

NBB-SSS

Terms and Conditions governing the participation in the NBB-SSS



February 2021



NBB – Payments and Securities

boulevard de Berlaimontlaan 14

BE-1000 Brussels (Belgium)

Phone.: + 32 (0)2 221 22 18

E-mail: sss@nbb.be

NBB-SSS

**Securities Settlement System
of the National Bank of Belgium**

**Terms and conditions governing
the participation in the NBB-SSS**

Version

1 February 2021

Table of contents

Preamble	7
1. Scope	7
2. Definitions	8
3. Eligibility conditions	11
3.1 Eligible Participants in the NBB-SSS	11
3.1.1 Criteria for participation	11
3.1.2 Documentation and testing	12
3.1.3 Procedure	13
3.2 Eligible securities	13
4. Securities Accounts and Cash Accounts	14
4.1 Securities Accounts (SAC)	14
4.1.1 General rules	14
4.1.2 Opening and Closing of Securities Accounts	14
4.1.3 Book entry securities	15
4.1.4 Currencies	16
4.2 Dedicated Cash Accounts (DCA)	16
4.2.1 General rules	16
4.2.2 Opening of a DCA	17
4.3 Foreign currency Cash Accounts (FCA) and Dedicated Transfer Account (DTA)	18
4.3.1 General rules	18
4.3.2 Opening and designation of FCA and DTA	18
4.3.3 Transactions on the FCA and on the DTA	19
4.3.4 Liquidity Management	20
4.3.5 Risk Management	21
5. Transactions	21
5.1 Primary market transactions	21
5.1.1 Subscriptions	21
5.1.2 Payment of interests and reimbursement of securities	23
5.2 Secondary market transactions	27
5.2.1 General provisions	27
5.2.2 DVP – PFOD – DWP Instructions	28
5.2.3 FOP Instructions	29
5.2.4 Settlement of transactions concluded on the Euronext Brussels market	29
5.2.5 Corporate Actions	29
5.2.6 Pledge	31
5.2.7 Reuse of securities	32
5.2.8 Transfers of securities to and from the State Debt Ledger	32
5.2.9 Stripping and reconstitution of securities	33
6. Processing of Instructions and settlement of transactions	34
6.1 NBB-SSS business days and hours	34
6.1.1 Business days	34
6.1.2 Business hours	34
6.1.3 NBB-SSS Helpdesk business hours	36
6.2 Rules regarding the processing of Instructions	36
6.2.1 Means of communication	36
6.2.2 Processing of Instructions	39
6.3 Settlement of transactions	43
6.3.1 Full settlement	43
6.3.2 Partial settlement	44
6.3.3 Auto-collateralisation	45
6.3.4 X/N tax rules	46
7. Responsibility and liability regime	46

7.1	Rights and duties of the NBB in the performance of NBB-SSS services	46
7.2	Representations and warranties	49
7.3	Liability of the NBB	49
7.4	Rights and duties of the Participants	50
7.4.1	Representations and warranties	50
7.4.2	Duties of the Participants	50
7.4.3	Right of use of the NBB-SSS platform	50
7.4.4	Connection and adaptation to the NBB-SSS and to T2S	51
7.4.5	Statements - Reconciliation	52
7.4.6	Participants' clients	52
7.4.7	Self-certification	52
7.5	Change and release management	52
8.	Financial regime	55
8.1	Fees	55
8.1.1	Membership fee	55
8.1.2	Instruction fees	55
8.1.3	Message fees	55
8.1.4	RAMSES GUI fees	56
8.1.5	Custody fee	56
8.1.6	Issuance fees	57
8.1.7	Various fees	58
8.2	Fines	58
8.2.1	Fines for shortages	58
8.2.2	Other Fines	59
8.3	Changes to the fee structure	60
8.4	Invoicing and payments	60
9.	Protection of confidential information and sensitive data	61
9.1	Protection of confidential information	61
9.2	Protection of personal data	62
10.	Duration and termination	62
10.1	End of the operation of the NBB-SSS by the NBB	62
10.2	Termination of the adherence of the Participant to the NBB-SSS	62
10.2.1	Withdrawal upon initiative of the Participant	62
10.2.2	Exclusion upon initiative of the NBB	63
10.2.3	Common rules applicable in case of withdrawal or exclusion	64
10.3	Suspension and disconnection of the Participant	64
11.	Miscellaneous provisions	65
11.1	Communication	65
11.2	Evidence, maintenance of records	65
11.3	No assignment	66
11.4	Waiver	66
11.5	Severability and survival	66
11.6	Revision of the Terms and conditions	66
11.7	Order of precedence of the contractual documents	66
11.8	Applicable law	66
11.9	Claim, dispute resolution and competent jurisdiction	67
11.10	Statutory lien of the NBB-SSS	67

List of abbreviations

- **A2A**: Application to Application
- **BATM**: Bilaterally Agreed Treasury Management
- **BDA**: the Belgian Debt Agency
- **BIC**: Bank Identifier Code
- **BP**: Buyer protection
- **CA**: Corporate action
- **CCP**: Central CounterParty
- **CET**: Central European Time
- **CRM**: Change Release Management
- **CSD**: Central Securities Depository
- **CSDR**: CSD Regulation
- **DCA**: Dedicated Cash Account
- **DCP**: Directly Connected Party
- **DVP**: Delivery Versus Payment
- **DWP**: Delivery with Payment
- **DWTT**: Dedicated Withholding Tax Transaction
- **EEA**: European Economic Area
- **EMTN**: Euro Medium Term Notes
- **EOD**: End of Day
- **ESCB**: the European System of Central Banks
- **FOP**: Free of Payment
- **FCA**: Foreign currency Cash Account
- **GUI**: Graphical User Interface
- **ICP**: Indirectly Connected Party
- **ISIN**: International Securities Identification Number
- **NBB**: National Bank of Belgium
- **NBB-SSS**: Securities and Settlement System operated by the NBB
- **NCB**: National Central Bank
- **NTS**: Night-Time Settlement
- **OTC**: Over-the-counter
- **PFOD**: Payment Free of Delivery
- **PoA**: Power of Attorney
- **RAMSES**: Repository of Assets and Management of Securities Settlement
- **RTGS**: Real-Time Gross Settlement System
- **RTS**: Real-Time Settlement

- **SAC:** Securities Account
- **SOD:** Start of the Settlement Day
- **SME:** Securities Maintaining Entity
- **T2S:** TARGET-Securities
- **U2A:** User-to-Application
- **VANSP:** Value-Added Network Service Provider
- **VPN:** Virtual Private Network-connection over the Internet

Preamble

The National Bank of Belgium (NBB) is a Central Securities Depository (CSD) operating in accordance with the CSD Regulation and the operator of a securities settlement system called "NBB-SSS" for the settlement of transactions between its Participants and with cross-CSD Participants in fixed-income securities represented by book entries.

In this role, the NBB-SSS:

- facilitates the issuances of new securities;
- manages the events linked to securities (corporate actions);
- matches and settles the transactions between Participants;
- calculates the Belgian withholding tax due on the revenue of the securities issued in the NBB-SSS and transfers the tax to the Belgian Fiscal Authorities; and
- generates reporting to the issuers, the Participants, the Belgian Fiscal Authorities and other relevant parties.

The NBB-SSS operates its securities settlement system on the ground of an integrated settlement model in central bank money. The NBB-SSS operates within TARGET2-Securities (T2S) which is a technical platform operated by the Eurosystem that provides services to support book entry securities settlement in central bank money. Accordingly, the technical service related to the matching and settlement modules is provided by T2S. At the technical level, T2S operates on behalf of the NBB-SSS both Securities Accounts (SAC) and Dedicated Cash Accounts (DCA) on its single European platform. Participants may connect to T2S as DCP (Directly Connected Party) or as ICP (Indirectly Connected Party).

Furthermore, the NBB-SSS performs the role of Securities Maintaining Entity (SME). As such, the NBB-SSS is responsible for maintaining the Static data in T2S for securities issued in the NBB-SSS and securities for which the NBB-SSS has been requested by the relevant Issuer CSD to perform the role of SME.

1. Scope

These terms and conditions provide for:

- the eligibility criteria to participate in the NBB-SSS;
- the types of securities eligible for settlement in the NBB-SSS;
- the rules relating to the treatment of Instructions and the settlement of transactions in the NBB-SSS; and
- the rules governing the provision of services by the NBB to the Participants in the framework of the NBB-SSS, including the respective rights and duties of the NBB and the Participants in the framework of the NBB-SSS, and the financial regime applicable to the said provision of services.

These terms and conditions, including their Annexes and sub-Annexes, form the complete agreement between the NBB and the Participants regarding the operation of the NBB-SSS and the provision by the NBB of the hereto related services to the Participants (the "Terms and Conditions"). They supersede any prior written or oral agreement concluded between the NBB and the Participants regarding the same subject and constitute a contract of adhesion.

2. Definitions

For the purpose of this agreement:

- **“Application to Application or A2A”** means a connectivity mode to exchange information between software applications of NBB-SSS and T2S and the application of the Participant;
- **“Auto-collateralisation”** means intraday credit granted by a euro area NCB in central bank money and triggered when a Participant has insufficient funds to settle securities transactions, whereby such intraday credit is collateralised either with the securities being purchased (collateral on flow) or with securities already held by the Participant (collateral on stock);
- **“Bond factor”** means the remaining of the capital outstanding over the interest period in relation to the original amount issued. The fraction made up by the Bond factor is expressed in a number with twelve (12) decimal places, starting at “1” and ending at “0” at maturity;
- **“BRRD”** means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as modified from time to time;
- **“Business day”** means any NBB-SSS opening day as referred to in Article 6.1.1.;
- **“Client securities account”** means a securities account opened in the name of a Participant on which securities are held on behalf of one or more of the Participant’s clients;
- **“Collective Agreement”** means the agreement entered into between the euro area NCBs and the CSDs connected to T2S dated 31 March 2016 aiming at harmonisation of the definition of the moment of entry and irrevocability of transfer orders in T2S;
- **“Corporate action”** or **“CA”** means an action or event decided by the issuer of a security which has an impact on the holders of that security, such as the subscription, the reimbursement, the payment of interest of the concerned security. Corporate actions may be optional, in which case the holder of the concerned security has a choice (e.g. purchasing more securities of the same kind, subject to conditions specified by the issuer) or mandatory, in which case the holder of the concerned security has no choice (e.g. in the case of a coupon payment or a redemption in full);
- **“Central Securities Depository”** or **“CSD”** means a central securities depository as defined in Article 2, 1st paragraph, (1) of the CSDR;
- **“CSD Regulation”** or **“CSDR”**: means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, as modified from time to time.
- **“Dedicated Cash Account”** or **“DCA”** means an account opened in a euro area NCB for EUR or in the Danish Central Bank for DKK and used for cash payments in relation to securities settlement in T2S;
- **“Delivery versus Payment”** or **“DVP”** means a securities settlement mechanism, which links a securities transfer and a funds transfer in such a way as to ensure that delivery occurs if and only if the corresponding payment occurs;
- **“Delivery with Payment”** or **“DWP”** means the delivery of securities together with a cash payment;
- **“Euro area NCB”** means the national central bank of a Union Member State which has adopted the Euro;

- **“Foreign currencies”** means the monetary units other than the EUR and the DKK for which the European Central Bank publishes the exchange rates against the euro on a daily basis¹, as well as the units of account, and which are not available for cash settlement in T2S;
- **“Foreign currency Cash Account” or “FCA”** means a cash account in Foreign currencies opened by a Participant with a Foreign currency cash Provider and used for cash payments in Foreign currencies in relation to securities settlement in the NBB-SSS;
- **“Foreign currency cash Provider”** means a credit institution within the meaning of point (1) of Article 4(1) of Regulation (EU) N° 575/2013 of the European Parliament and of the Council that is subject to the supervision by a competent authority;
- **“Foreign currency Paying Agent”** means the Participant responsible for the settlement of the cash leg in Foreign currency relating to securities denominated in Foreign currencies registered in the NBB-SSS through its Foreign currency Cash Account.
- **“Free of Payment” or “FOP”** means the delivery of securities with no corresponding payment;
- **“Insolvency proceedings”** means insolvency proceedings within the meaning of Article 2(j) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement system; Recovery and resolution proceedings in the meaning of the BRRD do not constitute *per se* Insolvency proceedings;
- **“Instruction”** means any instruction by, or on behalf of, a Participant holding a DCA or an FCA to place at the disposal of a recipient an amount of money by means of a book entry on the account of another Participant holding a DCA operated by the same or another NCB or an FCA, or any Instruction which results in the assumption or discharge of a payment obligation as defined by the rules of the system, or any instruction by a Participant to transfer the title to, or interest in, a security to another Participant of the NBB-SSS or of any other CSD, by means of a book entry in a SAC;
- **“Intended Settlement Date” or “ISD”** means the Settlement Day intended by the Participant as the day for processing the instruction;
- **“Interest payment date”** means the date on which the issuer of any security must pay the amount of interest in accordance with the issuance information sheet submitted to the NBB or, if that date is not a Business day, the next Business day;
- **“NBB-SSS services”** mean the services provided by the NBB to the Participants in the framework of the operation of the NBB-SSS in accordance with the Terms and Conditions;
- **“Participant”** means any institution as referred to in Article 3.1 which has entered into an agreement (Annex 1. Participation agreement of the securities settlement system managed by the National Bank of Belgium (NBB-SSS)) to participate as a Participant under the Terms and Conditions;
- **“Paying Agent”** means the Participant responsible for the financial service relating to a security registered in the NBB-SSS through its dedicated cash account held in the NBB’s books in its capacity of Settlement bank;
- **“Payment Bank”** means a credit institution which holds one or several Dedicated Cash Accounts and which provides cash to its clients to support the settlement of securities transactions;
- **“Payment Free of Delivery” or “PFOD”** means a transfer of cash without the delivery of securities;
- **“Principal reimbursement date”** means the date on which the issuer of any security must reimburse the principal in accordance with the issuance information sheet submitted to the NBB or, if that date is not a Business day, the next Business day;

¹ <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>. This hyperlink may be modified without notice.

