GLOBAL MARKET PRACTICE FOR DEPOSITARY RECEIPTS (DR)

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Changes to previous version			
Version 5 August 2016	Update	Addition of ISO20022 Illustrations	Pages 19 - 31

SCOPE AND DEFINITIONS

The scope of this document is to describe the market practice for the usage of:

- MT542/sese.023 for instruction of releases to deliver underlying shares
- MT544/sese.025 for notification of DR issuance and receipt of underlying shares
- MT546/sese.025 for confirmation of releases and delivery of underlying shares
- MT548/sese.024 for notification of settlement issues

It covers the following business domain for DR:

- Issuance
- Conversion of underlying shares to DR
- Cancellation
- Financial instrument: Securities (Equities or Bonds)

It does not cover the following business domain for DR:

- IPO/PO process
- Registration
- Trade and settlement (these follow the standard market practice)
- CA entitlement process

This document aims at presenting a high level overview of the elements (including the business flows and message types) involved in the DR issuance, conversion and cancellation processes, with a particular focus in the communication between two parties – the Depositary and the Custodian, in an effort to establish a global market practice for the processes.

For the other general processes involved in the trade and settlement of DR, the existing securities messages and market practice for equities and bonds apply.

I. Background

A depositary receipt (DR) is a type of transferable financial security issued by a depository bank that is traded on a local stock exchange but represents a security, usually in the form of debt or, more often, equity that is issued by a foreign company. DRs are not actual shares of stock but receipts representing shares that allow investment in shares or bonds of other countries. One of the most common types of DRs is the American depositary receipt (ADR). Since then, DRs have spread to other parts of the globe in the form of global depositary receipts (GDRs) (the other most common type of DR), European DRs and international DRs. Both ADRs and GDRs are often denominated in U.S. dollars, but can also be denominated in euros.

II. Types of Depositary Receipts

American Depositary Receipt (ADR):

ADRs are negotiable instruments that evidence American Depositary Shares (ADSs) that represent ownership of shares (ADSs) in a non-US company. ADRs offer foreign private issuers access to U.S. capital market. Correspondingly, ADRs provide investors in the US with a convenient way to directly invest in international companies while avoiding the burden traditionally associated with securities held in other countries.

ADRs trade, clear and settle like any other US security. ADRs are often traded on the New York Stock Exchange (NYSE) and NASDAQ but many programs are unlisted in the US and trade over the counter.

Sponsored American Depositary Receipt (ADR):

A sponsored ADR features a contractual relationship between a foreign private issuer and a single depositary bank exclusively authorized to issue ADRs representing that issuer's shares. This relationship is governed by a Deposit Agreement in regards to which the issuer, the depositary bank and the ADR holders are a party. The foreign company and depositary bank register the ADRs via a filing with the Securities and Exchange Commission. Holders of sponsored ADRs have many of the rights of ordinary shareholders, typically including the right to receive reports, the right to vote, and the right to receive dividends. Sponsored ADRs are almost always denominated in USD. In order for an ADR to trade on the New York Stock Exchange or NASDAQ, the program must be sponsored.

(i) Sponsored Level I Depositary Receipts

A sponsored Level I Depositary Receipt program is the simplest method for companies to access the U.S. capital markets. Level I Depositary Receipts are primarily traded in the U.S. over-the-counter ("OTC") market. An issuer with a Level 1 program does not have to abide by the financial reporting or disclosure requirements applicable to a listed ADR.

The Sponsored Level I Depositary Receipt market is the fastest growing type of Depository Receipt. Of the

more than 2,300 sponsored Depositary Receipt programs currently trading, the vast majority are Level I facilities. Many well-known multinational companies have established Level 1 ADRs. In addition, numerous companies upgraded to a listed ADR after initially establishing a Level I program.

(ii) Sponsored Level II and III Depositary Receipts

An ADR listed in the US on the NYSE or NASDAQ is referred to a Level II program, while a listed ADR established as a result of a public offering is referred to as a Level III facility. Issuers with listed programs must adhere to the full reporting and disclosure requirements in accordance with Securities Acts of 1933 and 1934 and must meet the applicable listing requirements of either the NYSE or NASDAQ.

Unsponsored American Depositary Receipt (ADR):

An ADR program in which the foreign issuer is not directly involved is referred to as an Unsponsored ADR. In this type of ADR program, there is no contractual relationship between the depositary bank and issuer. One or more depositary banks may create and issue ADRs in response to market demand without the issuing company's participation. While ADR holders derive some of the economic benefits afforded to ordinary share investors including payment of dividends, other rights, such as the right to provide a voting instruction, are very limited.

Private Placement (144A) Depositary Receipt

In addition to the three levels of sponsored Depositary Receipt programs that trade publicly, a company can also access the U.S. and other markets outside the U.S. through a private placement of sponsored Depositary Receipts. Through these programs, a company can raise capital by placing Depositary Receipts with US Qualified Institutional Buyers, avoiding SEC registration in accordance with Rule 144A of the US Securities Act of 1933. Rule 144a DRs:

- are not subject to US reporting requirements.
- may not be advertised or actively promoted by the issuer.
- trade electronically on PORTAL (a system managed by the National Association of Securities Dealers) pursuant to Rule 144a of the Securities Act of 1933.
- are restricted to Qualified Institutional Buyers (QIBs) for purchase or trading.
- are not registered with the US Securities and Exchange Commission.
- are often accompanied by an offering to non-US investors under Regulation S

Regulation S Depositary Receipts

Regulation S (Reg S) under the US Securities Act of 1933 exempts offerings of securities from registration in the US when the offering is outside of the US. Regulation S (Reg S) DRs allow issuers to raise capital in markets outside the United States, are often listed on the London or Luxembourg stock exchanges and clear through the Euromarket clearing systems Euroclear and Clearstream.

Global Depositary Receipt (GDR):

Issuers seeking to raise capital globally often structure an offering under both Rule 144A and Reg S to access investors in two or more markets. Global Depositary Receipts (GDRs) most often refer to the DRs issued pursuant to this structure.

New York Shares:
These shares are typically used by Dutch issuers whose local law permits share registration to occur outside The Netherlands. The securities represent share capital of the issuer in circulation in the US, and are normally listed on US exchanges. A company's total share capital is equivalent to the sum of the Dutch and US registers. The New York Share structure, used today by a small number of companies such as Royal Dutch Petroleum and Unilever N.V., was developed in 1954.

Local Depositary Receipts:

Local depositary receipts are established for companies seeking to list their stock on a local exchange where a direct listing of foreign securities is not permitted or not possible due to a lack of settlement linkage between the country where the company is located and the country of listing. For example, Germany does not have a link to Euroclear UK & Ireland and hence, shares cannot be listed on a German Stock Exchange. Local depositary receipt programs are often named according to the exchanges on which they are listed and traded eg. Singapore Depositary Receipts (listed in Singapore) and Hong Kong Depositary Receipts (listed in Hong Kong).

