System) incorporated those securities admitted for trading on Securities Markets, the Alternative Equity Market and the Latin American Securities Market.

As a result of the second phase of the Reform of the Securities Clearing, Settlement and Registration System, settlement has now been included in the ARCO System of those securities which until now were part of the Clearing and Settlement System for transactions carried out in the Book-Entry Public Debt Market and the AIAF fixed income market (CADE system), and the connection of IBERCLEAR to the Target2-Securities technical support (hereinafter T2S), managed by the European Central Bank and the group of euro area Central Banks, will now proceed.

The purpose of this Circular is to approve a new ARCO Settlement System Procedures Manual which incorporates the changes resulting from the second phase of the reform referred to above. Specifically, the addition of the abovementioned securities in the ARCO System makes it necessary to include in this Manual the special functions that may be required. Similarly, the necessary adaptations resulting from the connection of IBERCLEAR to T2S are also included in the Manual.

Therefore, the Board of Directors of IBERCLEAR has approved the following:



Single rule.- Approval of the ARCO Settlement System Procedures Manual.

The ARCO Settlement System Procedures Manual is hereby approved and it is available in the private area of the IBERCLEAR website.

FINAL PROVISIONS

1. This Circular shall enter into force on the day following its publication.
2. IBERCLEAR is authorised to develop and amend the technical procedures set out in the Manual approved through this Circular by issuing an Instruction.

Madrid, 4 September 2017

Jesús Benito Naveira
Consejero Delegado