

Consolidated text of Circular No. 16/2017. Partially amended by Circular 02/2024.

Settlement procedure for transactions concluded ~~on an official market or MTF~~ on a trading venue.

Iberclear

Septiembre 2024

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

Rule 1.- Scope of application

1. The procedure for communication, acceptance and execution of transfer orders from transactions executed in an ~~official secondary regulated~~ market, ~~or~~ multilateral trading facility ~~or organised trading system~~ (hereinafter, and any of them, trading venue) is applicable to the settlement of such transactions when the trading venue ~~the official secondary market or multilateral trading facility~~ has signed an Agreement with Iberclear for access to its registration and settlement services.
2. In order to be involved in the settlement of the transfer orders covered by this Circular, the participants must comply with the requirements set down in the Agreement between the corresponding ~~market~~ the trading venue ~~or multilateral trading facility~~ and Iberclear

Rule 2.- Communication of settlement Instructions.

1. The ~~official secondary market or multilateral trading facility~~ the trading center will send the settlement instructions resulting from the executions performed by their members ~~of the corresponding market or multilateral trading facility~~. This communication shall be made at all times in accordance with the provisions of the ARCO System Procedures Manual and through the communication means ~~of the trading venue official secondary market or multilateral trading facility~~.
2. Pursuant to Article 31 of Iberclear Regulation, the settlement instructions sent by the ~~official secondary market or multilateral trading facility~~ trading facility venue, as envisaged in the section above, constitute transfer orders and shall be considered to be received and accepted by the ARCO System as of the moment that T2S states that they meet its validation requirements. The transfer orders may only be revoked before the moment in which these orders are matched in T2S with those other orders that constitute their respective counterparties. If these transfer orders are received already matched because they are accompanied by their corresponding opposite transfer order, they shall be irrevocable as of the moment that T2S states they meet its validation requirements.
3. Participants cannot reject the credits or debits deriving from these settlement instructions, except for those transactions whose characteristics permit this, in accordance with the Agreement signed with the ~~market or multilateral trading facility~~ trading venue.
4. The trading venue ~~official secondary market or multilateral trading facility~~ and the participants on whose behalf the transfer orders may have been communicated, shall receive, either from T2S or IBERCLEAR, depending on the type of connection each of them has, confirmation of the receipt and validation of the corresponding settlement instructions.

Rule 3.- Settlement

1. Securities transfer orders resulting from the settlement Instructions sent by ~~the official secondary market or multilateral trading facility~~ trading venue are settled through the credit and correlating debit of securities in the Central Register accounts, either in real time or in the T2S overnight settlement period. Participants must simultaneously make the corresponding entry in their Second-tier Register.
2. In the settlement of transfer orders, the processes of provision, optimisation and recycling of transactions, as defined at any moment in T2S, shall be applied. These processes may provide for partial settlement of the orders. Iberclear shall include a description of these processes in its ARCO System Procedures Manual for participants' awareness.
3. Cash transfer orders deriving from settlement instructions sent by ~~the trading venue official secondary market or multilateral trading facility~~ are settled through the corresponding credits and debits in the accounts designated by the participants for cash settlements.
4. The ~~trading venue official secondary market or multilateral trading facility~~ shall receive from either T2S or Iberclear, depending on the type of connection each of them has, communication of the result of the settlement, indicating, where appropriate, any incidents that may have occurred. ~~If an incident is generated in the entry at the level of the Second-Tier Register, the participant that keeps the Second-Tier Register must notify Iberclear of this situation through the Information, transmission and storage System provided for in Title VI of the Iberclear Regulation (hereinafter, the "Information System"), in those cases established in the Information System Manual, providing such information as might be required in the determined time period and format. As soon as the failure is resolved, the participant will update the information for Iberclear.~~

Rule 4.- Incidents, fail managements

1. As a general rule, Iberclear will allow partial settlement of any type of instruction deriving from transactions executed in ~~an official secondary market or multilateral trading facility~~ trading venue, unless ~~the market or~~ trading facility venue, or the participants themselves, expressly state otherwise.
2. As a general rule, any transactions that cannot be settled on their intended settlement date will be recycled. Settlement attempts will continue on subsequent business days, until the transaction is settled or cancelled bilaterally by the counterparties, without prejudice to settlement finality rules.

Este material es propiedad de BME y no puede ser impreso, copiado, reproducido, publicado, transmitido, divulgado o distribuido de ninguna forma sin el consentimiento previo por escrito de BME.

2023 Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros S. A. Todos los derechos reservados.

BME
Plaza de la Lealtad,1
Palacio de la Bolsa
28014 Madrid

www.bolsasymercados.es