III. Actors and Responsibilities

Maintaining a depositary receipt program requires the close coordination between different parties involved. Below is a summary of the responsibilities of the main actors. In BLUE are the responsibilities which are relevant to the scope of this document and the remaining are generic roles.

Actors	Responsibilities
Depositary	• The Central Securities Depository (CSD) – the CSD usually undertakes the role of the Depositary. Eg. in Germany and Korea. Note: In some countries, the CSD undertakes the role of the Depositary Agent instead. Eg. STRATE in South Africa. • Provides advice/perspective on type of program, exchange or market on which to list or quote • Provides stock transfer and registration services for depositary receipt holders. • Matches depositary receipt issuance instructions • Issues DRs against the deposit of the underlying security with the custodian • Cancels DRs and instructs the custodian on delivery of the underlying security to the DR

	owner • Advise on ratio of depositary shares to ordinary shares • Review draft registration statement or offering memorandum, depending upon type of program to be established • Handles depositary receipt holder services (e.g., answering inquiries, distributing corporate communications materials to registered holders). • Delivers detailed reporting to issuer with information on depositary receipt holders, the markets, trends and developments • Advises on, coordinates and assists issuer in executing corporate actions and depositary receipt ratio changes • Converts dividends into applicable currency and transmits to registered depositary receipt holders • Coordinate with legal counsel on deposit agreement and securities law matters • Produces tax withholding documents (for ADRs), if applicable • Maintains custodian relationships • Promotes benefit of investment in depositary receipts to market • Serves in M&A transactions as exchange agent or cash depositary.
Depositary Agent	• Undertakes functions related to the maintenance and administration of a DR programme
Custodian	• Appointed by the Depositary • Maintains the safekeeping account for the Depositary and receives/delivers the underlying security • Advises the Depositary of deposit/release of the underlying security • Register the shares in the Depositary's account as necessary with the issuer's transfer agent/registrar • Confirm release of the underlying security • Hold shares in custody for the account of Depositary in the home market • Notifies the Depositary of corporate actions announced in the issuer's home market • Provides the Depositary with copies of notices of shareholders' meetings, annual reports and other shareholder communications.

	• Remits dividend payments to Depositary. • Maintains and communicates up-to-date local market information on tax withholding, reclaim, regulatory and settlement issues. • Provides statements of share balances for reconciliation by Depositary.
Issuer	• Instructs issuance of the DR to the Depositary • Provides Depositary and custodian with notices of dividends, rights offerings and other corporate actions, including notices of annual and special stockholder meetings • Ongoing compliance with stock exchange and SEC regulations, including disclosure and reporting (coordinating with legal counsel/accountants) • Executes US-focused investor relations (non-US-focused in the case of Regulation S GDRs) plan that may include management visits to targeted US investors, the development of sell-side research, and ongoing shareholder communications
DR Owner	• Initiates the cancellation of the DR
Owner of underlying shares	• Initiates the conversion of the underlying shares to DR
Investment banks/Underwriters/Lead Manager (Level II/III/Rule 144A/Regulation S ADRs only)	• Advise on type of program to launch and exchange or market on which to list or quote • Advise on ratio of depositary shares to ordinary shares • Cover issuer through research reports/promote DRs to investors • Advise on road shows, investor meetings, investors to target • Advise on capital market issues • Where applicable, advise on potential merger/acquisition candidates, and other matters such as rights offerings, stock distributions, spin-offs, proxy contests, etc. If concurrent public offering: • Advise on size, pricing and marketing of offering • Act as placement agent in offering • Conduct road shows with management / introduce issuer to institutional and other investors • Line up selected dealers and co-underwriters for offering
Legal Counsel (depositary's and issuer's)	• Prepare draft deposit agreement (Depositary bank's counsel) and file required registration

	statements with the SEC • Prepare draft underwriting agreement • Manage compliance with US securities laws, rules and regulations and perfect any securities law exemptions (if Rule 144A/Reg S program)(issuer counsel)
Accountants (Level II/III ADRs only)	• Prepare issuer's financial statements in accordance with, or reconcile to, US GAAP • Review registration statement or offering circular

IV. Main Activities

(1) Trading of Depositary Receipts

Once depositary receipts are issued and an adequate number of depositary receipts are outstanding in the market, (usually 4 percent to 8 percent of the company's shares in depositary receipt form), a true intra-market trading environment emerges. Until this market develops, the majority of depositary receipt purchases result in cross-border transactions where depositary receipts are issued versus the deposit of the underlying ordinary shares.

When executing a depositary receipt trade, brokers seek to obtain the best possible price by comparing the depositary receipt price to the equivalent price of the ordinary shares in the home market. Brokers will buy or sell in the market that offers them the most cost-effective execution. They can do so in three ways: by *issuing* a new depositary receipt, *transferring* an existing depositary receipt or *cancelling* a depositary receipt.

Practical example:
A DR is traded at price 12, the ordinary share in the home market is traded at (converted rate) 11.80. In this case, the broker, either for his own books or based on an investor´s order, will buy the ordinary shares and sell the depositories receipt, following the conversions as described above. He will continue to do so, till the price is equal in the DR market to those in the home market. In the other way around, so if the DR price is lower, he will buy the DRs, convert them and sell them in the home market.
Of course all aspects like liquidity, costs for the conversion, exchange rates etc. need to be taken into consideration before executing such a transaction.
The broker may also hold an inventory of ordinary shares or depositary receipts. In this case, the local trading price serves as a pricing benchmark. True arbitrage will not take place since the broker may decide to sell from an existing position (purchased previously) to satisfy the order.

In many regions of the world, the depositary receipt market is open while the home market for the ordinary share is closed. In this case, the opening price of the depositary receipt is based on the previous day's closing price in the home market. Likewise, the closing price of the depositary receipt will also impact the opening price of the ordinary share when the home market opens. When the home market is closed, the depositary receipt price will fluctuate based on the normal forces of supply and demand and the flow of available information. The continuous buying and selling of depositary receipts, in either market, ensures that no significant deviations are likely to persist between the prices of depositary receipts and the ordinary shares they represent. As a result, about 95 percent of depositary receipt trading occurs in the intra-market and does not involve the issuance or cancellation of a depositary receipt.

(2) Issuance of Depositary Receipts

"Issuance" simply refers to the transfer of custody of the share from the home market to the overseas market.

After the subscription period has expired, the leader manager/underwriter makes payments for its subscription through remittance to the issuer's currency account (of the country of the DR issuance).

Upon confirmation of the payment for such subscription, the issuer issues the underlying shares in the country of incorporation and the credits the underlying shares to the Depositary's securities account opened with the local custodian which was appointed by the Depositary.

