
Market Notice

11 Aprile 2014

CHANGES IN THE ADMISSION OF SECURITIES TO CENTRALISED ADMINISTRATION SERVICES

Monte Titoli communicates the adoption of a new procedure to check the placement process has been concluded before the admission of securities

Dear Client,

On the 22nd October 2013 Consob and Bank of Italy approved several changes to the Provvedimento Unico, issued in 22nd February 2008, concerning the regulation of centralized administration and settlement services, CCP systems and trust managers.

The major amendment (as per article 12 paragraph 3 of the above mentioned regulation) results in an appointment assigned to Monte Titoli to check the placement process has been concluded before the admission of securities in its system; how to setup and deploy such monitoring process should be defined at Monte Titoli level.

Such amendment has been assessed by Monte Titoli and reported in the updated version of the Instructions for the CSD Service (article 22, paragraph 1) and CSD Rules (article 3.1.1). The amended version of both document has been shared with our participants by means of the associations (ABI and ASSOSIM).

In greater detail Monte Titoli introduced in the centralization process a mechanism of self-certification to be provided by the issuer to certify the relevant quantity or amount has been placed.

The content of such certification is specified in the above mentioned Instructions.

Considering that the new regulation will be effective **on 14th April**, Monte Titoli has implemented a workaround procedure in order to allow the issuers to fulfill immediately with the expected duties; the relevant procedure is explained below (all steps are accomplished via MT-X forms):

Financial instruments' admission through MT265 – remains unchanged.

Financial instruments' enhanced data communication through MT265 bis – Once the issuer sends the form, Monte Titoli provides to validate it and contextually to reset the value of the issued amount specified by the issuer for the relevant ISIN.



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Centralization of ISINs which have been placed – The issuer, before sending mdg. 710 to register the placed quantity (or amount), has to send again MT265 bis message (as amendment), by specifying the issued amount (intended as the amount which have been effectively placed) for the specific ISIN..

At the same time the issuer is required to send to Monte Titoli, through a **General Mandate** – the self-certification to confirm the relevant amount has been placed.

Once Monte Titoli receives MT265 bis amended and General Mandate, it provides to check the consistency between the amount reported in the self-certification and the one reported as issued. If there's no discrepancy, Monte Titoli certifies (via MT-X platform) that the process can go on. In case of discrepancy, Monte Titoli rejects the notification by informing to the issuer (still through MT-X platform).

Once the issuer receives the confirmation that MT265 bis variation and General Mandate have been certified, the issuer is entitled to send the centralization request to Monte Titoli.

The final solution, as described in Instructions for the CSD service, will be soon implemented and the participants will be informed; such solution is not expected to be slightly different from the current.

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