- **“Recycled”** means that an Instruction that could not be matched and/or settled on its Intended Settlement Day is queued in order to be matched and/or settled again during a subsequent Business day;
- **“RTGS”** or **“Real Time Gross Settlement”** means a system of automated transfers carried out on a gross settlement basis and in real time;
- **“RTGS account”** refers to the Payment Module account held in a euro area NCB by a Participant to settle payments in euro or an account in DKK held in the Danish Central Bank to settle payments in DKK;
- **“Securities Account”** or **“SAC”** means a securities account opened in the name of a Participant on which securities are held;
- **“Settlement bank”** means is a financial institution that has both Securities Account and Dedicated Cash Account in order to settle payment obligations associated with securities transactions for itself and on behalf of other Participants;
- **“Settlement Day”** means a day on which T2S settlement takes place according to the daily processing schedule;
- **“Settlement Finality Directive”** means the Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement system, as modified from time to time;
- **“Settlement Finality Law”** means the Belgian law of 28 April 1999 implementing the Settlement Finality Directive, as modified from time to time;
- **“Securities Maintaining Entity”** or **“SME”** means a CSD that has been assigned the responsibility for maintaining the Static data for a security in T2S;
- **“Static data”** means the key properties of each Participant, each Security and each Securities Account held by a Participant in the NBB-SSS;
- **“TARGET2”** stands for “Trans-European automated real-time gross settlement express transfer system” and means the RTGS platform owned and operated by the Eurosystem;
- **“TARGET2 Guideline”** means the Guideline of the European Central Bank of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (Guideline ECB/2012/27), as modified from time to time;
- **“T2S”** stands for “TARGET2-Securities” and means the Eurosystem’s single technical settlement solution enabling CSDs and national central banks to provide borderless and neutral securities matching and settlement services in central bank money in Europe;
- **“T2S settlement-currency”** means a currency in which instructions with a cash leg can be settled on T2S and for which the Central Bank has signed the Framework agreement (euro) or the Currency Participation Agreement (non-euro);
- **“Terms and Conditions”** means these “Terms and conditions governing the participation in the NBB-SSS”, including its Annexes and sub-Annexes which are an integral part thereof;
- **“User to Application”** or **“U2A”** means a connectivity mode to exchange information between software applications of NBB-SSS and T2S and a Participant through a graphical user interface;
- **“X/N tax rules”** means the system of withholding tax-exempted or non-exempted accounts introduced by law of 6 August 1993 concerning transactions in certain securities and its implementing regulations (as modified from time to time), including the Royal Decree of 26 May 1994.

3. Eligibility conditions

3.1 Eligible Participants in the NBB-SSS

3.1.1 Criteria for participation

Admission of a candidate participant is conditioned by the fulfilling of the provisions laid down in the Terms and Conditions.

As a prerequisite, any candidate participant needs to provide adequate information enabling the NBB to meet the applicable anti-money laundering and anti-terrorism financing requirements that apply to it.

In order to be admitted as Participant, the candidate participant needs to belong to one of the following categories of institutions:

- credit institutions and investment firms established and licensed in a member state of the European Economic Area and governed by the law of a member state of the European Economic Area (EEA);
- controlled undertakings pertaining to the public sector, or operating with a state guarantee, of a member state of the European Economic Area;
- national central banks of the ESCB;
- (I)CSDs;
- entities established in the European Economic Area that are responsible for the administration of regulated markets; and
- managing establishments, settlement Agents or central counterparties in systems for the settlement of securities transactions that are established and, if necessary, licensed in a member state of the European Economic Area.

In addition, the candidate participant shall comply on an ongoing basis with the following criteria:

- adequate financial resources,
- adequate operational and technological capacity,
- legal capacity,
- prevention of anti-money laundering, and
- appropriate internal control and risk management.

The NBB shall determine whether the candidate participant meets these admission criteria in light of the following considerations:

- Adequate financial resources: the candidate participant shall demonstrate it has adequate financial resources to run its business on an ongoing basis and to meet its obligations towards the NBB-SSS;
- Adequate operational and technological capacity: the candidate participant shall demonstrate on an ongoing basis that it has the staff and the technological infrastructure to meet (i) the NBB-SSS' operational and security requirements (namely IT and communications requirements) and, (ii) if the candidate participant intends to act as DCP, the T2S' operational requirements.
- Legal capacity: the candidate participant shall demonstrate that it is duly incorporated or existing and where applicable, duly licenced and/or supervised to carry out its business.
- Anti-money laundering: while it is the sole responsibility of the candidate participant to comply with anti-money laundering requirements applicable to it, the candidate participant shall demonstrate that it has adequate anti-money laundering programme in place which complies with applicable law on prevention and detection of anti-money laundering.

- Appropriate internal control and risk management: the candidate participant shall demonstrate that it has an appropriate internal control, risk management framework and business continuity policies (disaster recovery plans, etc.). The admission of the candidate participant cannot compromise the NBB-SSS' ability to provide prompt, safe, accurate and orderly processing and settlement of transactions, or represent a threat to the security, integrity or reputation of the NBB or the NBB-SSS or to be disruptive for other Participants.

The Participant acknowledges that it is its obligation to meet the above admission criteria and conditions on an ongoing basis and agrees to comply with any request of the NBB for additional documentation or to carry out additional tests in relation to the technical and operational capacity of the Participant.

To the extent required by applicable law pursuant to the BRRD², the NBB-SSS may admit as Participant a candidate participant which does not meet all relevant admission criteria mentioned in this Article 3.1.1 provided that this admission is requested in relation with resolution proceedings affecting another Participant and a resolution tool triggered by the relevant resolution authority.

3.1.2 Documentation and testing

In order to request its participation to the NBB-SSS, the candidate participant shall submit the Participation agreement to the NBB-SSS (appended hereto in Annex 1) executed by duly authorised representative(s). The candidate participant shall also submit any other document, including legal opinions, as may be requested by the NBB-SSS.

The candidate participant shall provide the NBB-SSS with the following information:

- the list of authorised representatives and documents evidencing their powers;
- evidence that it belongs to one of the categories of eligible participant as listed under Article 3.1.1.;
- [evidence and] representations that it complies with the relevant legal, financial and operational criteria as listed under Article 3.1.1.;
- the "ECB Certification" which is evidence that the candidate participant complies with the connectivity requirements for T2S connectivity, only applicable for candidate DCP;
- representation that it complies with applicable tax regulations, in particular to the confirmation that it is not a "Non-participating Financial Institution" as defined in the Agreement between the Government of the Kingdom of Belgium and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA dated 23 April 2014;
- any other information or document as may be requested by the NBB-SSS.

If the candidate participant is a (I)CSD, it shall also disclose to the NBB-SSS the list of all the critical service providers on which he relies and keep the NBB-SSS informed of any modification in this list.

The NBB shall subject the candidate participant to tests demonstrating that the institution has the operational and technical capacity required to participate.

The NBB may decide to grant access to the NBB-SSS to the institutions referred under Article 3.1.1. and governed by the law of a non-EEA State. The NBB may make such an access conditional on the production of an independent legal opinion confirming the absence of legal risks entailed by such participation in the NBB-SSS.

² Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

3.1.3 Procedure

Any candidate participant for admission as Participant shall apply in writing in accordance with Article 3.1.2. The NBB shall assess whether the application is complete and shall communicate its decision and the conditions on the admission to participate to the candidate participant within one month of the NBB's receipt of the application to participate. The NBB may request additional information within two weeks of the NBB's receipt of the application to participate. In such case, the decision shall be communicated within one month of the NBB's receipt of this additional information from the candidate participant.

Any rejection shall contain the reasons of the rejection. The NBB shall reject the application to participate if

- (a) one or more participation criteria referred to in Article 3.1.1. are not met, and/or
- (b) in the NBB's assessment, such participation would threaten the overall stability, soundness and safety of the NBB-SSS, or would jeopardise the NBB's performance of its tasks as described in the law on 22 February 1998 establishing the organic statute of the NBB or poses risks on the grounds of prudence.

If the candidate participant is a (i)CSD, the NBB shall reject the application to participate if, in the NBB's assessment, such participation would threaten the smooth and orderly functioning of the financial markets or cause systemic risk.

When the participation is granted by the NBB, Participants are identified in the NBB-SSS by their BIC11. The list of Participants is available through:

- the public website of the NBB-SSS;
- the NBB-SSS team site dedicated to the Participants; and
- the RAMSES GUI.

3.2 Eligible securities

The following fixed-income securities are eligible in the NBB-SSS:

- a. dematerialised Belgian government bonds, e.g. treasury certificates, linear bonds (OLOs), stripped OLOs, treasury bills, State notes;
- b. dematerialised securities of other issuers referred to in Article 1 of the Law dated 2 January 1991 related to the Belgian public debt;
- c. dematerialised commercial paper and certificates of deposit governed by the Law dated 22 July 1991 on commercial paper and certificates of deposit;
- d. the dematerialised obligations referred to in Article 7:62 of the Code of Companies and Associations; and
- e. other fixed-income securities that can circulate under the system provided for in the coordinated Royal Decree n° 62 of 10 November 1967 on the Deposit of Fungible Financial Instruments and the Settlement of Transactions involving such Instruments such as bearer securities or collective bearer securities (global notes) and registered securities.

For the purpose of registration in the NBB-SSS of securities other than those issued by the Belgian government, the issuer and the Paying Agent responsible for the financial service relating to the securities in question must have previously concluded a "service contract" (Annex 19.2) with the NBB concerning the holding and settlement of the securities registered in the NBB-SSS.

In the case of securities governed by foreign law or issued by a foreign issuer, the NBB may make eligibility in the NBB-SSS conditional on the production of an independent legal opinion confirming the relevant aspects

of the securities' legal validity and the possibility of registering and circulating the security in book entry form in the NBB-SSS according to the applicable legislations.

Securities are only identified in the NBB-SSS by their ISIN-code and no security can be issued in the NBB-SSS as long as its ISIN-code has not been communicated to the NBB.

Securities positions and transactions are exclusively handled in face amount, not in units.

Securities may be index-linked provided that the index value is expressed on a monthly, quarterly or yearly basis.

4. Securities Accounts and Cash Accounts

4.1 Securities Accounts (SAC)

4.1.1 General rules

Upon admission of the Participant, the NBB-SSS may open one or more Securities Accounts (SAC) in the name of each Participant, as agreed between the parties, distinguishing, if and as instructed by each Participant, between account(s) on which securities are held in book-entry form by the Participant on its own behalf and account(s) held in the Participant's name but on behalf of third parties, *i.e.* client Securities Accounts, and accounts for pledged securities.

For each Securities Account, the Participant shall inform the NBB-SSS whether the Securities Account refers to the Participant's own account ("OW"), an individually segregated client account ("IS") or a joint clients account "omnibus account" ("OM").

The Securities Accounts are maintained for all purposes at the NBB-SSS registered office in Belgium, governed by the Terms and Conditions and subject to by Belgian law for all purposes including, without limitation, asset protection.

The account numbering structure holds a maximum of 35 positions. Participants are free to identify or rename their accounts, by submitting a Static data form (Annex 1.c) to the NBB-SSS, provided that the account number starts with NBBE (BIC4 of the CSD) followed by a maximum of 31 positions. The Securities Account number must be unique in the NBB-SSS.

4.1.2 Opening and Closing of Securities Accounts

Participants shall request the opening of one or more Securities Accounts, by submitting the Static data form (Annex 1.c).

For each Securities Account the Participant shall provide an active Dedicated Cash Account and/or an active Foreign currency Cash Account to be linked to.

Provided that the Securities Accounts have no securities position and do not contain any outstanding settlement Instruction, Participants may request the closing of those Securities Accounts by submitting the Static data form (Annex 1c) in accordance with Article 10.1.

The NBB may close Securities Accounts on its own initiative provided that the Securities Accounts have no securities position and do not contain any outstanding settlement Instruction for at least one year. The

NBB-SSS shall inform the Participant of its intention to close Securities Accounts. The Participant may decide to keep the Securities Accounts.

4.1.3 Book entry securities

4.1.3.1 General rules

The following laws and regulations apply to securities held in the NBB-SSS (as amended from time to time):

- the coordinated Royal Decree n° 62 of 10 November 1967 on the Deposit of Fungible Financial Instruments and the Settlement of Transactions involving such Instruments (“the Royal Decree”);
- the Law dated 2 January 1991 related to the Belgian public debt;
- the Law dated 22 July 1991 related to commercial papers and certificates of deposit;
- the Code of Companies and Associations (Articles 7:35 and following);
- the Royal Decree of 14 June 1994 fixing the rules applicable to the holding in account of dematerialised securities in foreign currencies or units of account.

Any book entry in a Securities Account provides the owner a right of joint ownership of a notional set of similar eligible securities, whether denominated in Euro, in Danish krone or in Foreign currencies.

The Terms and Conditions apply as supplemented by the provisions of the Royal Decree and the other applicable Belgian legislations.

Each Participant agrees that securities of any issue held in the NBB-SSS on its behalf may be treated by the NBB as fungible with all other securities of the same issue which are on deposit with the NBB in accordance with the Royal Decree and other applicable Belgian regulations.

4.1.3.2 X/N and other applicable tax rules

Securities registered in the NBB-SSS are automatically subject to the X/N tax rules introduced by the law dated 6 August 1993 concerning transactions in certain securities (as amended from time to time) and its implementing regulations (as amended from time to time), including the Royal Decree of 26 May 1994. The NBB informs the Participants of the types of securities registered in the NBB-SSS which, by way of exception, are not subject to these rules.

For the purposes of the X/N tax rules, the Securities Accounts in the NBB-SSS need to be identified either as X-accounts (eXempted from withholding tax) or as N-accounts (Non-exempted from withholding tax) by means of the Static data form (Annex 1.c). Participants may open multiple X- or N-accounts.

In order to comply with the X/N tax rules and other applicable tax rules, if the case may be, the Participant authorises the NBB-SSS to carry out all the required formalities, to sign any documents and to make any necessary amendments or corrections based on the declarations made by the Participant or on his behalf.

The tax operating procedures applicable in the settlement of transactions are governed by Article 6.3.4. Annex 3 contains a description of some of the tax laws and regulations, as well as tax operational procedures and the tax forms to be completed by the Participants. Cross-CSD instructions on N accounts between an NBB-SSS Participant and an investor CSD Participant³ require a specific operational procedure which is described in Annex 25.

³ The list of investor CSDs is available on the NBB-SSS website: <https://www.nbb.be/nl/list-nbb-investor-icsds>

The NBB-SSS has identified and configured the X/N regime as a market specific attribute for securities settlement in T2S.

4.1.3.3 Limits on participation applicable to specific dematerialised securities

Only institutions authorised as account holders pursuant to Article 3 of the law of 2 January 1991 concerning the market in public debt securities and monetary policy instruments, can hold dematerialised securities on behalf of third parties, as referred to in the law of 2 January 1991 and in the law of 22 July 1991 on commercial paper and certificates of deposit.

Only authorised account holders referred to in Article 7:35 of the Code of Companies and Associations can hold dematerialised obligations on behalf of third parties as referred to in Article 7:62 of the Code of Companies and Associations.