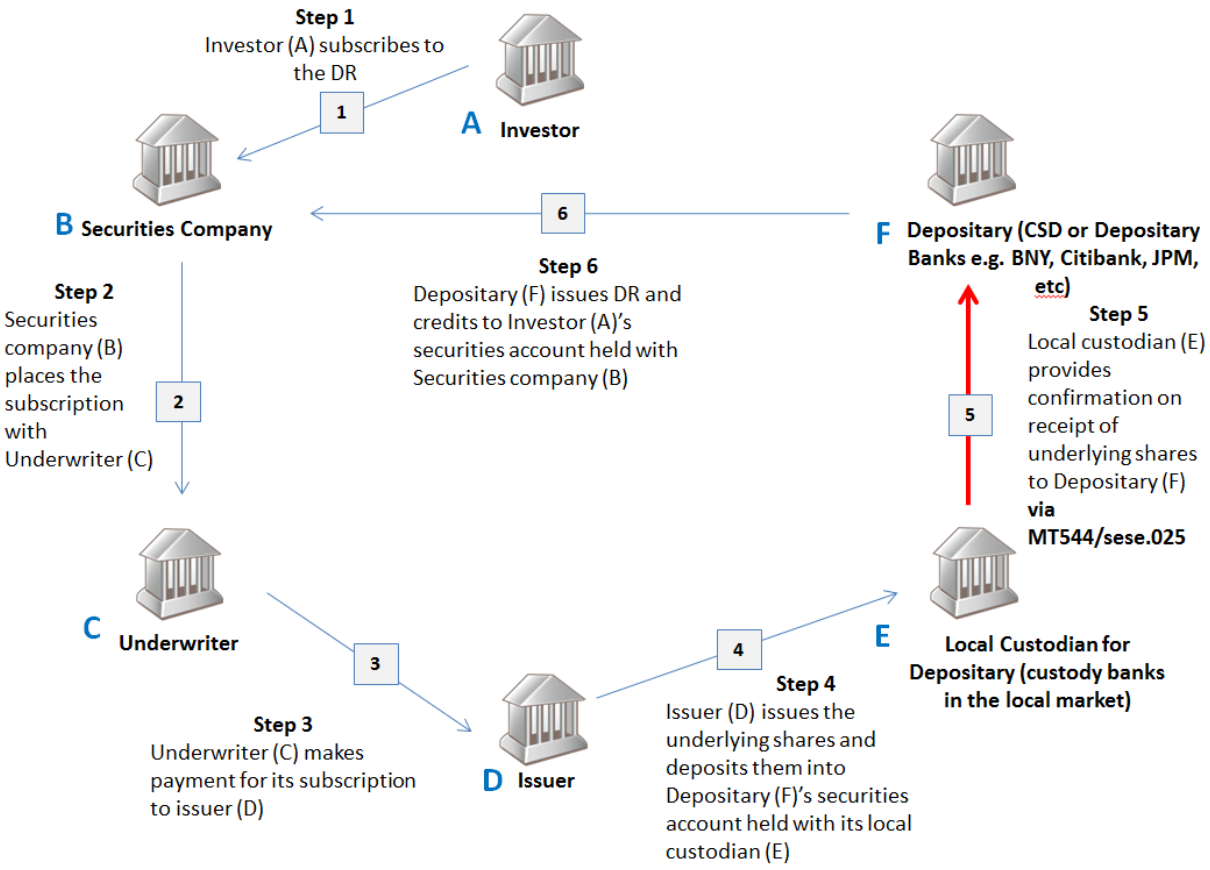
The Depositary issues the depositary receipts at the time when it receives advice from the local custodian of the details of the underlying shares received. The depositary agent credits the number of depositary receipts subscribed to by the participant to the participant's securities account.

(3) Market Making Transactions

Transfers to balance on the holdings:
Besides the practical example of arbitrage explained in (1), the designated sponsor/broker might as well be involved in market making transactions. To keep a certain interest and to avoid that the price difference between DR and original is not becoming too big, he might be engaged to buy or sell DRs in the remote market mainly by quoting a buy/sell price for which he would trade. This could as well include transactions to move DRs into, respective out of the market by conversion.

Flow Diagram

Flow – Issuance of DR



(4) Cancellation

"Cancellation" of the DR takes place upon request of the DR Owner to cancel the DR and receive the underlying securities. When the DR Owner sends such request to the Depositary (or the Depositary Agent), the Depositary will cancel the DR and instructs the Custodian to deliver the underlying securities to the account of the DR Owner. To add, the DR program must allow for the cancellation of the DR before it can take place.

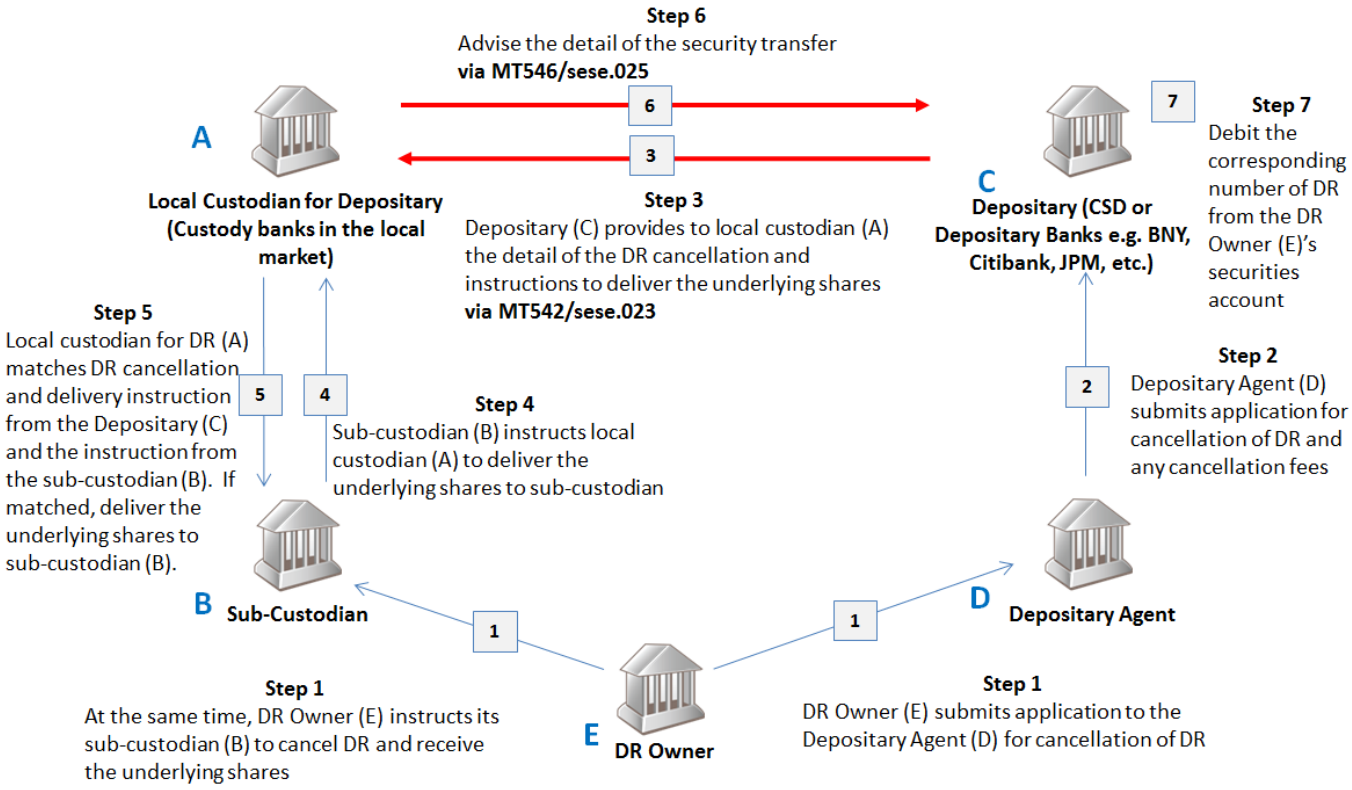
Cancellation will take place when the DR Owner would like to convert the DR to the underlying security or to make arbitrage trade. When the price of the underlying shares in the country of incorporation is higher than that of the depositary receipts, an investor may conduct arbitrage trading by purchasing depositary receipts and selling the underlying shares. In such a case, the beneficial owner of such depositary receipts may apply for cancellation of the depositary receipts through the participant at the Depositary. Upon receipt of the application for cancellation, the Depositary instructs the underlying shares' custodian to deliver the corresponding number of underlying shares to the investor's custodian, which is usually located in the country of incorporation.

