

## Amendments to the CSD Service Instructions to the Rules

The amendments described below will enter into force on **5 August 2019**.

The Instructions of the CSD Service Rules have been amended in order to allow issuer's securitised derivatives to request Monte Titoli to acquire the necessary data for the census of the securities through the channels made available by the markets. The opportunity is also taken to reduce the time required for the censuses of the new ISINs.

\*\*\*

### 3.1.2 Application for admission of financial instruments

For financial instruments centralised directly with Monte Titoli (as Issuer CSD), an application for admission must be sent by the Issuer of the financial instrument.

The Issuer applies for the financial instruments admission to the System by the message "Admission of Financial Instruments to Monte Titoli" and annexing the required documentation.

The Issuer is required to specify in the application for admission, among others:

- whether the financial instrument is subject to transfer restrictions ~~pursuant to Article 14 of the Bank of Italy – Consob Provision;~~
- the law applicable to the financial instrument and to the Issuer;
- the relevant tax law applicable to the financial instrument and to the Issuer. In particular the Issuers of financial instruments referred to in Article 1, paragraph 1-bis, lett. b) and c), of the Consolidated Law on Finance (e.g. *warrants, covered warrants, certificates, structured bonds, ETN*), must declare whether the financial instruments and related payments are subject to the application of the US tax regime referred to in *Section 871 (m) of the Internal Revenue Code ("IRC")*.

Monte Titoli does not guarantee the admission of financial instruments regulated by a foreign tax regime if the latter is incompatible with the procedures in use for payments or if the admission of the instrument entails the undertaking of obligations and / or liabilities by Monte Titoli towards a foreign tax administration. The Issuers must immediately notify any change in the applicable tax regime other than the Italian one in order to allow Monte Titoli to adopt the measures necessary ~~to manage the financial instrument.~~

The application for admission must be **normally** submitted ~~two~~ **three** working days before the validity date of the security (closing date/possession/commencement of dealing/placement).

~~In exceptional cases, the sending of the application for admission by the Issuer outside the deadline indicated can be agreed in advance with Monte Titoli. In this case shall apply the provisions of paragraph 2.5 for the handling of urgent requests. Urgent requests must be sent to the [ammissione.titoli@lseg.com](mailto:ammissione.titoli@lseg.com) within 4:00 hours pm. Applications received after this deadline shall be deemed received the following day.~~

Monte Titoli does not guarantee the admission of financial instruments **within the time limits set out above** ~~by the date of validity of the security for incomplete or incorrect requests received outside the deadline indicated above and for which specific agreements have been reached with the Issuer.~~

Following the admission the Issuers is required to notify detailed data of the financial instrument. The communication is **normally done through** ~~on~~ the MT-X platform, **with through** the MT 265 bis message.

Before proceeding with the crediting request for the admitted financial instruments, the Issuer shall send through the MT-X platform the due MT 265 bis instruction on the change of the total issued value together with in attached a specific declaration attesting that placement or subscription have taken place. In the absence of the notification of the issued value and of the declaration having been sent, Monte Titoli shall not process the crediting instruction that will therefore remain suspended until the full formalisation of fulfilments.

In particular, such a declaration shall contain:

- the terms and characteristics of the placement/subscription and in particular the crediting date;
- whether the input regards financial instruments newly issued or already placed.

In order to comply with this requirement, instead of the self certification above, the issuer can send to Monte Titoli, if existing, the communication to the public on the results of the offering provided for by the rules on public offerings.

Monte Titoli rejects the communications that do not include the information required.

The said communication must reach Monte Titoli with due advance before sending the message "Order of centralized financial instruments" and in any case by 16:00 CET on the Accounting Day scheduled for the centralisation of the financial instruments, in order to enable it to make appropriate changes in the operational data necessary for processing the request for centralization.

In the absence of such communication Monte Titoli shall not proceed with the operation of centralization and put the same in a state of "suspended". The operation will be performed on the next working day and in any case, upon receipt of the said communication.

Issuers of debt instruments shall:

- a) communicate whether the terms and conditions of the debt instruments, includes clauses that allows for a postponement of the payment of one or more coupon at the time of the capital reimbursement (so called "PIK" payment clauses);
- b) where debt securities issued by Italian or foreign Issuers ~~are~~ subject to a law different from the law applicable to the Issuer or placed in two or more countries, attach to the application for admission a proper statement attesting that there are no impediments of any kind to application of the provisions on central securities depository of the Consolidated Law on Finance and the related implementing regulations.

The application for admission of debt instruments for which a payment date is close to the admission shall be received by Monte Titoli no later than the third business day preceding the payment day. Requests received after this time will be rejected and shall be proposed again after the scheduled payment date.