4.1.4 Currencies

The NBB-SSS allows the settlement of transactions, as well as Corporate actions in securities denominated in T2S settlement-currencies. The T2S settlement-currencies are the Euro, supported by the EUR RTGS-system TARGET2 operated by the euro area NCBs, and the Danish krone⁴ supported by the DKK RTGS-system Kronos2, or any successor thereof, operated by the Danish Central Bank (Danmarks Nationalbank).

In accordance with the Royal Decree of 14 June 1994 fixing the rules applicable to the holding in account of dematerialised securities in Foreign currencies or units of account, the NBB-SSS also allows the settlement of transactions in securities denominated in Foreign currencies.

When opted for by Participants or by the Issuer, the NBB-SSS shall facilitate the settlement of the cash leg in a Foreign currency eligible for DVP transactions in accordance with Article 4.3 and the procedure set out in Annex 27, including the settlement of Corporate actions if the Foreign currency is supported by the Participant's Foreign currency cash Provider (the "NBB-SSS Foreign currency financial service").

For all other Foreign currencies, the cash settlement occurs outside the NBB-SSS and the securities transactions are processed on the basis of a Free of Payment Instruction on T2S.

Alternatively, Participants may opt for submitting DVP Instructions on securities denominated in a Foreign currency with the cash leg in a T2S settlement-currency. Issuers may opt for having Corporate actions on securities denominated in a Foreign currency asset executed in a T2S settlement-currency.

The NBB-SSS shall reject all DVP and FOP instructions in Foreign currencies for which the ECB does not publish the exchange rates daily.

4.2 Dedicated Cash Accounts (DCA)

4.2.1 General rules

Cash debits and credits entailed by the settlement in the NBB-SSS of securities transactions denominated in T2S settlement currencies are registered on the Participant DCA in the books of the NBB or of another euro area NCB for the Euro or in the books of the Danmarks Nationalbank for the Danish krone.

⁴ From availability of DKK on T2S from 29 October 2018 onwards

Each SAC shall be linked to a DCA in a T2S settlement currency. If the Paying Agent issues securities denominated in DKK and chooses the NBB-SSS for the Corporate actions services, then the Paying Agent and every investor Participant shall have a DKK DCA linked to their SAC accounts. These DCAs will be linked to RTGS accounts in KRONOS2.

The balance of the DCA at the beginning of any Business day shall always be zero. During the Business day, sufficient liquidity must be provided either through liquidity transfers (current order or standing order) or with the outcome of the credit cash leg of settlement Instructions and Corporate actions.

DCAs can never have a negative balance. Any positive end-of-Business day balance shall automatically be transferred to the main RTGS account of the Participant or of its Payment bank, optionally at 16:30 CET and mandatory at 17:45 CET so that the balance of the DCA at the beginning of the next Business day shall be zero again. According to Article 6.1.2., at the end of the Night-Time settlement, the remaining liquidity on the DCA is automatically transferred proportionately to the respective RTGS accounts of the liquidity providers.

Debits and credits constituting the cash legs of settlement Instructions are booked on the Participant's or its Payment Bank's DCA without the Participant's prior approval or intervention other than the settlement Instructions or liquidity transfers. Liquidity transfers are needed in order to provide DCAs with liquidity. A liquidity transfer is an Instruction to transfer central bank money from an RTGS account to a DCA or vice versa. DCAs can receive liquidity transfer from any relevant RTGS account and can send liquidity transfer to any relevant RTGS account. Liquidity transfers from DCA to DCA are restricted to DCAs linked to the same main RTGS account.

DCA holders must maintain a technical access to their DCAs for properly managing their liquidity.

4.2.2 Opening of a DCA

DCAs in Euro fall within the scope of TARGET2. Hence, in order to open a DCA with a euro area NCB, the Participant shall meet the criteria, rules and conditions set out in the TARGET2 Guideline. DCAs in DKK shall be opened at the Danmarks Nationalbank and shall be subject to the criteria, rules and conditions set out by the Danmarks Nationalbank.

Settlement Banks shall open a DCA with a euro area NCB or the Danmarks Nationalbank and link this DCA to a main RTGS account. Participants which act as Settlement Bank shall provide the DCA number to the NBB-SSS. Subsequently, the NBB-SSS shall link the Participant's SAC to the Participant's DCA in order to allow settlement of the cash leg of securities Instructions. The Payment Bank shall ensure that the set-up at the Central Bank chosen by the Payment Bank includes the reference to the BIC from the NBB-SSS to allow the linking by the NBB-SSS.

Participants may also choose to have the cash leg of their settlement Instructions settled on a DCA of another legal entity which acts as Payment Bank on behalf of the Participant. For that purpose, the Participant shall enter into a prior agreement with the Payment Bank which registers the DCA. In such case, the Participant shall inform the NBB of this registered DCA through the Static data form as referred to in Annex 1.c. The NBB-SSS shall link the Participant's SAC to the DCA provided by the Payment Bank in order to allow the settlement of the cash leg of securities Instructions.

The NBB-SSS shall not be accountable for a failure in the link set-up at the relevant central bank.

4.3 Foreign currency Cash Accounts (FCA) and Dedicated Transfer Account (DTA)

4.3.1 General rules

The NBB-SSS offers the Foreign currency financial service for securities denominated in eligible Foreign currencies according to the procedure set out in Annex 27 (see also Article 4.1.4.).

The Foreign currency financial service (or DVP settlement service in Foreign currency) allows the settlement through the system of the cash leg in eligible Foreign currencies of transactions or Corporate actions relating to securities denominated in Foreign currencies. For this purpose, each Participant shall designate one or several Foreign currency Cash Accounts. Each Participant acting as Paying Agent shall also designate one or several Dedicated Transfer Accounts in accordance with Article 4.3.3. Corporate Actions.

When Participants opt for the Foreign currencies financial service, cash debits and credits entailed by the settlement in the NBB-SSS of securities transactions denominated in Foreign currencies shall be registered on the Participants' FCAs and, if the case may be, on the Paying Agent's DTAs.

Each SAC used for a DVP transaction in Foreign currencies shall be linked to an FCA.

When the Issuer or its Paying Agent designates the NBB-SSS for the execution of Corporate actions relating to securities denominated in Foreign currency, the Foreign currency financial service shall automatically apply. In such case, the Paying Agent and each Participant having a position in the relevant securities shall have an FCA linked to their SACs.

When Participants acting as Paying Agent opt for the Foreign currencies financial service, the opening and the designation of an FCA and a DTA is a prerequisite.

The operational procedure relating to the Foreign currency financial service is described in Annex 27.

4.3.2 Opening and designation of FCA and DTA

4.3.2.1 Opening and designation of the FCA

Each Participant opting for the Foreign currency financial service shall have an FCA.

The FCA shall be opened by Participants with the Foreign currency cash Provider of their choice. The same FCA can be used for different Participants through Powers of Attorney (PoA, Annex 18.8).

Participants shall designate one or several Foreign currency Cash Accounts to be used for the settlement of the cash leg in Foreign currency (the 'designated FCA'). Participants shall designate an FCA for each currency for which they opt for. Participants shall inform the NBB-SSS of the opening the FCA, by submitting Annex 27b. Participants shall immediately inform the NBB-SSS of any changes relating to the FCA.

Participants shall fulfil and comply and shall ensure that their Foreign currency Provider fulfils and complies with the applicable technical requirements set out in Annex 27.

The NBB-SSS may subject the FCA designated by a Participant acting as buyer and the FCA designated by a Participant acting as Paying Agent to tests demonstrating that the FCA comply with the technical

requirements set out in Annex 27. When the FCA does not meet the technical requirements, the NBB-SSS shall refuse the FCA.

When the Foreign currency cash Account of the Participant acting as seller or the Foreign currency cash Account of the Participant having a position in the relevant securities does not meet the technical requirements set out in Annex 27, no settlement shall take place (see Art. 4.3.3.).

The Participant may designate the FCA at Participant level or at Securities Account level in accordance with the procedure set out in Annex 27. If the FCA is set up at Participant level, the FCA will be used for all underlying accounts that have no other specified set-up. If the FCA set-up at account level is different from the FCA set-up at Participant level, the account level specifications will only apply for transactions concerning that account.

Participants may also choose to have the cash leg of their settlement Instructions settled on the FCA of another Participant which acts as Foreign currency Paying Agent. In such case, the Participant shall inform the NBB-SSS with Annex 27b and the NBB-SSS shall, after receiving the consent of the Foreign currency Paying Agent, link the Participant's SAC to the designated FCA in order to allow the settlement of the cash leg of securities Instructions.

4.3.2.2 Opening and designation of the DTA

Each Participant opting for the Foreign currency financial service and acting as Paying Agent shall have a DTA. The DTA shall be used for the sole purpose of processing Corporate Actions.

The DTA shall be opened by the Paying Agent with the Foreign currency cash Provider of its choice.

The Paying Agent shall designate one or several DTA for each currency for which they opt for (the 'designated DTA'). Participants shall inform the NBB-SSS of the opening the DTA, by submitting Annex 27b. Participants shall immediately inform the NBB-SSS of any changes relating to the DTA.

Participants shall fulfil and comply and shall ensure that their Foreign currency Provider fulfils and complies with the applicable technical requirements set out in Annex 27.

The NBB-SSS may subject the designated DTA to tests demonstrating that the DTA complies with the technical requirements. When the DTA does not meet the technical requirements set out in Annex 27, the NBB-SSS shall refuse the DTA.

The DTA is always designated at Participant level.

At the request of the Paying Agent, the NBB-SSS could, in exceptional circumstances, allow the processing of Corporate Actions without the opening of a DTA. In such case, Corporate actions shall be processed via the Paying Agent's FCA under the sole responsibility of the Paying agent and according to the procedure set out in Annex 27.

4.3.3 Transactions on the FCA and on the DTA

The designated FCA shall be used for the sole purpose of the Foreign currency financial service.

The designated DTA shall be used for the sole purpose of executing Corporate Actions in the context of the Foreign currency financial service.

4.3.3.1 DVP transactions in Foreign currencies

Debits and credits constituting the cash leg of settlement Instructions of securities transactions denominated in Foreign currencies eligible for DVP transactions in accordance with Article 4.3 and Annex 27 are booked on the Participant's FCA.

Each Participant acting as a buyer shall grant to the NBB a Power of Attorney based on the template contained in Annex 18.8 and entitling the NBB to instruct debits in any of the designated FCA, in accordance with the procedure set out in Annex 27.

For each Participant acting as seller, the opening of an FCA is required to allow the execution of the transaction. In the absence of a designated FCA, no settlement shall take place. Any instruction that has not been settled shall be recycled in accordance with Article 6.2.2.5 and the Participant shall be liable of a fine in accordance with Article 8.2.1.4.

4.3.3.2 Corporate actions

When the Issuer or its Paying Agent opts for the NBB-SSS Foreign currency financial service, including for the execution of Corporate Actions, Corporate Actions shall be processed on the FCA and the DTA of the Participant acting as Paying Agent and on the FCA of Participants having a position in the relevant securities, in accordance with the NBB-SSS Terms and Conditions, in particular Article 5.1.2.2, and the procedure set out in Annex 27.

Each Participant acting as Paying Agent shall grant to the NBB a Power of Attorney based on the template contained in Annex 18.8 and entitling the NBB to instruct debits in any of the designated FCA. Each Participant acting as Paying Agent shall also grant the NBB with a Power of Attorney based on the template contained in Annex 18.8 and entitling the NBB to instruct debits on the designated DTA. The DTA shall only be used for crediting the full amount paid out by the Paying Agent towards Participants having a position in the relevant securities and subsequently debiting all amounts due to Participants having a position in the relevant securities.

For each Participant having a position in the relevant securities, the opening of an FCA is required to receive the payment of Corporate actions. In the absence of a designated FCA, there will be no payment from the Paying agent's DTA until the Participant having a position in the relevant securities designates an FCA. In such case, the Participant accepts that the issuer's payment obligations arising from the payment of the Corporate Action is validly executed as soon as the amount of the Corporate Action is credited on the Paying Agent's DTA.

4.3.4 Liquidity Management

Each Participant shall manage its liquidity on the designated FCA.

It is the responsibility of the Participant to ensure that sufficient funds are available on the designated FCA to allow the settlement of the transaction in Foreign currency on the Intended settlement date. In the event of shortage of liquidity in the FCA, fines shall be charged (See 8.2.1.3).

On every business day, the NBB-SSS will send in ISO 20022 format (optional) and publish in RAMSES the cash forecast of each eligible Foreign currency for the following five business days.

4.3.5 Risk Management

The Participants are responsible for possible risk exposures to the Foreign currency cash Provider and the management of those risks. NBB-SSS bears no liability for remaining funds on the Participant's Foreign currency Account, should the Foreign currency cash Provider become insolvent.

Participants will make their own assessment of the Foreign currency cash Provider's risk profile and are allowed discontinuing the designated FCA and or DTA, provided they immediately designate a new FCA and or DTA. Participants shall immediately inform the NBB-SSS of any changes to their FCA(s) and or DTA(s).

The NBB-SSS has no liability relating to the opening or the management (including the liquidity management) of the FCA nor of the DTA.

In the case of securities transactions denominated in Foreign currencies eligible for DVP transactions in accordance with Article 4.3 and Annex 27 where a debit confirmation of the FCA of the buyer towards the FCA of the seller has been received by the NBB-SSS, the latter is not responsible and cannot be held liable for a delayed or absent credit at the seller's side.

5. Transactions

5.1 Primary market transactions

5.1.1 Subscriptions

5.1.1.1 Treasury certificates, OLOs issued by tender and States notes

Regular primary operations by the Belgian Federal Public Service Finance (Treasury Administration) in treasury certificates, State notes and OLOs in euro are sovereignly managed by the Belgian Debt Agency (BDA). The BDA sends the results of the auction process to the NBB-SSS under the form of "already matched Instructions". Hence, the BDA's counterparties do not send corresponding settlement Instructions. In case of a cross-CSD transaction, the BDA cannot send an already matched Instruction. In such case the BDA's counterparty should submit a matching Instruction.

The Belgian Treasury's SAC is credited on the Settlement Day with the total amount issued. On the Settlement Day, the amount payable for subscriptions both in the Participant's own name and on behalf of its clients are debited from the Participant's DCA. Simultaneously with the cash debit, the corresponding securities allocated to the Participant are credited to the Participant's SAC as follows:

- the Participant's SAC on which securities are held by the Participant on its own behalf shall be credited with the amount of the securities subscribed for by that Participant in its own name. Before the end of the day the Participant shall transfer all the subscribed securities via purchase/sale Instructions, FOP transfers, and/or internal transfers;
- the concerned client SAC shall be credited with the amount of securities subscribed by the Participant on behalf of the said client.