The Depositary retires the corresponding number of depositary receipts by debiting the same to the register of the depositary receipts owners at the time when it is advised by the underlying shares' custodian that the transfer of the underlying shares has been completed as instructed.

In Germany, DR investors who wish to cancel the DRs and exchange them back for the underlying non-German securities have to enter a "re-exchange" instruction in the local CSD system. The investor's DR position held in custody with Clearstream Banking Frankfurt (CBF) is reduced, with a debit made to the account CBF holds with its custodian. The underlying shares are delivered according to the instructions provided by the investor in the re-exchange instruction.

Flow Diagram

Flow – Cancellation of DR (conversion to underlying shares)



(5) Conversion of the underlying shares (from abroad to domestic market)

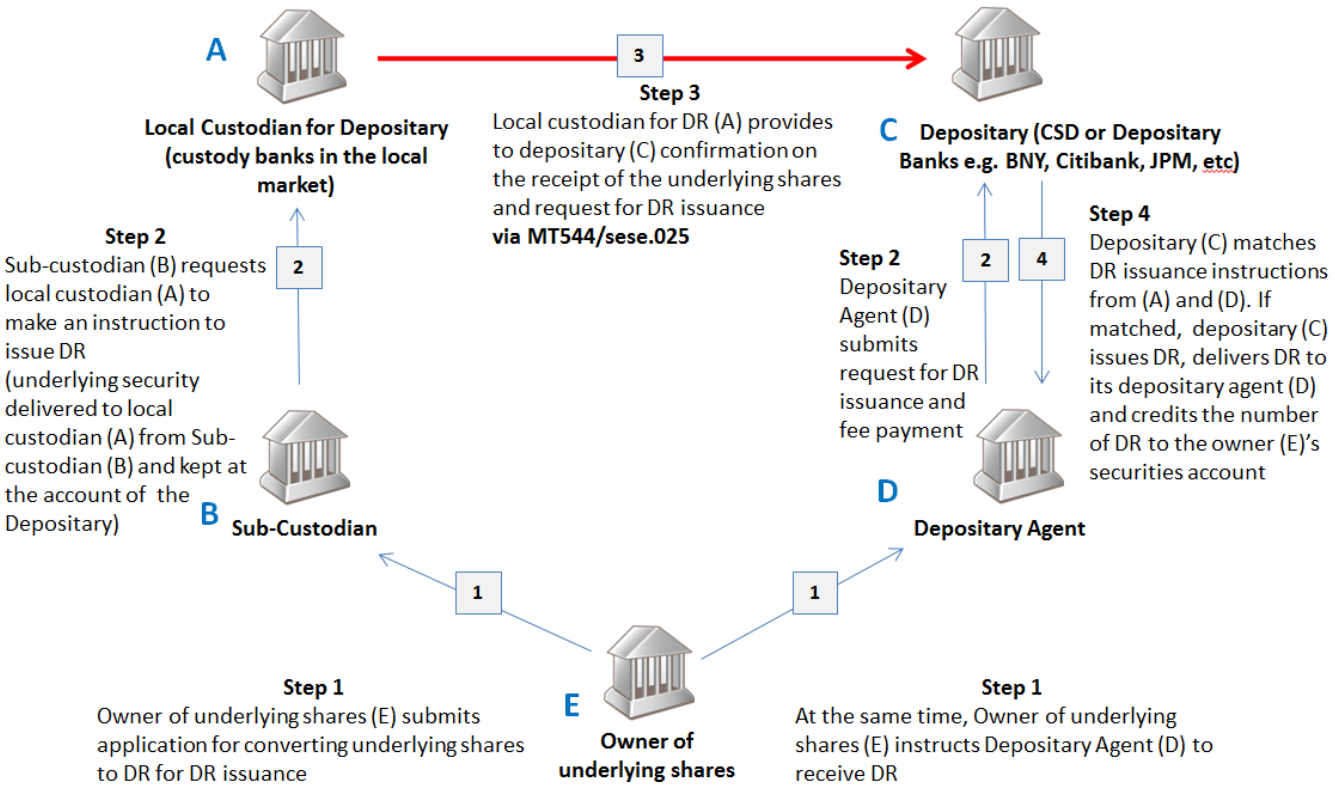
When the price of depositary receipts is higher than the underlying shares in the country of incorporation, an investor may conduct arbitrage trading by purchasing the underlying shares and selling the depositary receipts. In such a case, the beneficial owner of such underlying shares may issue a request for conversion to DR through the participant at the Depository. Simultaneously with the application for such conversion, the investor should credit the corresponding number of underlying shares to the Depositary's securities account already opened with the underlying shares' custodian and also submit an application for conversion to depositary receipts.

In Germany, investors who wish to convert the non-German securities into DRs have to transfer these securities into the Clearstream Banking Frankfurt (CBF)'s local custodian in the home market. In addition, an instruction type "exchange" must be entered in the local CSD system.

Upon receipt of the underlying shares from the investor, the underlying shares' custodian advises the Depositary of the details of the receipt. Then, the Depositary checks the application from the underlying shares' custodian for conversion to depositary receipts against the details of the relevant participant's request for issuance of depositary receipts. If both are consistent with each other, the Depositary then issues the corresponding number of depositary receipts by entering the same in the register of depositary receipts owners and credits the corresponding number of depositary receipts to the securities account of the appropriate participant that made a request for issuance of such depositary receipts, thus closing the depositary receipt conversion transaction.

