

FrontLine SIX x-clear AG

Removal of Article 19 CSDR

1.0 Overview

From 2 September 2024, the penalty mechanism for late settlement and late matching penalties relating to CCP-recognized transactions have changed, according to the Regulatory Technical Standards (RTS) in Delegated Regulation of EU 2018/1229, also known as CSDR Settlement Discipline Regime. Penalties on cleared transactions, which used to be collected and distributed by CCPs, are now collected and distributed in the same way as OTC transactions.

2.0 Effective date

2 September 2024.

3.0 Impact on participants

Members who have subscribed to CSDR-relevant reports offered by SIX x-clear can unsubscribe from such reports.

4.0 Details

Article 19 of the RTS on settlement discipline detailed a specific process for the collection and distribution of penalties for cleared transactions by recognized CCPs, which differed from the general process defined in Article 17 of the same regulation. Following an European Securities and Markets Authority (ESMA) consultation, it was decided to remove Article 19 from RTS.

When RTS was originally adopted, SIX x-clear introduced report RVXO525. While SIX x-clear will not discontinue this report, CCPs are no longer involved in the CSDR penalties processing chain, so Members can and should instead receive all CSDR-relevant information from either their settlement agent or the CSD directly. Members may decide to unsubscribe from the RVXO525 report at their leisure.

5.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details can be found in the list of SIX SIS contacts published at www.six-group.com > Login > Securities Services Private > Contacts > SIX SIS > List of SIX SIS contacts.

FrontLine SIX x-clear AG

In this context, SIX x-clear AG draws the Members' attention to **clause 7.7, chapter 14 and 15** of the Rulebook of SIX x-clear AG stipulating that the Member is responsible for compliance with the applicable laws (in particular domestic and foreign tax, foreign exchange and stock market regulations as well as with company law and articles of association) with respect to the Clearing services obtained from SIX x-clear AG.

Please note that references to external sources, e.g. to websites or links of third parties, are provided solely for information purposes and do not imply any recommendations whatsoever. SIX SIS AG has neither provided nor processed the contents of the sources in question. Furthermore, SIX SIS AG has not verified, reviewed or updated the contents of these sources and therefore disclaims all liability for the information contained therein.