Each Participant is responsible for properly funding its DCA in order to allow the settlement of its transactions. Fines are due in case of breach of this obligation as provided for in Article 8.2.1.2.

5.1.1.2 Syndicated issuance of OLOs

The Belgian Treasury's SAC is credited on the Settlement Day with the total amount issued. The Treasury shall then sell the total amount issued, via one or more securities Instructions, to the primary dealer appointed in the syndication agreement.

The primary dealer shall match the above Instructions and in turn assign the agreed amounts to the other primary dealers and recognised dealers, in accordance with Article 5.2.

5.1.1.3 Commercial papers and certificates of deposit

The following provisions govern the issuance of commercial papers and certificates of deposit issued in accordance with the law of 22 July 1991, other than Belgian State Treasury bills.

5.1.1.3.1 Formalities preceding each issuance

The NBB-SSS shall conclude a service contract relating to each issuance program with each issuer (see Annex 19.2). Issuers that are not Participants shall appoint a Paying Agent that is a Participant in order to represent them in the NBB-SSS and to assume the financial services of the issuance⁵. In such case, the Paying Agent shall sign the service contract jointly with the issuer.

In accordance with the service contract, the issuer or his Paying Agent shall communicate to the NBB-SSS, before the settlement of the subscriptions and within the imposed deadlines, the Securities information form (Annex 19.3b) relating to the concerned issuance program and the characteristics of the securities to be issued, i.e. the Terms and Conditions and the Issuance Program summary (Annex 19.4).

5.1.1.3.2 Settlement of subscriptions

By no later than 14:00 CET on the subscription settlement day, the issuer or his Paying Agent shall forward to the NBB an Instruction with ISO transaction type "ISSU" in view of the registration of the issued securities in the NBB-SSS. Fines are due in case of failure to respect this obligation as provided for in Article 8.2.2.1. If the "ISSU" instruction is received by the NBB after 14:00 CET, the NBB-SSS does not guarantee the timely submission to RAMSES and T2S.

Furthermore, the following rules shall apply:

- the SAC to be credited shall be an X-account of the SACs of the Participant issuing the Instruction;
- the nominal amount of securities to be entered on the account shall be determined in accordance with Article 5 of the Royal Decree of 14 October 1991 regarding the Treasury bills and the certificates of deposit, being:
 - either the nominal value, in the case of securities with coupon payment,
 - or the principal amount plus interest payable at maturity, in the case of securities issued on a discounted basis; and
- more than one Instruction can be issued relating to securities identified with the same ISIN code and the same settlement day.

The securities positions are created after processing of the securities Instructions by the NBB-SSS.

⁵ Issuers that are also Participants are free to appoint a Paying Agent for the same purposes.

The issuer or his Paying Agent can transfer the created securities positions to the subscribers by using the purchase/sale Instructions, FOP transfers or internal transfers as described in Article 5.2.

5.1.1.4 Belgian State Treasury bills and EMTN

Treasury bills issued in accordance with the ministerial decree of 6 July 1998 and EMTN issued in accordance with the Royal Decree of 12 June 2008, when denominated in Euro, shall be created on the SAC of the Treasury Administration (NBBEBEBBTRE) in the NBB-SSS. The securities shall then be transferred, against payment, from the Treasury Administration account to the account of the subscribing Participants. To this aim, the Treasury Administration shall send “already matched Instructions” when the Primary dealer or the Recognised dealer is an NBB-SSS Participant. In other cases, the Treasury Administration shall send unmatched Instructions to be matched by the counterparty.

5.1.1.5 Other debt securities

For each issuance program of other debt securities to be admitted to the NBB-SSS, the NBB-SSS shall enter into a service contract with the concerned issuer (see Annex 19.2). Issuers that are not Participants shall appoint at least one Paying Agent that is a Participant in order to represent them in the NBB-SSS and to assume the financial services of the issuance⁶; in such case, the Paying Agent shall sign the service contract jointly with the issuer.

In accordance with the service contract, the issuer or his Paying Agent shall communicate to the NBB-SSS, before the settlement of the subscriptions and within the imposed deadlines, the Securities information form (Annex 19.3b) relating to the concerned issuance program and the characteristics of the securities to be issued, i.e. the terms and conditions and the Issuance Program summary (Annex 19.4).

The procedure described in Article 5.1.1.2 applies by analogy, the nominal amount of securities to be entered on the SAC being determined in accordance with the documentation governing the issuance.

5.1.2 Payment of interests and reimbursement of securities

5.1.2.1 Securities denominated in T2S settlement currencies

5.1.2.1.1 Payment of interests

On the Interest payment date and for the ISINs for which the NBB-SSS provides the financial service, the NBB-SSS shall proceed as follows, in accordance with the Instructions of the issuer or its Paying Agent:

1. the full amount of the interest shall be debited from the DCA of the Issuer or of its Paying Agent in the Central Bank’s books, under the conditions laid down in Article 6.3;
2. the amount of the interest determined on the basis of the SAC positions at the end of the Business day preceding the Interest payment date, i.e. the record date, shall be credited on the DCAs of the Participants having a position in the relevant security, under the conditions laid down by Article 6.3. A separate instruction will debit the withholding tax, when applicable.

In accordance with Article 6.3.1.2., the interest Instructions described above under point 2 are linked instructions which can only be settled together on an all-or-nothing base after the debit instruction described above under point 1.

⁶ Issuers that are also Participants are free to appoint a Paying Agent for the same purposes.

The interest shall be calculated after the End of Day of the Business day preceding the Interest payment date as follows:

- the amount of the interests to be debited in accordance with point 1 above shall be calculated by applying the interest rate to the total interest-bearing amount of the issuance, the outcome being rounded down to the nearest cent; the amount of the interests to be credited to each beneficiary and for each account in accordance with point 2 above shall be calculated by applying the interest rate to the interest-bearing amount of the concerned securities held in account, the outcome being rounded down to the nearest cent;
- when calculating the interest to be paid, the NBB-SSS shall take the Bond factor into account, if applicable. The bond factor to be applied for any new interest period shall be notified to the NBB-SSS on the second Business day preceding the new interest period, by 15:00 CET at the latest;
- securities with fixed negative interest rate are not eligible in the NBB-SSS. In the case of securities with variable interest rate, if the interest rate becomes negative, the NBB-SSS shall automatically apply an interest rate of zero percent, without asking prior consent of the Issuer or its Paying Agent;
- in the case of a late change of interest rate, the interest rate to be applied for any new interest period shall be notified to the NBB on the Business day preceding the interest payment, by 12:00 CET at the latest.

Payments of interests shall always be processed separately from the reimbursement of the principal even if the Interest payment date and the Principal reimbursement date coincide

If, in respect of the issuer or his Paying Agent, any of the events referred to in Article 10 occurs, any payment of interests by the NBB-SSS is suspended until the interest has been paid in full by the issuer or his Paying Agent. In such event, the non-defaulting issuer or Paying Agent may refuse the payment of interests with prior notice by 15:00 CET at the latest on the Business day preceding the Interest payment date.

5.1.2.1.2 Reimbursement of the principal

On the Principal reimbursement date and for the ISINs for which the NBB-SSS provides the financial service, the NBB-SSS shall proceed as follows, in accordance with the Instructions of the issuer or its Paying Agent:

1. the amount of the refundable principal shall be debited from the DCA of the Issuer in the Central Bank's books or of its Paying Agent as the case may be, under the conditions laid down in Article 6.3.;
2. the amount of the refundable principal determined on the basis of the Securities Accounts positions at the End of Day of the Business day preceding the Principal reimbursement date shall be credited on the DCAs of the Participants having a position in the relevant security, under the conditions laid down by Article 6.3. A separate instruction will debit the withholding tax, when applicable.

In accordance with Article 6.3.1.2., the Instructions described above point 2 are linked instructions which can only be settled together on an all-or-nothing base after the debit instruction described above under point 1.

For pledge accounts, the cash credit is only applicable with the express consent of the pledgee. Failing such consent, the amount repaid shall be entered in a frozen, non-interest bearing account opened in the NBB's books in the name of both parties.

The Participants' Securities Account(s) shall be debited in order to cancel the amount of the reimbursed securities.

Payments of interests shall always be processed separately from the reimbursement of the principal even if the Interest payment date and the Principal reimbursement date coincide.

If, in respect of the issuer or his Paying Agent, any of the events referred to in Article 10 occurs, any redemption at maturity or debit operation for the cancellation of the securities of the Participants by the NBB-SSS is suspended until the amount repayable has been paid in full by the Issuer or its Paying Agent. In such event, the non-defaulting issuer or Paying Agent may refuse the redemption at maturity with prior notice by 12:00 CET at the latest on the Business day preceding the Principal reimbursement date.

5.1.2.2 Securities denominated in Foreign currencies

5.1.2.2.1 Securities denominated in Foreign settlement currencies.

This provision applies to securities denominated in Foreign currencies for which the NBB-SSS provides the Foreign currency financial service.

5.1.2.2.1.1. Payment of interests

On the Interest payment date and for the ISINs for which the NBB-SSS provides the Foreign currency financial service, the NBB-SSS shall proceed as follows, in accordance with the Instructions of the Issuer or its Paying Agent:

1. the full amount of the interest shall be debited from the FCA of the Issuer or of its Paying Agent, under the conditions laid down in Article 6.3 and shall be credited on the Dedicated Transfer Account designated by the Participant acting as Paying Agent (see 4.3.3.);
2. the amount of the interest determined on the basis of the SAC positions at the end of the Business day preceding the Interest payment date, i.e. the record date, shall be debited from the Dedicated Transfer Account and credited on the FCAs of the Participants having a position in the relevant security, under the conditions laid down by Article 6.3. A separate instruction will debit the withholding tax, when applicable.

In accordance with Article 6.3.1.2., the interest Instructions described above under point 2 are linked instructions which can only be settled together on an all-or-nothing base after the debit instruction described above under point 1.

The interest shall be calculated after the End of Day of the Business day preceding the Interest payment date as follows:

- the amount of the interests to be debited in accordance with point 1 above shall be calculated by applying the interest rate to the total interest-bearing amount of the issuance, the outcome being rounded down to the nearest cent; the amount of the interests to be credited to each beneficiary and for each account in accordance with point 2 above shall be calculated by applying the interest rate to the interest-bearing amount of the concerned securities held in account, the outcome being rounded down to the nearest cent;
- when calculating the interest to be paid, the NBB-SSS shall take the Bond factor into account, if applicable. The bond factor to be applied for any new interest period shall be notified to the NBB-SSS on the second Business day preceding the new interest period, by 15:00 CET at the latest;
- securities with fixed negative interest rate are not eligible in the NBB-SSS. In the case of securities with variable interest rate, if the interest rate becomes negative, the NBB-SSS shall automatically apply an interest rate of zero percent, without asking prior consent of the Issuer or its Paying Agent;
- in the case of a late change of interest rate, the interest rate to be applied for any new interest period shall be notified to the NBB on the Business day preceding the interest payment, by 12:00 CET at the latest.

Payments of interests are always processed separately from the reimbursement of the principal even if the Interest payment date and the Principal reimbursement date coincide.

If, in respect of the Issuer or its Paying Agent, any of the events referred to in Article 10 occurs, any payment of interests by the NBB-SSS is suspended until the interest has been paid in full by the Issuer or its Paying Agent. In such event, the non-defaulting Issuer or Paying Agent may refuse the payment of interests with prior notice by 15:00 CET at the latest on the Business day preceding the Interest payment date.

5.1.2.2.1.2. Reimbursement of the principal

On the Principal reimbursement date and for the ISINs for which the NBB-SSS provides the Foreign currency financial service, the NBB-SSS shall proceed as follows, in accordance with the Instructions of the Issuer or its Paying Agent:

1. the amount of the refundable principal shall be debited from the FCA of the Issuer or of its Paying Agent, under the conditions laid down in Article 6.3. and shall be credited on the Dedicated Transfer Account designated by the Participant acting as Paying Agent (see 4.3.3.);
2. the amount of the refundable principal determined on the basis of the Securities Accounts positions at the End of Day of the Business day preceding the Principal reimbursement date shall be debited from the Dedicated Transfer Account and shall be credited on the FCAs of the Participants having a position in the relevant security, under the conditions laid down by Article 6.3. A separate instruction will debit the withholding tax, when applicable.

In accordance with Article 6.3.1.2., the Instructions described above point 2 are linked instructions which can only be settled together on an all-or-nothing base after the debit instruction described above under point 1.

For pledge accounts, the cash credit is only applicable with the express consent of the pledgee. Failing such consent, the repaid amount shall be credited to a frozen, non-interest bearing account opened in the NBB's books in the name of both parties.

The Participants' SACs shall be debited in order to cancel the amount of the reimbursed securities. Payments of interests shall always be processed separately from the reimbursement of the principal even if the Interest payment date and the Principal reimbursement date coincide.

If, in respect of the Issuer or its Paying Agent, any of the events referred to in Article 10 occurs, any redemption at maturity or debit operation for the cancellation of the securities of the Participants by the NBB-SSS is suspended until the repayable amount has been paid in full by the Issuer or its Paying Agent. In such event, the non-defaulting Issuer or Paying Agent may refuse the redemption at maturity with prior notice by 12:00 CET at the latest on the Business day preceding the Principal reimbursement date.

5.1.2.2.2 Securities denominated in other Foreign currencies

This provision applies to securities denominated in Foreign currencies and for which the NBB-SSS does not provide the Foreign currency financial service.

Without prejudice to the application of the tax rules, the NBB-SSS shall not intervene in the payment of the interests and in the reimbursement of the principal of such securities. Such amounts shall be paid by the Issuer or, when applicable, its Paying Agent outside the NBB-SSS to the Participants.

The NBB-SSS shall notify at Start Of Day of the Business day preceding the Interest payment date or the Principal reimbursement date, the nominal amount of the concerned securities, as recorded in Securities

Accounts held in the name of Participants at the end of the second Business day preceding the Interest payment date or the Principal reimbursement date, to the Issuer or its Paying Agent. This notification shall form the basis for the interest and principal payments (outside NBB-SSS) to Participants by the Issuer or its Paying Agent. Consequently, no securities transfer between Participants shall be allowed during the Business day preceding an Interest payment date or a Principal reimbursement date (the “Frozen period”).

On the Interest payment date or the Principal reimbursement date, the DCA of the Participants having a position in the concerned securities shall be debited in Euro with the cash amount of the withholding tax due to the Treasury in accordance with Article 8 of the law of 6 August 1993 concerning transactions on certain securities, with its implementing provisions governing the conversion to Euro of income from securities denominated in monetary units of countries which have not adopted the Euro, and with Council Regulation no. 1103/97/EC of 13 June 1997.