Flow Diagram

Flow – Conversion of underlying shares into DR



V. ISO 15022 Sample Message Templates

MT544 Receive Free Confirmation (DR – from local Custodian of Depositary Bank to Depositary Bank)
DR conversion confirmation

Status	Tag	Qualifier	Detailed Field Name	SMPG Recommendations	Local Custodian of Depositary
Mandatory Sequence A General Information					
m	16R	GENL			
m	20C	SEME	Instruction reference no		
m	23G	NEWM	Instruction ref type		
		CANC	Cancellation		
o	98C	PREP	Preperation date/time		
Repetitive Mandatory Subsequence A1 Linkages					
m	16R	LINK			
o	13A	LINK//544	In case of cancellation		
	20C	PREV, TRRF	Previous message reference	PREV for CANC or RVSL TRRF for DR transaction	if any transaction reference number available use TRRF
m	16S	LINK			
m	16S	GENL			
Mandatory Sequence B Trade Details					
m	16R	TRADDET			
m	98A	ESET//	Settlement Date		
m	35B	ISIN xx----------	Identification of Security	For Private Placement, ISIN is not available. CUSIP will be used instead.	
		xxxxxxxxxxxxxxxx	Security Name		
o	70E	SPRO	Settlement processing information		Global custodian of the investor (information always required. Provided in DTCC a/c number)
m	16S	TRADDET			
Repetitive Mandatory Sequence C Financial Instrument/Account					
m	16R	FIAC			
m	36B	ESTT//UNIT	Quantity	UNIT or FAMT	
m	97A	SAFE	safekeeping account		
m	16S	FIAC			
Mandatory Subsequence E Settlement Details					
	16R	SETDET			
m	22F	SETR// ISSU or CONV	Trade type	For DR issuance related settlement transaction	Prefer CONV
Repetitive Mandatory Subsequence E1 Settlement Parties 1					
m	16R	SETPRTY			
m	95P	SELL	Seller (underlying customer = investor)	Q option (name in text) if BIC is not available	
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 2					
m	16R	SETPRTY			
m	95P	DEAG	Delivery Agent	R option or Q option can also be used (Investor's local custodian)	BIC code can be used
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 3					
m	16R	SETPRTY			
m	95P	PSET	Place of settlement		
m	16S	SETPRTY			
Optional Repetitive Sequence F Others Parties					
m	16R	OTHRPRTY			
m	95P	[Qualifier]		tbc if this field / sequence is needed or not INVE for investor (underlying customer)?	
o	70E	DECL	Declaration Details	For Depositary Agent information, when applicable	
m	16S	OTHRPRTY			

MT542 Deliver Free Instruction (DR – from Depositary Bank to local Custodian of Depositary Bank)
DR release instruction

Status	Tag	Qualifier	Detailed Field Name	SMPG Recommendations	Local Custodian of Depositary Bank
Mandatory Sequence A General Information					
m	16R	GENL			
m	20C	SEME	Instruction reference no		
m	23G	NEWM	Instruction ref type		
		CANC	Cancellation		
o	98C	PREP	Preperation date/time		
Repetitive Optional Subsequence A1 Linkages					
m	16R	LINK			
o	13A	LINK//542	in case of cancellation		
m	20C	PREV or TRRF (or A1 for PREV and A1 for TRRF)	Previous message reference	PREV for cancellation TRRF for DR transaction if available	No need for TRRF
m	16S	LINK			
m	16S	GENL			
Mandatory Sequence B Trade Details					
m	16R	TRADDET			
m	98A	SETT	Settlement Date		
m	35B	ISIN xx----------	Identification of Security	For Private Placement, ISIN is not available. CUSIP will be used instead.	
		xxxxxxxxxxxxxxxx	Security Name		
m	16S	TRADDET			
Repetitive Mandatory Sequence C Financial Instrument/Account					
m	16R	FIAC			
m	36B	SETT//UNIT	Quantity	UNIT or FAMT	
m	97A	SAFE	safekeeping account		
m	16S	FIAC			
Mandatory Subsequence E Settlement Details					
	16R	SETDET			
m	22F	SETR//RELE	Trade type	For DR release (cancellation) related settlement transaction	
Repetitive Mandatory Subsequence E1 Settlement Parties 1					
m	16R	SETPRTY			
m	95P	BUYR	Buyer	Q option (name in text) if BIC is not available	
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 2					
m	16R	SETPRTY			
m	95P	REAG	Receiving agent (local custodian)	R option can also be used (Investor's local custodian)	
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 3					
m	16R	SETPRTY			
m	95P	PSET	Place of settlement		
m	16S	SETPRTY			
Optional Repetitive Sequence F Others Parties					
m	16R	OTHRPRTY			
m	95P	[Qualifier]		tbc if this field / sequence is needed or not INVE for investor (underlying customer)?	
o	70E	DECL	Declaration Details	For Depositary Agent information, when applicable	
m	16S	OTHRPRTY			

MT546 Deliver Free Confirmation (DR – from local Custodian of Depositary Bank to Depositary Bank)
DR release confirmation

Status	Tag	Qualifier	Detailed Field Name	SMPG Recommendations	Local Custodian of Depositary Bank
Mandatory Sequence A General Information					
m	16R	GENL			
m	20C	SEME	Instruction reference no		
m	23G	NEWM	Instruction ref type		
		CANC	Cancellation		
o	98C	PREP	Preperation date/time		
Repetitive Mandatory Subsequence A1 Linkages					
m	16R	LINK			
o	13A	LINK//542			
m	20C	PREV, TRRF, RELA		PREV for CANC or RVSL TRRF for DR transaction RELA to link with previously received instruction	Only if TRRF comes from Depositary Bk
m	16S	LINK			
m	16S	GENL			
Mandatory Sequence B Trade Details					
m	16R	TRADDET			
m	98A	ESET//	Settlement Date		
m	35B	ISIN xx----------	Identification of Security	For Private Placement, ISIN is not available. CUSIP will be used instead.	
		xxxxxxxxxxxxxxxx	Security Name		
m	16S	TRADDET			
Repetitive Mandatory Sequence C Financial Instrument/Account					
m	16R	FIAC			
m	36B	ESTT//UNIT	Quantity	UNIT or FAMT	
m	97A	SAFE	safekeeping account		
m	16S	FIAC			
Mandatory Subsequence E Settlement Details					
	16R	SETDET			
m	22F	SETR// RELE	Trade type	For DR issuance related settlement transaction	
Repetitive Mandatory Subsequence E1 Settlement Parties 1					
m	16R	SETPRTY			
m	95P	BUYR	Buyer (investor)	R option can also be used In this case an investor who receives DR (who delivers KR stocks to Depositary Bk)	
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 2					
m	16R	SETPRTY			
m	95P	REAG	Receiving agent	R option can also be used (Investor's local custodian)	
m	16S	SETPRTY			
m	16S	SETDET			
Repetitive Mandatory Subsequence E1 Settlement Parties 3					
m	16R	SETPRTY			
m	95P	PSET	Place of settlement		
m	16S	SETPRTY			
Optional Repetitive Sequence F Others Parties					
m	16R	OTHRPRTY			
m	95P	[Qualifier]		tbc if this field / sequence is needed or not INVE for investor (underlying customer)?	
o	70E	DECL	Declaration Details	For Depositary Agent information, when applicable	
m	16S	OTHRPRTY			

VI. ISO 20022 Sample Message Templates

Note all the messages identifications are included in the Business Application Header.

