

## Circular no. 3/2020, of 21th July

### RECYCLING PERIOD FOR MATCHED TRANSACTIONS

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

Pursuant to the provisions of Circular 16/2017 of 4 September on "Settlement procedures for trades arranged in an official market or multilateral trading system" and Circular 17/2017, of 4 September on "Settlement procedures of bilateral trades", as a general rule, trades that are not settled on their intended settlement date will be recycled and attempts will continue to settle them on the following business days, until the trade is settled or the counterparties bilaterally cancel the trade, notwithstanding the provisions of the finality rules.

The purpose of this Circular is to adapt the provisions of these Circulars to the provisions of the T2S Change Request "T2S-0691-URD Recycling period of 60 days for matched instructions" contained in Release 4.2, which will take effect on 5 October 2020, to provide for a maximum recycling period for matched instructions. This deadline will be specified in the ARCO System Manual based on the deadline defined at any given time by T2S. Initially, this deadline has been set at 60 days from the intended settlement date or the last status change.

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

#### **Single Rule. Amendment of Circular 16/2017 and Circular 17/2017**

Section 2 of Regulation 4 – Incidents, fail management, of Circular 16/2017 and Circular 17/2017 is amended, now to be worded as follows:

*"4. As a general rule, trades that are not settled on their intended settlement date will be recycled and attempts will continue to settle them on the following business days within the maximum recycling period, until the trade is settled or the counterparties bilaterally cancel the trade, notwithstanding the provisions of the finality rules*



## FINAL PROVISION

This Circular shall enter into force on the day following its publication.

Madrid, 21th July 2020

Francisco Béjar  
Deputy General Manager