On the Principal reimbursement date for final redemption of the securities, the Participants’ Securities Accounts shall be debited in order to cancel the amount of the reimbursed securities, without the NBB’s checking whether the Paying Agent has performed the corresponding cash payments or not.

5.2 Secondary market transactions

5.2.1 General provisions

Transactions to be settled in the NBB-SSS shall be executed upon receipt of valid Instruction(s) of the Participant, according to the Terms and Conditions.

According to Article 5 of the CSDR, Participants shall settle any transactions on the Intended Settlement Date and no later than on the second Business day after the trading (T+2) if transactions are executed on a trading venue.

5.2.1.1 Form and content of Instructions

Participants requiring the settlement of an OTC transaction other than a primary market transaction, which they have concluded in their own name, shall confirm the said transaction to each other by sending an Instruction to the NBB-SSS as Indirectly Connected Party or to T2S as Directly Connected Party.

Annex 21 defines for each type of transaction the mandatory and optional fields and the fields meant for matching purposes.

Settlement of transactions in securities denominated in T2S settlement-currency can take place in Delivery versus Payment (DVP) according to Article 5.2.2., which involves the simultaneous reciprocal settlement in cash and in securities of any transaction, and that the securities and cash will be available on the moment of the settlement of the transaction. Securities Instructions can also be made Free of Delivery (FOD) according to Article 5.2.2 or Free of Payment (FOP) according to Article 5.2.3.

To this aim, the Dedicated Cash Accounts are debited and credited, and the Securities Accounts of the involved respective Payment Banks and Participants are credited and debited. The Instructions are settled according to Article 6.3.

The settlement of transactions in securities denominated in Foreign currencies can take place on a DVP, PFOD or DWP basis, according to Article 5.2.2., when the cash leg of the transaction is in a T2S settlement currency or in a Foreign currency for which the NBB-SSS provide the Foreign currency financial service (see 5.1.2.2.1 and Annex 27). The transaction can also be settled on a FOP basis according to Article 5.2.3.

No transactions but market claims and transformations can be settled on or after the Principal reimbursement date of the concerned security. For securities denominated in other Foreign currencies according to 5.1.2.2.2., no further transfer can be settled from the Business day preceding the Interest payment date or the Principal reimbursement date (“Frozen period”).

The settlement Instructions can be processed and settled on SAC held at NBB-SSS as well as SAC held at other central securities depositories which have a direct or an indirect link to the NBB-SSS.

5.2.1.2 Priority of Instructions

The priority level of a transaction is equal to the highest priority level of the two Instructions involved in the transaction. The following priority level of Instructions shall apply:

- Participants can assign a priority to their Instructions. Two levels of priority are available: 0003 (urgent) and 0004 (normal);
- The Instructions sent by Central Counterparties (CCP) or Electronic Platforms are in principle automatically prioritized at 0002 (Top priority) according to the set-up in the T2S static data;
- Instructions related to the CSD functions (e.g. issuance, redemption, Corporate Action) receive the highest priority level 0001 (CSD priority).

5.2.1.3 Instructions sent by third parties on behalf of Participants

Participants of the NBB-SSS may grant a power of attorney to another Participant or any of the electronic trading and clearing platforms listed in Annex 18.1 to send Instructions to NBB-SSS on their behalf. Such power of attorney may apply to all accounts of the Participant or may be restricted to a sub-list of accounts of the Participant.

The templates of the Power of attorney are available in the annexes to the Terms and conditions (Annex 18 and further – Power of attorney).

As soon as such power of attorney, duly completed and signed, has been transmitted to the NBB and set up appropriately, the NBB-SSS accepts Instructions sent by the Participant or the electronic trading and clearing platforms in the name and on behalf of the concerned Participant, subject to the conditions stipulated in the power of attorney.

Participants can consult the powers of attorney they have granted to third parties via the RAMSES GUI.

DCPs must assign in T2S the required privileges to their users.

5.2.1.4 Foreign securities settlement systems

Foreign securities settlement systems that are Participants in the NBB-SSS are published on the NBB-SSS website⁷.

5.2.2 DVP – PFOD – DWP Instructions

Instructions can be sent as:

⁷ <https://www.nbb.be/nl/list-nbb-investor-icsds>

- DVP: when recording requested settlements of trades of securities, both a transfer of securities and a reverse transfer of cash shall be generated between the Participants that have instructed the transaction;
- PFOD: when recording requested settlements of trades of securities, a transfer of cash shall be generated without triggering a reverse transfer of security; and
- DWP: in such case, the delivery of the securities is performed jointly with a cash payment.

Bilateral Instructions are required to match for settlement, except for DVP transactions if such transfer is flagged as “already matched” and if powers of attorney are provided for the concerned Securities Accounts.

5.2.3 FOP Instructions

The NBB-SSS shall allow the transfer of securities without any movement of cash:

- between the Securities Accounts of two different Participants, or
- between a Securities Account held under different identifiers by the same Participant.

Bilateral Instructions are required, except for an internal FOP transfer of securities between two SAC held by a Participant under the same identifier, if such transfer is flagged as “already matched”.

5.2.4 Settlement of transactions concluded on the Euronext Brussels market

Transactions concluded on the Euronext Brussels market may be settled in the NBB-SSS, whereby all the provisions of these Terms and conditions shall apply to such settlements.

LCH.Clearnet shall send the Instructions without the involvement of the Participants.

5.2.5 Corporate Actions

The NBB-SSS provides services for Corporate Actions in relation to securities admitted by the NBB-SSS. These services include interest payments, reimbursements of the principal, market claims and transformations. Corporate Actions shall be processed as referred into the Term and Conditions.

5.2.5.1 Payment of interests and reimbursement (redemption) of securities

Payments of interests and reimbursements of the principal of securities admitted in the NBB-SSS shall be processed in accordance with Article 5.1.2.

5.2.5.2 Market Claims and transformations

For the purpose of this provision:

- market claims consist in a PFOD transaction aiming at paying by the seller to the buyer the value of the missed coupon or Bond factor for its remaining unsettled nominal value at record date in case of non-delivery of the assets of a transaction that exceeds the assets' coupon date, *i.e.* already matched but still partially or completely unsettled transaction;
- transformations consist in i) one PFOD transaction aiming at paying by the seller to the buyer the value of the missed redemption for its remaining unsettled nominal value at record date in case of non-delivery of the assets of a transaction that reach a pool factor date or the maturity date, *i.e.* already matched but still

partially or completely unsettled transaction, and ii) one PFOD transaction from the buyer to the seller with the remainder amount of cash the buyer would have paid in the pending transaction.

The NBB-SSS shall generate market claims or transformations according to the following principles:

- the detection shall be done during 20 business days after maturity date of the ISIN, the record date of a coupon or Bond factor. This detection stays active for 20 open days after each coupon, since in T2S an unmatched instruction is recycled and remains executable for 20 days and can thus be matched by a counterparty during these 20 days.
- These market claims will be subject to a withholding tax rebate/refund according to the standard XN rules.
- the market claims or transformations are generated at the end of the record date and in real time for the Instructions matched during the detection period;
- market claims or transformations are generated as already matched when both parties are Participants and agreed to subscribe (matching criteria). If the counterparty is not a Participant, market claims and transformations are generated as matched regarding the Participant, when indicated in the settlement Instruction. In the case of transactions between omnibus account of two CSDs, market claims or transformations are not generated;
- any market claim or transformation has the same hold/release status as the one of the underlying Instruction or the one set as default in the SAC of the Instruction;
- assets denominated in Foreign currency are excluded (even if the cash leg of the transaction would be a T2S settlement currency);
- once generated, the market claims or transformations will settle independently from the settlement of the underlying transaction. If a matched transaction that has caused a market claim or transformation is bilaterally cancelled afterwards, no action shall be taken by NBB-SSS with regard to the already created market claim or transformation.

5.2.5.3 Buyer protection

The Buyer protection (BP) is the process whereby a buyer who has yet to receive the underlying securities of a Corporate action, instructs the seller in order to receive the outturn of his choice. Buyer protection is applicable to elective corporate events where the buyer needs to exercise an option different from the default option announced by the issuer.

The Buyer protection will be handled bilaterally between the buyer and the seller by means of a manual process (manual buyer protection mechanism) without any intervention of the NBB-SSS. Accordingly, the exchange of BP Instructions will only take place between the buyer and the seller, outside the NBB-SSS. The Buyer protection Instruction is not a settlement Instruction but only a communication between the buyer and the seller.

The buyer should manually submit the buyer protection request to the seller (Annex 22). It is recommended that the seller acknowledges to the buyer the receipt of the buyer protection Instruction upon a coherence check reconciling the terms of the event. The buyer should ensure that the underlying pending Instruction is cancelled and replaced reflecting the option chosen by the buyer. Transactions attached with a valid buyer protection that are still pending on the buyer protection deadline should be cancelled by both the buyer and the seller and reinstructed according to the choice of the buyer to prevent settlement after the buyer protection deadline of the processing of the default option. The buyer protection Instruction can eventually be amended by the buyer before buyer protection deadline.

All transactions which are pending on the Buyer protection deadline, i.e. at End of Day (EoD) of the intended settlement date, in securities which are subject to a Corporate action can be subject to the Buyer protection

mechanism. The Buyer protection deadline should be at least one Business Day before the market deadline, i.e. record date, of the underlying corporate action. The Buyer protection is only applicable on matched underlying settlement Instructions.

Any Buyer protection Instruction sent by the buyer prior to the buyer protection deadline and related to a transaction for which the trade date is on or before the guaranteed participation date, with intended settlement date no later than the buyer protection deadline, should be accepted.

5.2.6 Pledge

5.2.6.1 Creation of the pledge

A Participant (the “pledger”) may pledge securities held on one of its SAC in favour of another Participant or a third party (the “pledgee”) either by reserving these securities in the same SAC (hereby creating a designating entry represented by a pledged subaccount position) or by transferring these securities to the specifically dedicated account for pledged securities of the pledgee or of another Participant acting on behalf of the pledgee.

The constitution of the pledge in the NBB-SSS shall be carried out by the NBB-SSS subject to the following cumulative conditions:

- the pledger sends an “already matched Instruction” to effect a pledge to the NBB-SSS (Instruction type COLI);
- the pledgee sends a duly signed letter or a secured e-mail to the NBB-SSS in which he agrees with the constitution of the pledge. Any pledgee who is not a Participant in the NBB-SSS shall be allocated an identification number on his written request. That number must be stated in the Instruction by the pledger;
- an Instruction to effect a pledge may only concern one security (one ISIN code).

The designating entry or the transfer, as the case may be, shall, in principle, be carried out at the earliest on the first Business day following the reception date by the NBB-SSS of both the pledge Instruction from the pledger and the confirmation letter or secured e-mail from the pledgee. However, the NBB-SSS can decide to carry out the designating entry or the transfer, as the case may be, on the said reception date if the NBB-SSS is in possession of the confirmation letter or secured e-mail and the Instruction to effect a pledge sufficiently early on the reception date.

5.2.6.2 Modification and release of the pledge

Participant pledgers and pledgees may modify, *i.e.* replace, increase or reduce, or release the pledge.

This modification or the release of the pledge shall be carried out by the NBB-SSS subject to the following two cumulative conditions:

- the pledger sends an “already matched Instruction” to the NBB-SSS (Instruction type COLO);
- the pledgee sends a duly signed letter or a secured e-mail to the NBB-SSS in which he agrees with the modification or release of the pledge.

Any modification or release of the pledge shall, in principle, be carried out at the earliest on the first Business day following:

- the date of constitution of latest modification of the pledge, at the one hand; and
- the reception date by the NBB-SSS of both the modification or release Instruction from the pledger and the confirmation letter or secured e-mail from the pledgee, at the other hand. However, the NBB-SSS can

decide to carry out the modification or release of the pledge on the said reception date if the NBB-SSS is in possession of the confirmation letter or secured e-mail and the modification or release Instruction sufficiently early on the reception day.

5.2.6.3 Execution of the pledge

The pledgee may proceed to the execution of the pledge, in accordance with the pledge agreement and the applicable law, by instructing the transfer of the pledged securities to an account which he holds as a Participant in the NBB-SSS, or to the account of another Participant.

This transfer shall be carried out by the NBB-SSS subject to the following two cumulative conditions:

- the pledgee sends a duly signed letter or a secured e-mail to the NBB, in which he:
 - requests the transfer;
 - indicates the Participant to whose account the securities are to be transferred; and
 - certifies that it is entitled to execute the pledge under the pledge agreement and the applicable law;
- the Participant of the account to which the securities are to be transferred, which may be the pledgee himself, sends to the NBB-SSS the same Instruction as used for the receipt of a FOP transfer, whereby the delivering party will be the NBB-SSS. Such an Instruction may not be subject to market claim processing or partial settlement.

The transfer of the pledged securities shall, in principle, be carried out at the earliest on the first Business day following the reception date by the NBB-SSS of both the abovementioned transfer Instruction and the confirmation letter or secured e-mail. However, the NBB-SSS can decide to carry out the transfer on the said reception date if the NBB-SSS is in possession of the confirmation letter or secured e-mail and the transfer Instruction sufficiently early on the reception day.

The verification by the NBB-SSS shall explicitly be limited to the respect of the conditions referred to in the second paragraph of this Article. Therefore, the NBB-SSS is exempted from checking the respect of the conditions governing under the applicable law the execution of the pledge, such as the reality of the event of default, the completion of legal formalities, if any, and the use to which the securities are put after their transfer.

5.2.6.4 Payment of interests and redemption of pledged securities

Payment of interest due on pledged securities and reimbursement of the refundable principal on the same securities are governed by Article 5.1.2.1. They are subject to withholding tax if the pledge is held on a non-exempt Securities Account.

5.2.7 Reuse of securities

Without prejudice to Article 5.2.7, Article 11.10 and Article 3, paragraph 4 of the Settlement Finality Law or if otherwise provided for in the Terms and Conditions, the NBB shall not use for any purpose securities that belong to Participants or client's Participants.

5.2.8 Transfers of securities to and from the State Debt Ledger

Participants may convert Belgian State debt securities held on accounts with the NBB-SSS into registered securities in the State Debt Ledger, or perform the reverse conversion, provided that the issuance decree or the loan agreement allows such conversions.

In order to perform such conversion, Participants shall:

- send to the NBB, c/o Securities and Payments Division, the duly completed and signed application form joined as Annex 12, and
- send a conversion Instruction to the NBB-SSS mentioning the Belgian Debt Ledger (NBBEBEBB216) as counterparty.