The original Securities Settlement Transaction Confirmation message components used in a DR process are:
DR conversion confirmation – Receive free confirmation

sese.025

```
<SctiesSttlmTxConf>
        <TxIdDtls>
                <AcctOwnrTxId>a</AcctOwnrTxId>
                <SctiesMvmntTp>RECE</SctiesMvmntTp>
                <Pmt>FREE</Pmt>
        </TxIdDtls>
        <Lnkgs>
                <SctiesSttlmTxId>a</SctiesSttlmTxId>
        </Lnkgs>
        <TradDtls>
                <TradId>a</TradId>
                <FctvSttlmDt>
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                        </Dt>
                        <DtCd>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                        </DtCd>
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                <SttlmInstrPrcgAddtlDtls>a</SttlmInstrPrcgAddtlDtls>
        </TradDtls>
        <FinInstrmId>
                <ISIN>AA0000000000</ISIN>
                <OthrId>
                        <Id>a</Id>
                        <Tp>
                                <Cd>a</Cd>
                                <Prtry>a</Prtry>
                        </Tp>
                </OthrId>
                <Desc>a</Desc>
        </FinInstrmId>
        <QtyAndAcctDtls>
                <SttldQty>
                        <Qty>
                                <Unit>0</Unit>
                                <FaceAmt>0</FaceAmt>
```

RECE is for confirmation of receipt.

For DR transaction, if any transaction reference number is available.

Global custodian of the investor (information always required. Provided in DTCC account number).

For Private Placement, ISIN is not available. CUSIP will be used instead.

UNIT or FAMT

```
                    </Qty>
                    <OrgnlAndCurFace>
                        <FaceAmt>0</FaceAmt>
                        <AmtsdVal>0</AmtsdVal>
                    </OrgnlAndCurFace>
            </SttldQty>
            <SfkpgAcct>
                    <Id>a</Id>
                    <Nm>a</Nm>
            </SfkpgAcct>
    </QtyAndAcctDtls>
    <SttlmParams>
            <SctiesTxTp>
                    <Cd>CONV</Cd>
                    <Prtry>
                        <Id>0000</Id>
                        <Issr>a</Issr>
                    </Prtry>
            </SctiesTxTp>
    </SttlmParams>
    <DlvrgSttlmPties>
            <Dpstry>
                    <Id>
                        <AnyBIC>AAAAAA20</AnyBIC>
                    </Id>
            </Dpstry>
            <Pty1>
                    <Id>
                        <AnyBIC>AAAAAA20</AnyBIC>
                        <PrtryId>
                            <Id>a</Id>
                            <Issr>a</Issr>
                            <SchmeNm>a</SchmeNm>
                        </PrtryId>
                        <NmAndAdr>
                            <Nm>a</Nm>
                            <Adr>
                                <AdrTp>PBOX</AdrTp>
                                <AdrLine>a</AdrLine>
                                <StrtNm>a</StrtNm>
                                <BldgNb>a</BldgNb>
                                <PstCd>a</PstCd>
                                <TwnNm>a</TwnNm>
                                <CtrySubDvsn>a</CtrySubDvsn>
                                <Ctry>AA</Ctry>
                            </Adr>
```

Preferred code for DR issuance related settlement transaction.
ISSU can also be used.

Delivery agent in receipt free confirmation (investor's local custodian).

```
                    </NmAndAdr>
                </Id>
                <LEI>00000000000000000000</LEI>
                <AltrnId>
                    <IdTp>
                        <Cd>CHTY</Cd>
                        <Prtry>
                            <Id>0000</Id>
                            <Issr>a</Issr>
                            <SchmeNm>a</SchmeNm>
                        </Prtry>
                    </IdTp>
                    <Ctry>AA</Ctry>
                    <AltrnId>a</AltrnId>
                </AltrnId>
                <SfkpgAcct>
                    <Id>a</Id>
                    <Tp>
                        <Id>0000</Id>
                        <Issr>a</Issr>
                        <SchmeNm>a</SchmeNm>
                    </Tp>
                    <Nm>a</Nm>
                </SfkpgAcct>
            </Pty1>
            <Pty2>
                <Id>
                    <AnyBIC>AAAAAA20</AnyBIC>
                    <PrtryId>
                        <Id>a</Id>
                        <Issr>a</Issr>
                        <SchmeNm>a</SchmeNm>
                    </PrtryId>
                    <NmAndAdr>
                        <Nm>a</Nm>
                        <Adr>
                            <AdrTp>PBOX</AdrTp>
                            <AdrLine>a</AdrLine>
                            <StrtNm>a</StrtNm>
                            <BldgNb>a</BldgNb>
                            <PstCd>a</PstCd>
                            <TwnNm>a</TwnNm>
                            <CtrySubDvsn>a</CtrySubDvsn>
                            <Ctry>AA</Ctry>
                        </Adr>
                    </NmAndAdr>
```

Seller in receipt free confirmation (underlying customer ie investor).
Name in text can be used if BIC is not available.

```
                    </Id>
                    <LEI>00000000000000000000</LEI>
                    <AltrnId>
                        <IdTp>
                            <Cd>ARNU</Cd>
                            <Prtry>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                                <SchmeNm>a</SchmeNm>
                            </Prtry>
                        </IdTp>
                        <Ctry>AA</Ctry>
                        <AltrnId>a</AltrnId>
                    </AltrnId>
                    <SfkpgAcct>
                        <Id>a</Id>
                        <Tp>
                            <Id>0000</Id>
                            <Issr>a</Issr>
                            <SchmeNm>a</SchmeNm>
                        </Tp>
                        <Nm>a</Nm>
                    </SfkpgAcct>
                </Pty2>
            </DlvrgSttlmPties>
                    .../...
            <OthrBizPties>
                <Invstr>
                    <Id>
                        <AnyBIC>AAAAAA20</AnyBIC>
                    </Id>
                    <AddtlInf>
                        <DclrtnDtls>a</DclrtnDtls>
                    </AddtlInf>
                </Invstr>
            </OthrBizPties>
</SctiesSttlmTxConf>
```

May be used for the underlying customer.

For Depositary Agent information, when applicable.

The standard message and market practice applies for reversal of confirmation.

The Securities Settlement Transaction Reversal Advice:

```
sese.026
<SctiesSttlmTxRvslAdvc>
        <TxIdDtls>
                <AcctOwnrTxId>a</AcctOwnrTxId>
                <AcctSvcrTxId>a</AcctSvcrTxId>
                <SctiesMvmntTp>RECE</SctiesMvmntTp>
                <Pmt>FREE</Pmt>
        </TxIdDtls>
                .../...
```

The standard message and market practice applies for cancellation of confirmation.