The issuer of promissory note referred to in Article 32 of the Law of 7 August 2012, n. 134 is required to specify in the application for admission:

- the unconditional promise to pay at maturity the amounts due to the holders of promissory notes that results from the accounting records of depository intermediaries;
- total amount of the issue;

- amount of each promissory note;
- the number of promissory notes;
- amount of income, total and per single promissory note;
- indication of maturity;
- an indication of the place of payment;
- the name of the person who shall receive the payment or the name of person who gives the order to pay;
- the date and place of issue;
- the name of the issuer;
- any guarantees relating to the issue, stating the identity of the guarantor and the amount of the guarantee;
- amount of the paid up and existing share capital on the date of issue;
- the name, the object and the legal address of the issuer as specified in the articles of association;
- the competent office of the register of enterprises where the issuer has been registered.

If the issuer of promissory note is an entity who does not have other securities admitted on a regulated trading venue, it shall also specify in the application for admission:

- the name of the sponsor in charge, except where the issuer has declined to appoint one, in cases where this is permitted;
- a statement that the issue and the endorsement is intended only for professional investors, who are not directly or indirectly members of the issuer.

To this end, please note that promissory note could be issued only by corporations, cooperatives enterprises and mutual insurance companies. Among corporations promissory notes could only be issued by joint stock companies and limited liability companies that do not fall under the definition of “micro-enterprises”<sup>1</sup>. Finally, note that companies other than “small and medium enterprises” as defined in Recommendation 2003/361/EC of 6 May 2003 can decline to appoint a sponsor under provision of Article 32, paragraph 18 of Law 7, August 2012, n. 134.

If, in exceptional circumstances and subject to agreement with Monte Titoli, it is not possible to send the aforementioned application for admission by means of MT-X, the Issuer may send the paper application form MT265 together with the required documentation. In such cases the documents, in Microsoft Word or PDF format, are sent to the email address: [ammissione.titoli@montetitoli.it](mailto:ammissione.titoli@montetitoli.it).

To send the application correctly, the following instructions should be observed:

- each application for admission must include authorised signatures (conforming to the deposited *specimen signature*) and must contain all registration information required of the Issuer for management of the Monte Titoli services,
- a separate file must be created for each application for admission sent; each file will be denominated with the prefix MT265, followed by a hyphen and the ISIN code (e.g. MT265\_IT0009999999), with a total of 18 characters.

---

<sup>1</sup> The Commission Recommendation 2003/361/EC of 6 May 2003 specifies (Article 2 of the Annex):

"1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million or whose annual balance sheet total does not exceed EUR 43 million. 2. Within the SME category small enterprise is defined as an enterprise employing less than 50 persons and whose annual turnover or annual balance sheet total not exceeding EUR 10 million. 3. Within the SME category micro-enterprise is defined as an enterprise employing less than 10 persons and whose annual turnover or annual balance sheet total not exceeding EUR 2 million."

With specific reference to bonds and other debt instruments tradable on capital markets:

- a separate Word/PDF file must be presented for each prospectus or terms and conditions or regulations of financial instruments sent;
- the files must be denominated with the complete ISIN code of the financial instrument to which it refers, with a total of 12 characters (e.g.: IT000999999);
- the ISIN number of the financial instrument to which the document refers must always be indicated in the files.

### 3.1.3 Admission procedure

After verifying that all the **admission** requirements ~~provided by article 14 of Bank of Italy – Consob Provision~~ have been met and on the basis of information received from the Issuer, Monte Titoli enters the financial instrument into its registries.

**The census of the financial instrument is carried out:**

- **The same day of the receiving of the request, for applications received within 2.30 p.m.;**
- **The following day from the receiving of the request, for applications received after 2.30 p.m.**

Monte Titoli notifies the Issuer of the admission of the financial instrument to the System by a note on the “Daily statement”.

*omissis*

## 3.18 Covered warrant and certificates

### 3.18.1 Application for admission

The Issuer applies for the admission of the financial instruments to the System by sending Monte Titoli the mandate with the required documentation via MT-X platform.

To send the document correctly, the following instructions should be observed:

- Each application for admission must be performed on MT-X platform, through MT265 BIS function.
- The layout for the automatic registration must be in Excel format. The layout is provided by Monte Titoli on demand of the Issuer or the Paying Bank at the first application for admission.
- The layout must be attached to the application for admission.

**For financial instruments admitted to trading on regulated markets or MTFs, the Issuer may request Monte Titoli to acquire the information necessary for the census of financial instruments through the electronic channels made available by the market management companies. The list of channels, defined for each market, is available on MT-X.**

~~The application for admission must be submitted within 2.30 pm. three working days before the validity date of the security (closing date/possession/commencement of dealing/placement).~~

### 3.18.2 Admission to the system

~~After verifying that all the requirements have been met and on the basis of information received from the Issuer, Monte Titoli enters the financial instrument into its registries.~~