In accordance with Articles 24 to 25bis of the Royal Decree of 23 January 1991 on State debt securities, no conversion shall be carried out during the five Business days preceding the Interest payment date or the Principal reimbursement date of the concerned category of State debt securities (same ISIN code).

5.2.9 Stripping and reconstitution of securities

In accordance with the Royal Decree of 16 October 1997 concerning OLOs, the Ministerial Decree of 12 December 2000 on general rules concerning OLOs and any Ministerial Decree enacted upon issuance of each new OLO, an OLO may be split into the refundable principal “strip” and “strips” representing each the interest for a fixed coupon maturity date. The reverse reconstitution of the strips to the original bond is possible.

Only primary and recognised dealers are authorised to request the stripping or the reconstitution of OLOs. If they are not a Participant, they shall appoint a Participant to represent them.

Stripping and reconstitution of securities may neither be subject to market claims and transformations as referred to in Article 5.2.5.1 nor to partial settlement as referred to in Article 6.3.2.

5.2.9.1 Stripping of OLOs

Participants shall send to the NBB-SSS a stripping Instruction (StR – DELI, FREE, ISO transaction code: MKDW) mentioning the Belgian Treasury (NBBEBEBBTRE) as counterparty. Such Instruction may not be subject to market claim processing or partial settlement. The stripping request shall reach the NBB-SSS at the latest by 17:30 CET on its value date in order to still carry out the stripping on the same Business day.

The NBB-SSS shall validate the stripping Instruction and generate the required Instructions related to the creation of the strips, the destruction of the OLO and the delivery transactions of the strips, as “already matched Instructions” (ISO transaction code: MKUP). In case of cross-CSD it shall be unmatched instructions. The primary dealer or recognized dealer will need to match all Instructions related to the receipt of the strips as soon as possible.

In accordance with Article 6.3.1.2, these Instructions are linked and, therefore, can only be settled together on an all-or-nothing basis once the Participant holds the required amount of OLOs on its Securities Account.

If the OLO is not delivered, the stripping request should be cancelled by the participant who initiated the transaction before 17:45 CET. If not, the stripping request is cancelled by NBB-SSS at 17:45 CET as stipulated in the Terms and Conditions of the BDA.

5.2.9.2 Reconstitution of OLOs

Participants shall send to the NBB-SSS a reconstitution request (StR - RECE, FREE, ISO transaction code: MKUP) mentioning the Belgian Treasury (NBBEBEBBTRE) as counterparty to the NBB-SSS. Such Instruction may not be subject to market claim processing or partial settlement. The reconstitution request shall reach the NBB-SSS at the latest by 17:30 CET on its value date in order to still carry out the reconstitution on the same Business day.

The NBB shall validate the reconstitution request and generate the required transactions related to the transfer of the concerned strips to the Belgian Treasury, their destruction and the creation of the OLO. In case of cross-CSD the Primary Dealer or Recognized Dealer will need to match all Instructions related to the delivery of the strips.

In accordance with Article 6.3.1.2, these Instructions are linked and, therefore, can only be settled together on an all-or-nothing basis once the Participant holds the required number of strips on its Securities Account. If at least one of these strips is not delivered, the reconstitution request should be cancelled by the participant who initiated the transaction before 17:45 CET. If not, the reconstitution request is cancelled by NBB-SSS at 17:45 CET as stipulated in the Terms and Conditions of the BDA.

6. Processing of Instructions and settlement of transactions

6.1 NBB-SSS business days and hours

6.1.1 Business days

NBB-SSS shall operate on “T2S business days”, daily throughout the year except on Saturdays, Sundays, 1 January, Good Friday and Easter Monday, 25 and 26 December.

On TARGET2 closing days, cash settlement in EUR shall be blocked but FOP Instructions can be executed in the NBB-SSS on T2S business days⁸. On Kronos2 –the RTGS system of the Danmarks Nationalbank in DKK- closing days, cash settlement in DKK shall be rejected.

NBB-SSS securities Instructions in Foreign currencies for which the NBB-SSS provide the Foreign currency financial service can be processed on any NBB-SSS Business Day provided the cash leg of the Instruction can be settled on the Foreign currency Cash Accounts.

The securities Instructions in other Foreign currencies are technically processed as FOP and can be processed on any NBB-SSS opening day.

If, by way of exception, the NBB decides to close NBB-SSS on any other date than the T2S closing days, it shall inform the Participants in advance to the extent possible.

6.1.2 Business hours

The Settlement day is a day on which settlement takes place according to the daily processing schedule. The schedule of a Settlement Day includes the periods as listed below:

- Start of Day (SOD) (18:45 – 20:00 CET)

The change of the T2S settlement date defines the start of the new Settlement Day. At that moment T2S revalidates settlement Instructions against the static data valid as of the new Settlement Day.

At the Start of a Settlement Day, T2S moves to the next Settlement Day according to the T2S Calendar. At the end of a Friday Settlement Day (or the last T2S operating day of the week), T2S moves to the next Monday (or the first T2S operating day of next week) as Settlement Day, in principle this period runs from the end of

⁸ Example: T2S is open on 1 May 20YY and TARGET2 is closed, hence FOP are possible.

the night-time settlement period (finishing during the night between Friday and 03:00 CET on Saturday at the latest) to Monday at 05:00 CET.

During the SOD period no settlement occurs. This period is used by the NBB-SSS to prepare for Night-Time Settlement (NTS), e.g. corporate actions processing. Settlement Instructions for processing in the NTS can already be submitted.

- Night-Time Settlement (NTS) (20:00 – max. 03:00 CET)

During the Night-Time Settlement window, mainly settlement Instructions that were submitted before the Start of NTS with an Intended Settlement Date corresponding with the current settlement date are processed in batch. In the NTS settlement window, all recycled transactions and transactions with past or current intended settlement date, matched before the start of the NTS batch, are candidate for settlement. At the start of the NTS, standing liquidity transfers coming from TARGET2 at 19:30 CET for EUR and from Kronos2 for DKK are processed. During the NTS, the settlement Instructions, settlement restrictions and liquidity transfers are processed in two settlement cycles, according to an automatic pre-defined order called “sequences”:

- Sequence 0 is dedicated to cash *i.e.* inbound liquidity transfers and internal liquidity transfers and other cash settlement restrictions.
- Sequence 1 performs settlement of Instructions related to Corporate Actions (CA) before attempting settlement of non-CA related Instructions.
- Sequence X performs partial settlement in addition to regular activities. Partial settlement will apply to all fails due to lack of securities or cash which are eligible for submission to partial settlement processing.
- Sequence Y processes reimbursements for “multiple liquidity providers”. This reimbursement procedure involves the execution of a series of outbound liquidity transfers from a DCA of a Payment Bank to RTGS accounts in accordance to a pre-set sequence of reimbursement.

At the end of each NTS sequence, full or delta reports are generated as per report configuration set-up of the relevant DCPs and CSDs. Messages are sent once the processing of a sequence is complete such as the settlement status advices, settlement confirmation, posting notification, etc. that were queued during the execution of the settlement sequence.

- Maintenance Window (MW) (03:00 – 05:00 CET)

The Maintenance window takes place from 03:00 CET until 05:00 CET after the completion of the NTS period. During the Maintenance window all T2S processes are unavailable, except for the T2S interface application process.

- Real-Time Settlement (RTS) (05:00 – 18:00 CET)

If NTS completes before 03:00 CET⁹, Real-Time Settlement begins before the start of the Maintenance window at 03:00 CET. The RTS restarts after the end of the MWI and runs until the EOD.

RTS attempts to process all new settlement Instructions, maintenance Instructions and liquidity transfers newly received intraday and all previous unsettled settlement Instructions after the arrival of new resources (securities, cash or both).

New liquidity transfers from TARGET2 to the DCAs are possible from the start of the TARGET2 Day Time Processing window at 07:00 CET, from Kronos2 for DKK depending on the Kronos2 operational schedule.

⁹ In practice, NTS ends after approx. 2 hours.

The RTS includes several partial settlement windows, e.g. 08:00-08:30 CET, 10:00-10:15 CET, 12:00-12:15 CET, 14:00-14:15 CET and 15:30-16:00 CET. These timings may be changed or new partial settlement windows may be added from time to time in the T2S Settlement day schedule¹⁰. During the partial settlement windows, T2S takes care of partial settlement of new settlement Instructions arriving into T2S in this period eligible for partial settlement and settlement of previously unprocessed or partially processed settlement Instructions eligible for partial settlement.

The Real Time Settlement closure process starts after the completion of the last Real Time partial settlement window. The following processes for euro are executed sequentially: at 16:00 CET DVP cut-off, at 16:30 CET the automatic reimbursement of auto-collateralisation and the optional cash sweep, at 17:40 CET the cut-off for Bilaterally Agreed Treasury Management (BATM) operations and Central Bank operations, at 17:45 CET the mandatory automated cash sweep, at 18:00 CET the cut-off for FOP. The DVP cut-off, reimbursement of auto-collateralisation and cash sweeps for DKK towards Kronos2 may differ from the timings for EUR.

- End of Day (EOD) (18:00 – 18:45 CET)

T2S Settlement Day closes at 18:00 CET. The End of Day process starts after the successful completion of the RTS period after which settlement is no longer possible. It is followed by the SOD period of the next Settlement Day.

All the EOD reports (e.g. on holdings, Instructions) and account statements related to SAC and DCA are generated (as per the report configuration set-up) and sent to DCPs and CSDs. ICPs and DCPs receive the reporting through the NBB-SSS after EOD, DCPs can opt out as they receive statements directly from the T2S platform.

6.1.3 NBB-SSS Helpdesk business hours

The NBB-SSS Helpdesk is available for business service requests and connectivity issues related to NBB-SSS RAMSES and RAMSES GUI on NBB-SSS business days during the standard support hours from 08:00 until 18:00 CET. Directly Connected Participants (DCP) must contact the T2S Service Desk for technical connectivity issues with T2S A2A or T2S GUI.

6.2 Rules regarding the processing of Instructions

6.2.1 Means of communication

6.2.1.1 In normal operations

For settlement services Participants may choose to be a Directly Connected Party (DCP), an Indirectly Connected Party (ICP), or both. DCPs will communicate directly with T2S, while ICPs will always send their Instructions through the NBB-SSS. The settlement of Instructions will be settled on a non-discriminatory way in real-time.

¹⁰ See www.t2s.eu

6.2.1.1.1 Directly Connected Party (DCP)

As DCP the Participant must establish a contract with a 'Value-Added Network Service Provider' (VANSP) which can be SWIFT or SIA/Colt. The VANSP offers connectivity services and manages the bilateral data exchange with the T2S platform.

The DCP maintains its business, financial and legal relationship with the NBB-SSS. The NBB-SSS is the single point of contact for these topics. Nevertheless, for technical T2S connectivity issues, the DCP shall contact the VANSP Service Desk or the T2S Service Desk.

The DCP shall comply with the procedures and formats based on ISO 20022 messaging described in the T2S scope-defining set of documents¹¹ and with the contractual documentation from the Value-Added Network Service Provider, hereby explicitly including the confidentiality rules and the provisions regarding the protection of personal data. The DCP shall also comply with the rights and obligations described in the "NBB-SSS Information for DCP"¹².

The DCP is subject to connectivity and certification testing by the European Central Bank to demonstrate its ability to send and receive messages to and from T2S through A2A communication mode and/or the ability to log successfully into the T2S GUI. The use of the T2S GUI is not mandatory. The subscription as DCP shall be authorised by the NBB-SSS after evidence of successful mandatory testing with the ECB (connectivity testing) and the NBB-SSS application (interoperability testing). The NBB-SSS receives copies of messages sent or received by the DCP.

6.2.1.1.2 Indirectly Connected Party (ICP)

As ICP the Participant sends settlement Instructions exclusively through the NBB-SSS.

The NBB-SSS provides value added services for ICP as intermediary between the Participant and T2S, *i.e.* conversion between ISO 15022 messages and the T2S mandatory ISO 20022 messages, reporting services and access to the RAMSES GUI. ICP can also choose to exchange ISO 20022 MX messages with the NBB-SSS.

While T2S operates with ISO 20022 messaging, the NBB-SSS does not require its ICP Participants to migrate from ISO 15022 messaging to ISO 20022 messaging immediately. ICP shall migrate by the date set by the NBB-SSS with a grace period until a next technical update of ISO 20022 version in T2S¹³.

The NBB-SSS offers a conversion mechanism. Some T2S features are only available in ISO 20022, for instance the reporting on CSDR penalties. All Instruction related information (such as confirmations of settlement, matching information, allegements, statements of account, etc.) sent by the NBB-SSS shall follow the ISO-standard (ISO 15022 or ISO 20022) chosen by the Participant with respect to the above timings for the mandatory migration towards ISO 20022 and the technical availability of messages in the requested format. The Participant's migration to ISO 20022 for a certain type of message is irreversible: the said Participant cannot switch back to ISO 15022 for the said type of message.

¹¹ The set of documents defining the scope of T2S, composed of the URD, the UDFS, the GUI Business Functionality, the GFS Functional Chapter, the Dedicated Link Connectivity Specifications and the Data Migration Tool Specifications and Related Procedures, is available on www.t2s.eu.

¹² The NBB-SSS Information for DCP is available on the Sharepoint site of the NBB-SSS. This document, as well as its location can be unilaterally modified by the NBB at any time, without warning or prior notice.

¹³ For information: migration planned for SWIFT Release on 21 November 2021 with grace period until 18 November 2023.

The ICP may use the SWIFT network in application-to-application (A2A) mode in order to connect itself to the NBB-SSS. Instructions submitted through this channel shall comply with the procedures and formats described in the NBB-SSS SWIFT User Guide¹⁴. As the use of the Participant's data, including personal data, is processed by the data transmission services provided by SWIFT, SWIFT's contractual documentation¹⁵ is applicable to such processing, hereby explicitly including the confidentiality rules and the provisions regarding the protection of personal data.

The NBB-SSS may also be reached through a Virtual Private Network-connection over the Internet (VPN) in user-to-application mode (U2A). Participants may send settlement Instructions manually in four eyes mode and may send data to or receive information from the NBB-SSS in pull and push mode through the RAMSES GUI.

The RAMSES GUI also provides a cash forecast view. This cash forecast only covers the impact of settlement Instructions related to SAC at NBB-SSS. The cash forecast does not provide the status or the balance of the linked DCA.