The Securities Message Cancellation Advice:

```
semt.020
<SctiesMsgCxlAdvc
>
        <Ref>
                <SctiesSttlmTxConfId>
                        <TxId>a</TxId>
                        <SctiesMvmntTp>DELI</SctiesMvmntTp>
                        <Pmt>FREE</Pmt>
                </SctiesSttlmTxConfId>
                        .../...
```

DR release confirmation – Deliver free confirmation

```
sese.025
<SctiesSttlmTxConf>
        <TxIdDtls>
                <AcctOwnrTxId>a</AcctOwnrTxId>
                <SctiesMvmntTp>DELI</SctiesMvmntTp>
                <Pmt>FREE</Pmt>
        </TxIdDtls>
        <Lnkgs>
                <SctiesSttlmTxId>a</SctiesSttlmTxId>
        </Lnkgs>
        <TradDtls>
                <TradId>a</TradId>
                <FctvSttlmDt>
                        <Dt>
                                <Dt>2016-08-13</Dt>
                        </Dt>
                        <DtCd>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                        </DtCd>
                </FctvSttlmDt>
```

DELI is for confirmation of delivery.

For DR transaction, if transaction reference comes from Depositary Bank.

```
                <SttlmInstrPrcgAddtlDtls>a</SttlmInstrPrcgAddtlDtls>
        </TradDtls>
        <FinInstrmId>
                <ISIN>AA0000000000</ISIN>
                <OthrId>
                        <Id>a</Id>
                        <Tp>
                                <Cd>a</Cd>
                                <Prtry>a</Prtry>
                        </Tp>
                </OthrId>
                <Desc>a</Desc>
        </FinInstrmId>
        <QtyAndAcctDtls>
                <SttldQty>
                        <Qty>
                                <Unit>0</Unit>
                                <FaceAmt>0</FaceAmt>
                        </Qty>
                        <OrgnlAndCurFace>
                                <FaceAmt>0</FaceAmt>
                                <AmtsdVal>0</AmtsdVal>
                        </OrgnlAndCurFace>
                </SttldQty>
                <SfkpgAcct>
                        <Id>a</Id>
                        <Nm>a</Nm>
                </SfkpgAcct>
        </QtyAndAcctDtls>
        <SttlmParams>
                <SctiesTxTp>
                        <Cd>RELE</Cd>
                        <Prtry>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                        </Prtry>
                </SctiesTxTp>
        </SttlmParams>
                        .../...
        <RcvgSttlmPties>
                <Dpstry>
                        <Id>
                                <AnyBIC>AAAAAA20</AnyBIC>
                        </Id>
                </Dpstry>
                <Pty1>
```

Global custodian of the investor (information always required. Provided in DTCC account number).

For Private Placement, ISIN is not available. CUSIP will be used instead.

UNIT or FAMT

For cancellation of DR transaction.

Receiving agent in deliver free confirmation (investor's local custodian).

```
                    <Id>
                        <AnyBIC>AAAAAA20</AnyBIC>
                        <PrtryId>
                            <Id>a</Id>
                            <Issr>a</Issr>
                            <SchmeNm>a</SchmeNm>
                        </PrtryId>
                        <NmAndAdr>
                            <Nm>a</Nm>
                            <Adr>
                                <AdrTp>PBOX</AdrTp>
                                <AdrLine>a</AdrLine>
                                <StrtNm>a</StrtNm>
                                <BldgNb>a</BldgNb>
                                <PstCd>a</PstCd>
                                <TwnNm>a</TwnNm>
                                <CtrySubDvsn>a</CtrySubDvsn>
                                <Ctry>AA</Ctry>
                            </Adr>
                        </NmAndAdr>
                    </Id>
                    <LEI>00000000000000000000</LEI>
                    <AltrnId>
                        <IdTp>
                            <Cd>CHTY</Cd>
                            <Prtry>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                                <SchmeNm>a</SchmeNm>
                            </Prtry>
                        </IdTp>
                        <Ctry>AA</Ctry>
                        <AltrnId>a</AltrnId>
                    </AltrnId>
                    <SfkpgAcct>
                        <Id>a</Id>
                        <Tp>
                            <Id>0000</Id>
                            <Issr>a</Issr>
                            <SchmeNm>a</SchmeNm>
                        </Tp>
                        <Nm>a</Nm>
                    </SfkpgAcct>
                </Pty1>
                <Pty2>
                    <Id>
```

Buyer in deliver free confirmation (underlying customer ie investor). Name in text can be used if BIC is not available.

```
                        <AnyBIC>AAAAAA20</AnyBIC>
                        <PrtryId>
                                <Id>a</Id>
                                <Issr>a</Issr>
                                <SchmeNm>a</SchmeNm>
                        </PrtryId>
                        <NmAndAdr>
                                <Nm>a</Nm>
                                <Adr>
                                        <AdrTp>PBOX</AdrTp>
                                        <AdrLine>a</AdrLine>
                                        <StrtNm>a</StrtNm>
                                        <BldgNb>a</BldgNb>
                                        <PstCd>a</PstCd>
                                        <TwnNm>a</TwnNm>
                                        <CtrySubDvsn>a</CtrySubDvsn>
                                        <Ctry>AA</Ctry>
                                </Adr>
                        </NmAndAdr>
                </Id>
                <LEI>00000000000000000000</LEI>
                <AltrnId>
                        <IdTp>
                                <Cd>CORP</Cd>
                                <Prtry>
                                        <Id>0000</Id>
                                        <Issr>a</Issr>
                                        <SchmeNm>a</SchmeNm>
                                </Prtry>
                        </IdTp>
                        <Ctry>AA</Ctry>
                        <AltrnId>a</AltrnId>
                </AltrnId>
                <SfkpgAcct>
                        <Id>a</Id>
                        <Tp>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                                <SchmeNm>a</SchmeNm>
                        </Tp>
                        <Nm>a</Nm>
                </SfkpgAcct>
        </Pty2>
</RcvgSttlmPties>
                        .../...
<OthrBizPties>
```

```
                <Invstr>
                        <Id>
                                <AnyBIC>AAAAAA20</AnyBIC>
                        </Id>
                        <AddtlInf>
                                <DclrtnDtls>a</DclrtnDtls>
                        </AddtlInf>
                </Invstr>
        </OthrBizPties>
</SctiesSttlmTxConf>
```

May be used for the underlying customer.

For Depositary Agent information, when applicable.

The standard message and market practice applies for reversal and cancellation of confirmation (see above).

DR release instruction – Deliver free instruction

```
sese.023
<SctiesSttlmTxInstr>
        <TxId>a</TxId>
        <SttlmTpAndAddtlParams>
                <SctiesMvmntTp>DELI</SctiesMvmntTp>
                <Pmt>FREE</Pmt>
        </SttlmTpAndAddtlParams>
        <TradDtls>
                <TradId>a</TradId>
                <SttlmDt>
                        <Dt>
                                <Dt>2016-08-10</Dt>
                        </Dt>
                </SttlmDt>
        </TradDtls>
        <FinInstrmId>
                <ISIN>AA0000000000</ISIN>
                <OthrId>
                        <Id>a</Id>
                        <Tp>
                                <Cd>a</Cd>
                                <Prtry>a</Prtry>
                        </Tp>
                </OthrId>
                <Desc>a</Desc>
        </FinInstrmId>
        <QtyAndAcctDtls>
                <SttlmQty>
                        <Qty>
                                <Unit>0</Unit>
                                <FaceAmt>0</FaceAmt>
                        </Qty>
```

DELI is for instruction of delivery.

