

AMENDMENT TO THE INSTRUCTIONS TO CC&G RULES

MAINTENANCE OF MEMBERSHIP REQUIREMENTS

In light of the continuing uncertainty regarding the ratification of the withdrawal agreement from the European Union by the United Kingdom Parliament and on the adoption of contingency legislative measures enabling the continuation of carrying out banking activity or the provision of investment services in Italy by entities based in the United Kingdom in case of a “hard Brexit”, in order to ensure seamless access to the central counterparty system operated by CC&G for clearing members based in the United Kingdom, it is considered necessary to supplement the provisions of the Instructions to CC&G Rules on the maintenance of membership requirements.

In particular, the Instructions to the CC&G Rules are supplemented, providing that, with reference to clearing members based in the United Kingdom, the conditions and requirements provided under Article B.2.1.1 and Article B.2.1.2, paragraphs 12 and 13 of CC&G Rules shall be deemed satisfied for a period of 12 months starting from the date of withdrawal of the United Kingdom from the European Union, in the event of no agreement being entered into pursuant to Article 50 of the Treaty on the European Union.

The amendment to the Instructions will enter into force and shall apply only in case of a withdrawal of the United Kingdom from the European Union without an agreement being entered into pursuant to Article 50 of the Treaty on the European Union and starting from the date of the withdrawal.

INSTRUCTIONS

TITLE B Central Counterparty System

CHAPTER B.1 Membership

Heading B.1.1 Membership

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Article B.1.1.4 Maintenance of membership requirements and Members' obligations

1. *Members* must forward updates of the membership information indicated in Annex B.114 to CC&G at the times and under the circumstances provided for therein, using the forms provided by CC&G available through the CC&G Internet site (www.lseq.com/ccg).
2. Any amendment of settlement accounts relating to positions in the *Equity Derivatives Section*, concerning *Trading Clients*, and of settlement accounts relating to positions in the *ICSD Bond Section* and the *X-COM Section* must be notified electronically to the *Clearing Member* using the forms available through the CC&G Internet site (www.lseq.com/ccg), at least 5 *CC&G open days* using the new accounts.
3. Any change in the appointments of Referents and Delegates with management powers exercisable in non-electronic form must be notified by the same methods as used in the application phase, and shall have effect, unless agreed otherwise, from the second *CC&G open day* after that in which the notice is received by CC&G, or on a subsequent date indicated by the *Member* in said notification.

Members are obliged to notify CC&G, of any failure to maintain membership requirements within the same day in which the said failure has occurred, or has been verified, in order for CC&G to promptly undertake the consequent measures provided for by the *Regulations*. The notification shall be made by registered letter with return receipt, advanced via email.

5. **With respect to the entities based in the United Kingdom which – on the date of the United Kingdom's withdrawal from the European Union without an agreement pursuant to Article 50 of the Treaty on the**

European Union – participate to CC&G's clearing System as *General Clearing Members* or *Individual Clearing Members*, the conditions and requirements set out in Article B.2.1.1 and Article B.2.1.2, paragraphs 12 and 13 of CC&G's *Regulations* shall be deemed satisfied for a period of 12 months starting from the date of the mentioned withdrawal date.

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