A connection to the RAMSES GUI is in principle mandatory for all ICPs. Exceptionally, the NBB may decide, upon written request or e-signed e-mail by the Participant, to grant an exemption from this principle for Participants generating via SWIFT messages a very low number of Instructions, the reconciliation of which would be possible and manageable through NBB-SSS SWIFT messages only.

In order to ensure the technical integrity and the security of the system, a connection with the NBB's IT infrastructure and networks is only possible through a secured data transport network which is set up by the NBB. Therefore, the subscription to the basic services (called "NBB-Net") provided by the NBB in order to set up, operate and maintain such network (e.g. high available VPN infrastructure) is mandatory for Participants in order to gain access to the RAMSES GUI. The subscription and use of the NBB-Net services is ruled by specific terms and conditions which are available on the internet site of the NBB, as well as the applicable tariffs, the technical documentation and the order form. The NBB-Net terms and conditions apply independently from the present Terms and conditions.

The authentication and signature of Participants rely on the use of dedicated tokens and certificates. The usage of the Virtual Private Network connection in order to get connected with the RAMSES GUI is further described in Annex 8. The conditions of use of the RAMSES GUI and the Participant's rights and obligations relating to the usage of tokens/certificates in order to gain access to it are described in Annex 8.

6.2.1.2 Communication channels in case of contingency at Participant

Exceptionally, for contingency purposes in case of and for the duration of a connectivity outage only, the NBB may discretionarily decide, upon a Participant's explicit request sent to the NBB via secured e-mail signed by any person duly entitled to validly commit the Participant, to enter in the NBB-SSS a limited number of securities and maintenance Instructions on behalf of the said Participant submitted by the latter by means of secured e-mail signed by any person duly entitled to validly commit the Participant. In such case, the Instructions shall be sent to the NBB using the form joined as Annex 6.

¹⁴ The NBB-SSS SWIFT User Guide is available at the following location of the internet site of the NBB: http://www.nbb.be/doc/ti/SWIFT_112012.pdf and on www.swift.com in MyStandards section. This document, as well as its location on the internet site of the NBB and on www.swift.com, can be unilaterally modified by the NBB at any time, without warning or prior notice.

¹⁵ This documentation is available on the internet site of SWIFT: www.swift.com.

The NBB shall take on a best effort base all reasonable measures deemed necessary in order to enter the Instructions in the NBB-SSS, without being committed to any results whatsoever. In particular, the NBB has the right to refuse to process any Instruction which is ambiguous, incomplete or incoherent or which contains errors. The NBB shall as far as reasonably possible try to inform the Participant of this dismissal, however without being committed to any information duty whatsoever. The Participant acknowledges and agrees that in case of dispute regarding the Instructions sent to the NBB, the copy of the secured e-mail received by the NBB shall provide for a decisive evidence of the submitted Instruction.

Such manual processing of Instructions, if any, shall be charged to the Participant in accordance with Article 8.1.7.

6.2.1.3 Communication channels in case of cyber incident at Participant

Exceptionally, in case of a cyber incident at Participant level that compromises the integrity of the Participant's data, the NBB-SSS shall, upon a Participant's explicit request sent to the NBB-SSS via secured e-mail signed by any person duly entitled to validly commit the Participant, provide the Participant's data available in the RAMSES data warehouse. If the requested data is not available in the RAMSES application, the NBB-SSS may submit a service request to the T2S Operator for sharing the requested data from the T2S platform.

The NBB shall take on a best effort base all reasonable measures deemed necessary in order to provide the requested Participant's data without being committed to any results whatsoever.

Such manual processing of data, if any, shall be charged as an exceptional intervention on behalf of a Participant in accordance with Article 8.1.7.

6.2.2 Processing of Instructions

6.2.2.1 Bilateral Instructions

As a rule, only bilateral Instructions, submitted in accordance with Article 6.2.1.1 by both Participants involved in the same transaction, are received and executed. Since Instructions concerning the same transaction require identical characteristics, these mirror Instructions are validated and matched before settling the transaction.

As an exception, only one Instruction is required for transactions that have been submitted as "already matched".

6.2.2.2 Validation

Upon receipt of any Instruction, a set of controls is performed in order to validate the Instruction in accordance with the technical rules of T2S. If the outcome of such controls shows the existence of errors or inconsistencies, the Instruction shall be rejected, rejection messages are sent to the Instruction sender (DCP or ICP).

6.2.2.3 Matching

If the Instruction successfully passes the abovementioned validation, the Instruction is submitted for matching according to the applicable matching rules as set out in Annex 21, based on three levels of parameters:

- Mandatory matching fields must be present and identical in both Instructions for matching,
- Additional matching fields: if one Participant provides an additional information, the Instruction shall only be matched if the counterparty's Instruction contains the same information,

- Optional matching fields: if the counterparty's Instruction does not contain any information, the Instructions shall match; if the counterparty's instruction holds different information, the Instructions shall not match.

The list of mandatory fields to be matched for each notification is joined as Annex 21.

6.2.2.4 Allegements messages

Allegement messages are used to inform an account holder that another Participant has issued Instructions relating to its account while the account holder has not issued any corresponding Instruction. Allegement messages will be sent to ICPs only if the account holder has subscribed to the allegement messaging service, which aims at improving settlement efficiency. DCPs receive the allegements by default.

Allegement messages are sent:

- 1 hour after the first unsuccessful matching attempt;
- immediately when the instruction enters as from 13:00 CET on the Intended Settlement Date.

6.2.2.5 Recycling and cancellation of Instructions

Instructions that cannot be matched and/or settled are recycled as follows:

- any unmatched Instruction shall be recycled for 20 Business days (starting from the Intended Settlement Date), after which it will be deleted. Recycling will also occur in the event of a Corporate action, but Instructions regarding such Corporate action will in such case be deleted at the maturity date of the security to which the corporate action relates;
- an unmatched cancellation shall be recycled for 20 Business days (starting from the date of entry of the cancellation), after which it will be deleted. However, unmatched cancellations will be deleted at the maturity date of the concerned security;
- Participants agree that any matched Instruction unsettled at the Intended Settlement Date shall be recycled for a Recycling period of 60 Business days, after which such Instruction shall be deleted. The Recycling period of 60 Business days shall be reached on the 60th Business day following the latest update of the status of the concerned matched Instruction. The Recycling period shall automatically be reset with any update of the status of the concerned matched Instruction, e. g. update of the Hold and Release status of the concerned Instruction (See below 6.2.2.6.). Such deletion shall be deemed to be a bilateral cancellation. If during this Recycling period, a business rule is violated (i.e. the concerned security reaches its maturity date) the unsettled matched Instruction shall be deleted.

A matched Instruction shall only be cancelled upon agreement of both counterparties (bilateral cancellation). If a Participant sends a cancellation Instruction, the counterparty is informed through an allegement message that a cancellation has been requested for a given Instruction. An unmatched instruction may be cancelled unilaterally.

In a Foreign currency DVP transaction when it is eligible for settlement (ISD has been reached) the delivery instruction is put on CSD hold. As from this moment this Instruction can only be cancelled by the NBB-SSS for which the Participant needs to send a cancellation request to the NBB-SSS.

6.2.2.6 Hold & Release

Any Instruction shall be held for delayed settlement (status "on hold") on request either of one of the instructing Participants.

A held Instruction shall only be released by the instructing Participant(s) that requested such hold status. When more than one Participant requested the hold status, the release Instruction must be sent by all Participants having introduced such hold status Instruction. A hold status or a release Instruction sent by another Participant than the one that submitted the original Instruction shall be accepted only if it is a Participant instructing through a power of attorney on behalf of the Participant that submitted the original Instruction and if the Instruction to be held or released was sent as modifiable.

All pending held Instruction that has not been settled at the end of the Intended Settlement Date shall be recycled in accordance with Article 6.2.2.5.

6.2.2.7 Settlement restrictions

The Participant may define that a security position or a security account be earmarked, blocked or reserved as a settlement restriction.

- Earmarking:

The earmarking process enables Participants to hold a security position or security account for use in a precise purpose such as auto-collateralisation purposes. Earmarking defines that a security position or security account may be used for one and only one defined purpose. An earmarked position or account may not be used for another purpose unless the earmarking is revoked. Earmarked securities must be fully available in the relevant account.

If there is a conflict regarding use of the earmarked securities for a delivery/receipt owing to contradictory choices between account level and Instruction level, the choice at account level overrides the choice at Instruction level. If earmarking is set at the security account level for a specific purpose, it will not be possible to earmark securities at Instruction level in the same account for a different purpose.

Earmarking is not possible for full DCAs or balances on DCAs.

- Blocking:

The blocking process allows the Participant to block securities at the Instruction, position or account level for a specific purpose. To unblock the securities, the relevant Instruction must contain the reference to the specific purpose.

A blocking of securities prevents the transfer of blocked securities from the security account. When a blocking restriction is submitted for settlement, and provided sufficient securities are available on the account, the number of securities specified in the settlement restriction on the relevant Securities Account shall be blocked. If insufficient securities are available, only those securities shall be blocked. No further attempt shall be made to block the remaining part.

- Reserving:

The reserving process allows Participants to reserve a security position for the settlement of one or more settlement Instructions. The reserved securities shall be used first, ahead of unreserved securities for settlement of the Instruction. The Participant may reserve securities while no sufficient securities are held on the account.

When a reservation Instruction is submitted for settlement, and providing sufficient securities are available on the relevant account, the number of securities specified in the settlement Instruction on the relevant Securities Account shall be reserved. If insufficient securities are available, the securities already available on the relevant account shall be reserved and shall be supplemented with any incoming securities on this account, provided that the latter are not defined to be used for any other purpose.

6.2.2.8 Correction of erroneous credits or debits and reversals

The NBB-SSS may correct or reverse any credit or debit to any Securities Account or Dedicated Cash Account if

- the relevant conditions to handle Instructions, as provided for in Article 6.2, are not fulfilled, or
- the credit and/or debit is the result of an error regardless whether the error was made by the NBB-SSS, the concerned Participant or another Participant, or any other person, or
- it is required by any enforceable law, regulation, order, judgement, or injunction.

The NBB-SSS may also modify the status of an erroneous Instruction.

The NBB-SSS will inform and consult the Participant non-bindingly of such corrections and modifications by any available means.

For the purpose of this provision, the Participant authorises the NBB-SSS to generate the required Instructions on its behalf.

6.2.2.9 Entry and irrevocability of Instructions; settlement of transactions

6.2.2.9.1 Settlement Finality Directive and Settlement Finality Law

The NBB-SSS has been designated as a securities settlement system governed by Belgian law for the purpose of the Settlement Finality Directive and the Settlement Finality Law.

The term “Instruction” used throughout the Terms and Conditions qualifies as a “transfer order” within the meaning of the Settlement Finality Directive or the equivalent concept in the Settlement Finality Law.

6.2.2.9.2 Moment of entry, moment of irrevocability, finality of settlement

Moment of entry into the NBB-SSS

Any Instruction is considered to have entered the NBB-SSS as soon as it has been declared compliant with the technical rules of T2S in accordance with Article 6.2.2.2 and is, as from that moment, legally enforceable and binding on third parties.

Moment of irrevocability

Any Instruction regarding a bilaterally agreed transaction is considered irrevocable as soon as it has been given the status “matched”, i.e. received the status “matched” from the T2S platform with the attached time stamp.

Finality of settlement

The “moment of settlement” of the transactions is determined under Belgian law at the moment when book entries in the books of the NBB-SSS are performed. Book entries in the NBB-SSS are irrevocable and enforceable. Settlement of securities leg is operationally executed on the T2S platform and reflected in real

time in the books of the NBB-SSS. The settlement of the cash leg of the DVP and other instructions in T2S currencies are operationally executed on the T2S platform in accounts in the legal scope of the RTGS active on T2S (TARGET2 and KRONOS2).

The settlement of the cash leg of the DVP in Foreign currencies is executed on the Participants' Foreign currencies Cash Accounts (FCA). The securities leg of the transaction is settled when the NBB-SSS receives the confirmation that the FCA of the buyer of the securities has been debited.

Handling of Instructions upon Insolvency event

Any Instruction impacted by Insolvency proceedings (see also Art. 10.2.2.) and entered into the system may be cancelled by the NBB-SSS at the End of Day on the day of the opening of the Insolvency proceedings, or on the subsequent days, provided that the Instruction has not been settled yet, regardless the Intended Settlement Date and regardless whether the Instruction has been matched or not. The procedure applicable in case of Insolvency proceedings is described in Annex 28.

Instructions that are submitted after the moment that the NBB-SSS becomes aware of the Insolvency proceedings shall be rejected before they get validated and shall not be presented for matching and settlement, unless the NBB is required to do otherwise under the law applicable to the afore mentioned Insolvency proceedings, or ordered to do otherwise by a competent court, administrative authority or the insolvency trustee.

Cancellation of any matched Instruction is no longer possible as soon as the concerned transaction is settled. Before the settlement of the transaction, matched Instructions may still be cancelled, but only via cancellation Instructions sent by both counterparties or upon initiative of the NBB-SSS if the Instruction is impacted by Insolvency proceedings, and only for the unsettled part of the transaction in case of partial settlement. After the settlement of the transaction, the concerned Participants retain the right to submit reverse Instructions, which are then processed by as separate transactions.

Subscriptions for State debt securities as communicated by the Belgian Debt Agency (BDA) are considered irrevocable as they are sent as "already matched Instructions". Therefore, such subscriptions can only be cancelled with the explicit authorisation of the BDA, which needs in such case to cancel its side of the transaction as well.

Any Instruction to debit a client's Securities Account shall not impose to the counterparty a personal obligation toward the Participant that issued the Instruction, even if it is matched and irrevocable, except insofar as the concerned Securities Account has sufficient funds at the time of settlement to enable the debit to be executed in accordance with Article 6.3.

The rules described in this Article shall not prevent the application of the administrative fine provided for in Article 8.2.1.2 in case of shortage of liquidity.

6.3 Settlement of transactions

6.3.1 Full settlement

6.3.1.1 Principle

Matched Instructions shall be settled in batch and real time in the Night Time Settlement window and real time transaction by transaction in the Real Time Settlement window. In accordance with the DVP principle, any cash credit or debit and any securities credit or debit involved by the settlement of any transaction shall be

individually recorded respectively in the concerned DCA and SAC, *i.e.* without netting of either cash movements or securities movements.

6.3.1.2 Linked Instructions

Participants may link settlement Instructions in order to ensure that any settlement Instruction is carried out either at the same time, before or after another settlement Instruction.

When several Instructions indicate a common pool reference, these Instructions shall be linked, hence processed on an “all or nothing” basis. The pool must be fully instructed before any attempt of settlement can occur. Linked Instructions are not eligible for partial settlement.