For DR transaction, if transaction reference is available.

For Private Placement, ISIN is not available. CUSIP will be used instead.

UNIT or FAMT

```
                    <OrgnlAndCurFace>
                        <FaceAmt>0</FaceAmt>
                        <AmtsdVal>0</AmtsdVal>
                    </OrgnlAndCurFace>
            </SttlmQty>
            <SfkpgAcct>
                    <Id>a</Id>
                    <Tp>
                        <Id>0000</Id>
                        <Issr>a</Issr>
                    </Tp>
                    <Nm>a</Nm>
            </SfkpgAcct>
    </QtyAndAcctDtls>
    <SttlmParams>
            <SctiesTxTp>
                    <Cd>RELE</Cd>
            </SctiesTxTp>
    </SttlmParams>
    <RcvgSttlmPties>
            <Dpstry>
                    <Id>
                        <AnyBIC>AAAAAA20</AnyBIC>
                        <NmAndAdr>
                            <Nm>a</Nm>
                            <Adr>
                                <AdrTp>HOME</AdrTp>
                                <AdrLine>a</AdrLine>
                                <StrtNm>a</StrtNm>
                                <BldgNb>a</BldgNb>
                                <PstCd>a</PstCd>
                                <TwnNm>a</TwnNm>
                                <CtrySubDvsn>a</CtrySubDvsn>
                                <Ctry>AA</Ctry>
                            </Adr>
                        </NmAndAdr>
                        <Ctry>AA</Ctry>
                    </Id>
                    <LEI>00000000000000000000</LEI>
                    <AltrnId>
                        <IdTp>
                            <Cd>CHTY</Cd>
                            <Prtry>
                                <Id>0000</Id>
                                <Issr>a</Issr>
                                <SchmeNm>a</SchmeNm>
```

For cancellation of DR transaction.

```
                                        </Prtry>
                                </IdTp>
                                <Ctry>AA</Ctry>
                                <AltrnId>a</AltrnId>
                        </AltrnId>
                        <AddtlInf>
                                <DclrtnDtls>a</DclrtnDtls>
                                <PtyCtctDtls>a</PtyCtctDtls>
                                <RegnDtls>a</RegnDtls>
                        </AddtlInf>
                </Dpstry>
                <Pty1>
                        <Id>
                                <AnyBIC>AAAAAA20</AnyBIC>
                                <PrtryId>
                                        <Id>a</Id>
                                        <Issr>a</Issr>
                                        <SchmeNm>a</SchmeNm>
                                </PrtryId>
                                <NmAndAdr>
                                        <Nm>a</Nm>
                                        <Adr>
                                                <AdrTp>HOME</AdrTp>
                                                <AdrLine>a</AdrLine>
                                                <StrtNm>a</StrtNm>
                                                <BldgNb>a</BldgNb>
                                                <PstCd>a</PstCd>
                                                <TwnNm>a</TwnNm>
                                                <CtrySubDvsn>a</CtrySubDvsn>
                                                <Ctry>AA</Ctry>
                                        </Adr>
                                </NmAndAdr>
                        </Id>
                        <LEI>00000000000000000000</LEI>
                        <AltrnId>
                                <IdTp>
                                        <Cd>CORP</Cd>
                                        <Prtry>
                                                <Id>0000</Id>
                                                <Issr>a</Issr>
                                                <SchmeNm>a</SchmeNm>
                                        </Prtry>
                                </IdTp>
                                <Ctry>AA</Ctry>
                                <AltrnId>a</AltrnId>
                        </AltrnId>
```

Receiving agent in deliver free instruction (investor's local custodian).

```
                    <SfkpgAcct>
                              <Id>a</Id>
                              <Tp>
                                        <Id>0000</Id>
                                        <Issr>a</Issr>
                                        <SchmeNm>a</SchmeNm>
                              </Tp>
                              <Nm>a</Nm>
                    </SfkpgAcct>
          </Pty1>
          <Pty2>
                    <Id>
                              <AnyBIC>AAAAAA20</AnyBIC>
                              <PrtryId>
                                        <Id>a</Id>
                                        <Issr>a</Issr>
                                        <SchmeNm>a</SchmeNm>
                              </PrtryId>
                              <NmAndAdr>
                                        <Nm>a</Nm>
                                        <Adr>
                                                  <AdrTp>MLTO</AdrTp>
                                                  <AdrLine>a</AdrLine>
                                                  <StrtNm>a</StrtNm>
                                                  <BldgNb>a</BldgNb>
                                                  <PstCd>a</PstCd>
                                                  <TwnNm>a</TwnNm>
                                                  <CtrySubDvsn>a</CtrySubDvsn>
                                                  <Ctry>AA</Ctry>
                                        </Adr>
                              </NmAndAdr>
                    </Id>
                    <LEI>00000000000000000000</LEI>
                    <AltrnId>
                              <IdTp>
                                        <Cd>ARNU</Cd>
                                        <Prtry>
                                                  <Id>0000</Id>
                                                  <Issr>a</Issr>
                                                  <SchmeNm>a</SchmeNm>
                                        </Prtry>
                              </IdTp>
                              <Ctry>AA</Ctry>
                              <AltrnId>a</AltrnId>
                    </AltrnId>
                    <SfkpgAcct>
```

Buyer in deliver free instruction (underlying customer ie investor). Name in text can be used if BIC is not available.

```
                                    <Id>a</Id>
                                    <Tp>
                                        <Id>0000</Id>
                                        <Issr>a</Issr>
                                        <SchmeNm>a</SchmeNm>
                                    </Tp>
                                    <Nm>a</Nm>
                            </SfkpgAcct>
                    </Pty2>
            </RcvgSttlmPties>
            <OthrBizPties>
                    <Invstr>
                            <Id>
                                    <AnyBIC>AAAAAA20</AnyBIC>
                            </Id>
                            <AddtlInf>
                                    <DclrtnDtls>a</DclrtnDtls>
                            </AddtlInf>
                    </Invstr>
            </OthrBizPties>
</SctiesSttlmTxInstr>
```

May be used for the underlying customer.

For Depositary Agent information, when applicable.

The standard message and market practice applies for cancellation of instruction (see above).

The Securities Transaction Cancellation Request:

```
sese.020
<SctiesTxCxlReq>
        <AcctOwnrTxId>
                <SctiesSttlmTxId>
                        <TxId>a</TxId>
                        <SctiesMvmntTp>RECE</SctiesMvmntTp>
                        <Pmt>FREE</Pmt>
                </SctiesSttlmTxId>
                        .../...
```