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# Operational Notice

7 September 2018  
ON\_50/2018

## Insolvency procedure for Indirect Participant

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**For the attention of:** ICPs and DCPs  
**Priority:** HIGH  
**Re:** Indirect Participant management for the purposes of insolvency

Dear Client,

We are pleased to inform you that following the publication in the Official Gazette on 2 August 2018 on “Parity - for the purposes of application of Legislative Decree No. 2010 of 12 April 2001 - between indirect participants and participants of the settlement service managed by Monte Titoli S.p.A. and operated through the T2S platform”, the amendments to the Settlement Service Regulations and the relevant Instructions for management of a Indirect Participant in insolvency proceedings will enter into force on 21 September 2018.

The amended provisions establish a requirement for Monte Titoli to communicate the identification data and operational configurations for the Indirect Participants. In particular, the following information must be provided:

- company name
- LEI Code
- The securities account dedicated exclusively to the settlement of the settlement instructions of the indirect participant

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Clients are required to provide this information by 21 September, using the form available on request from [mdm@lseg.com](mailto:mdm@lseg.com), and to update the membership platform (CLIMP) accordingly as of 1 October next.

Please note that as of the date of entry into force of the amendments to the Regulations, for the purposes of insolvency proceedings, only those participants for which the relevant (direct) participant has provided the identification data as indicated above will be considered. Accordingly, classifications as indirect participant on the basis of the previous rules will cease to have effect for the management indirect participant insolvencies.

Following the entry into force of the new regulations, (direct) participants may add further participants as indirect participants. In such cases, the classification of a participant as a indirect participant will have effect from the moment at which Monte Titoli correctly receives all the identification data and the relevant operating configurations for the indirect participant. The (direct) participants may also revoke the status of an indirect participant at any time.

In anticipation of this new procedure of managing the insolvency of indirect participant, as of 1 January 2019 Monte Titoli will introduce a specific fee, which is currently in the process of definition.

The methods for managing insolvency are described in a note posted in the [Rules & Regulation section](#) of the Monte Titoli website, which also contains the text of the amendments to Article 22 of the Settlement Service Regulations and Chapter 4 of the Instructions.

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The updated text of the Settlement Service Regulations and the relevant Instructions are also posted on the Monte Titoli website.

For further information, please contact:

**Membership:**

Tel: +39 02 33635 639  
e-mail: [mdm@lseg.com](mailto:mdm@lseg.com)