

Harmonisation of the Equity settlement cycles across the EEA to a T+2 cycle

As a result of new European regulations on securities settlement and Central Securities Depositories (CSDR), all transactions executed on an EEA trading venue are to move to T+2 settlement cycle by January 2015.

The main objective is to increase the safety and efficiency of securities settlement infrastructures within the EU, reduce overall counterparty risk and improve daily operational efficiency by providing among other things:

- Harmonisation of the settlement cycles across the EEA to a T+2 cycle
- Deterrent settlement discipline measures (mandatory cash penalties and 'buy-ins' for settlement fails)
- Strict prudential and conduct of business rules for CSDs
- Strict access rights to CSD service

What is changing?

The Regulation requires all transactions in transferable securities executed on an EEA trading venue to move to T+2 by 1st January 2015. In conjunction with implementation of the T+2 settlement cycle, ADM Investor Services International Limited intends to adopt best market practice and apply a T+2 settlement cycle for transferable securities (or baskets or indices thereof) which currently settle or fix on a T+3 (or greater) settlement cycle.

When will T+2 be effective?

Whilst the effective date for the regulation is 1 January 2015, most EEA Countries/Venues will move from T+3 to T+2 from 6 October 2014 (see schedule below). For trades executed during the transition period, settlement dates will be as follows:

Trade Date	Settlement Date
Thursday 2 October	Tuesday 7 October
Friday 3 October	Wednesday 8 October
Monday 6 October	Wednesday 8 October
Tuesday 7 October	Thursday 9 October

Schedule of Country Adoption Dates

Date	Country		
Already T+2	Bulgaria	Germany	Slovenia
6 October 2014	Austria	Belgium	Croatia
	Cyprus	Czech Republic	Denmark
	Estonia	Finland	France
	Greece	Hungary	Iceland
	Ireland	Italy	Latvia
	Lithuania	Luxembourg	Malta
	Netherlands	Norway	Poland
	Portugal	Slovakia	Spain (FI)
	Sweden	Switzerland	UK
	Uncertain	Liechtenstein	Romania
Bosnia & Herzegovina			
January 2015			
November 2015	Spain (EQ)		

Exercise and assignments

All exercise/assignments of stock options will also move to T+3 from T+4 for the countries adopting the new T+2 on 6th October

Further Information

If you have any further questions regarding this matter, please contact your Account Executive or email stocksettlement@admisi.com

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