Linked Instructions can be unlinked by the Participant that initially submitted them, by means of the T2S GUI, the RAMSES GUI or an ISO 20022 message.

Instructions in Foreign currency must not be linked.

6.3.1.3 Prioritization

Instructions are optimised in accordance with their priority levels in such a way that if several Instructions compete for use of the same securities or cash resources, preference is given to the Instruction with the highest level of priority in accordance with Article 5.2.1.2.

In addition, the processing of Instructions optimises settlement of Instructions to ensure the settlement of a maximum of Instructions during each Business day.

6.3.2 Partial settlement

Instructions that cannot be completely settled due to a lack of sufficient securities or of sufficient liquidity shall be partially settled if the settlement Instruction fulfils all criteria for such a partial settlement, unless one of the counterparties indicates, either at Instruction level or –for an ICP- as a parameter in the Static data, that partial settlement is not allowed.

Partial settlement is only activated during dedicated partial settlement windows, being one window during Night Time Settlement in sequence X in accordance with Article 6.1.3. and several partial settlement windows in Real Time Settlement in accordance with Article 6.1.2.

The cash leg of the transaction shall be settled in proportion of the nominal value of the securities being partially settled.

The unsettled part of the Instruction may be:

- settled at a later stage in the settlement day, during or outside a partial settlement window,
- recycled or cancelled in accordance with Article 6.2.2.5, or
- held/released in accordance with Article 6.2.2.6.

The partial settlement indicator of an Instruction may be updated by the Participant through the RAMSES GUI or through an ISO 20022 message.

During the partial settlement windows, full settlement shall continue to be performed.

6.3.3 Auto-collateralisation

6.3.3.1 General provisions

Central bank auto-collateralisation is used to provide intraday credit for securities settlement based on eligible collateral to cover cash shortages on a DCA and in order to facilitate trade settlement in real time. The intraday credit provided may be secured either with the securities that are being purchased (collateral on flow) or with securities already held by the Participant (collateral on stock). An auto-collateralisation operation shall consist of three distinct Instructions, one for the granting of auto-collateralisation, one for its reimbursement and one for any eventual collateral relocation. All three Instructions shall be deemed to have been entered into the system, irrevocably, at the time of the granting of the auto-collateralisation. Eligible collateral shall consist of the same assets as eligible for use in Eurosystem monetary policy operations. Securities which are already subject to a pledge in accordance with Article 5.2.7 are not eligible to auto-collateralisation operations.

Central bank auto-collateralisation is not mandatory. Participants may indicate at static data level as well as at settlement Instruction level whether they opt for the application of auto-collateralisation on the T2S platform. According to Article 6.2.2.7, Participants can earmark a securities sub-position or an entire Securities Account as eligible for auto-collateralisation. In the former case, only that sub-position will be used for auto-collateralisation, not the possibly remaining “deliverable” (AWAS) position. Incoming securities shall as default not be moved to the earmarked sub-position but to the deliverable sub-position. Participants represent and warrant to the NBB-SSS that they are legally entitled to mobilise an earmarked securities sub-position or a Securities Account as collateral and that they have, as the case may be, received the required authorisation under applicable law.

To support central bank auto-collateralisation, the NBB shall provide during the Start Of Day procedure a daily list of eligible assets (ISIN) and of their valuation. If for any reason it would not be possible for the NBB to provide the daily list, the NBB may decide either not to provide auto-collateralisation or to use the last available data, *i.e.* based on the list of assets and their valuations provided on the previous Business day).

T2S triggers first auto-collateralisation on flow. When the value of the collateral on flow is not sufficient to cover the intraday credit, it shall be supplemented by the collateral on stock. Eligible securities for auto-collateralisation shall be valued in accordance with the rules applicable to collateral valuation pursuant to the Eurosystem monetary policy framework.

Participants may offer client-collateralisation to their clients.

6.3.3.2 Rules governing auto-collateralisation

Central bank auto-collateralisation is used to guarantee the provision of intraday credit on a DCA and falls within the scope of the TARGET2 Guideline. A Payment Bank which opts for the application of central bank auto-collateralisation on the T2S platform is required to hold an RTGS account and a DCA. Both RTGS account and DCA must be opened with the same euro area NCB.

If there is insufficient liquidity to reimburse the pending central bank auto-collateralisation operations, the intraday credit shall be automatically converted into overnight credit in accordance with the rules of TARGET2. The NBB will define auto-collateralisation limits at static data level for its Payment Banks.

The securities are pledged via a transfer from the NBB-SSS Participant's Securities Account to the Securities Account kept by the NBB. The NBB provides the liquidity from its DCA for this purpose to the Participant's DCA. As the ownership of the securities is not transferred to the NBB, the NBB-SSS will not generate a DWTT tax transaction for auto-collateralisation on non-exempted N-accounts at the transfer to the NBB collateral receiving account.

6.3.3.3 Reimbursement

Auto-collateralisation reimbursement Instructions are generated automatically. This Instruction shall be put “on hold” until the Payment Bank is ready to reimburse the intraday credit on its DCA and “releases” the held Instruction. If the Payment Bank does not release the reimbursement of auto-collateralisation Instruction itself before 16:30 CET, it shall be subject to an “automatic reimbursement”.

If a central bank auto-collateralisation reimbursement Instruction is still pending at the end-of-day reimbursement because the balance on the Payment Bank’s DCA is insufficient, a “forced reimbursement” shall be executed. The forced reimbursement shall trigger liquidity rebalancing between DCAs of the same Payment bank. If the reimbursement Instruction is still pending after that, a collateral relocation Instruction shall be generated. A forced reimbursement will lead to an administrative fine according to Article 8.2.2.3.

6.3.4 X/N tax rules

During any Business day, the NBB-SSS shall give the status "CSD Hold" to all newly matched Instructions involving a non-exempted account (N-account) and the original Intended Settlement Date of which is the ongoing Business day or a subsequent Business day. This detection procedure shall also apply for Corporate Actions on an N-account. The NBB-SSS generates for all N-Instructions with a “CSD Hold” status a new PFOD Instruction called “Dedicated Withholding Tax Transaction” (DWTT) in order to ensure the collection or refunding of the withholding tax, which is linked “after” the original transaction Instructions. The transaction settles gross and the DWTT addresses the withholding tax towards the tax authorities. After the creation of the DWTT, the original N-Instruction is released (CSD Hold only) and both instructions are executed linked “AFTE”. NBB-SSS shall not create a DWTT if the securities movement relates to a FOP without transfer of ownership. Both the delivering party and the receiving party have to flag the Instruction accordingly.

7. Responsibility and liability regime

7.1 Rights and duties of the NBB in the performance of NBB-SSS services

In its capacity of operator of the NBB-SSS, the NBB shall act as a prudent and diligent professional and shall take reasonable care (*obligation de moyens/middelenverbintenis*) to provide services to the Participants, as described in the Terms and Conditions, which may include but are not restricted to,:

- Core services such as:
 - initial recording of securities in book-entry system (‘notary service’);
 - providing and maintaining Securities Accounts (‘Central maintenance service’);
 - operating the NBB-SSS (‘settlement service’).
- Ancillary services:
 - Related to the settlement service, such as
 - collateral management services;
 - Instruction routing.
 - Related to the notary and central maintenance services, such as
 - Supporting the processing of Corporate Actions including tax and information services;
 - new issuance services including allocation and management of ISIN codes;

- Instruction routing and processing, fee collection and processing and related reporting.

The NBB, as operator of the NBB-SSS, provides also other services such as:

- the hosting, operation, maintenance and update of the NBB-SSS and of its interface with T2S, the operation of a service desk,
- the role of certificate Registration Authority,
- the resolution of incidents hampering the operation of the NBB-SSS.

In the performance of NBB-SSS services, the NBB shall only be bound by the obligations specifically imposed or entailed by these Terms and Conditions and by the T2S scope-defining set of documents¹. Therefore, the NBB shall not incur any obligations and shall not be bound by any guarantee, recommendation or advice whatsoever, e.g. relating to:

- the financial capacity and the status of the issuers or warrants of the securities which settlement is admitted in the NBB-SSS;
- the validity or reality of the undertakings represented by these securities;
- the financial capacity and the status of the Participants, their Payment Banks and their RTGS account holders;
- the risk that any transfer of securities carried out by a Participant should be subsequently declared invalid or not enforceable, despite its registration and booking in accordance with these Terms and conditions;
- the risk that the transfer of securities to a pledge account in the NBB-SSS, should subsequently be declared invalid or not enforceable or that any temporary or permanent obstacle, in whatever form, may obstruct its realisation or appropriation by the creditor, despite the registration and booking of the transfer in accordance with these Terms and conditions;
- the reliability, quality (particularly in terms of security and confidentiality) and availability of the services offered by the communication service providers as referred to in Article 6.2.1.

In its capacity of provider of NBB-SSS services, the NBB is the sole owner of the IT-Infrastructure supporting the operation of the NBB-SSS, which is composed of both hardware (e.g. servers, computers, telecommunication devices) and software “at service level only”, meaning that it cannot be sold by the NBB-SSS (e.g. operating system and application software). In this capacity, the NBB shall perform NBB-SSS services as a prudent and diligent professional and shall maintain and update the NBB-SSS Infrastructure in order to keep it on a state-of-the-art level, however without being committed to reach any mandatory result whatsoever. The NBB shall take all necessary and reasonable actions and measures in order to:

- protect its IT-infrastructure and its components including its interface with T2S from intrusion, theft, disclosure, fraudulent use, deletion or corruption of sensitive data, and breakdowns or malfunction of the NBB-SSS infrastructure;
- correct as quickly as possible any breakdown or major malfunction of the NBB-SSS infrastructure and its components including its interface with T2S, e.g. by having recourse to suitable back-up and business contingency procedures. The incident and problem resolution shall follow the good practice principles (as described by ITIL® V3) and consider all relevant steps, such as: initial diagnosis, functional and hierarchical escalation, investigation and diagnosis, making use of a prefilled known error/ solution database, applying work-around.
- inform the Participants on incidents. To this end the NBB-SSS shall issue incident reports. The incident report is drafted using a standard format with the aim to provide all relevant parties with a comprehensive view of the events, the possible work-arounds applied and the follow-up and corrective measures undertaken to avoid any reoccurrence and is sent by signed e-mail. The initial report has to be provided by

close of business of the second T2S settlement day after the T2S settlement day when the described event happened. An interim report is optional and only required if the incident is not resolved after one calendar week of reporting in which case it will be provided within one calendar week, and a final report within two calendar weeks. The interim report shall contain possible further elements collected at the reporting side as well as some possibly already identified corrective actions. The final report shall contain the measures identified to prevent the reoccurrence of the event as well as the risk assessment.

- participate and contribute in incident and crisis management at the level of T2S as a college with the respective settlement managers and crisis managers of all parties, *i.e.* the national central banks and central securities depositories which have signed the T2S Framework Agreement or the Currency Participation Agreement for non-euro national central banks.

The NBB is expressly exempted from any obligation to act upon a Participant's Instruction that would infringe an applicable legislative or a regulatory provision or a compulsory decision, act or order issued by a public authority or a jurisdiction and shall incur no responsibility for such abstention.

The Participant acknowledges and agrees that the NBB-SSS, in so far as it is concerned, shall carry out the Instructions received in accordance with these Terms and Conditions, in particular Article 6.2 and Article 6.3 whenever the NBB-SSS may reasonably believe, in consideration of the specific characteristics of the means of communication used, in particular authentication by non-revoked electronic certificates in the communication over VPN, identification of the sender in the SWIFT-messages, that they originate from the Participant itself or from a person having a power of attorney to represent the Participant. The NBB-SSS shall not incur any liability for such handling. Phone conversations between NBB-SSS and Participant staff members shall neither raise any obligation or responsibility, nor any waiving of rights for the NBB-SSS.

The NBB-SSS is only committed to act in accordance with Instructions communicated by Participants in the form and within the deadlines imposed by these Terms and Conditions. If this is the case, the Participant shall be bound by all actions performed by the NBB-SSS upon Instruction forthcoming of the Participant's appointed representative, unless:

- the withdrawal of the representation power or the power of attorney has been timely communicated by the Participant to the NBB-SSS by means of the sending of a letter duly signed by a person allowed to validly represent the Participant or by secured e-mail, or
- the Participant has timely requested revocation of the electronic certificate granted to its representatives.

The Participant acknowledges and agrees that the NBB-SSS is expressly exempted in any case from verifying the reality of the aforementioned representation powers or powers of attorney which withdrawal has not been timely communicated to the NBB-SSS in accordance with the previous paragraph, and accepts that all consequences for any contravention, abuse or fraudulent usage of these powers shall be exclusively borne by the Participant itself.

The NBB-SSS shall maintain reconciliation procedures to ensure the integrity of securities held in the NBB-SSS. The NBB-SSS shall monitor whether the number of securities recorded in its books as being held by it equals at any time the number of securities held by the Participants with the NBB-SSS. The NBB-SSS shall compare the previous end-of-day position with all the settlement processed during the day and the current end-of-day position for each Securities Account and each issuance.

The Participant shall supervise and monitor the correct settlement of their transactions. The NBB-SSS does not incur any responsibility or liability for not warning the Participant that the settlement of one or more large transactions by the said Participant could be hampered during the ongoing Business day.

7.2 Representations and warranties

The NBB represents and warrants the Participants that:

- the NBB-SSS infrastructure and its components including its interface with T2S is designed in an efficient, reliable and coherent manner and is suitable for use by the Participants provided they comply with all requirements listed in the Terms and conditions;
- the performance of the NBB-SSS services does not violate any law or regulation applicable to the NBB or any agreement by which it is bound or by which any of its tangible or intangible assets, necessary for such performance, can be affected;
- whenever reasonably possible, the NBB shall inform the Participants of any present or predictable imminent failure of the NBB-SSS, or of any present or predictable denial of the NBB-SSS services. The NBB shall make its best efforts to resolve such failure as soon as possible, however without being obliged to reach any mandatory result.

7.3 Liability of the NBB

The NBB shall only be liable for damages caused

- by its wilful misconduct (“dol”/”bedrog”) or gross negligence (“faute lourde”/”zware fout”), or
- by its negligence when it appears obvious that measures taken by the NBB are insufficient in the light of the expected behaviour of a normal provider of professional services in the same industry, in order to prevent the abovementioned damages.

Except in case of wilful misconduct (“dol”/”bedrog”) or gross negligence “faute lourde”/”zware fout”), the NBB shall under no circumstance be liable for:

- any indirect, consequential, incidental or punitive loss, damages or expenses (including, but not limited to, loss of revenue or anticipated profits, lost business, public image loss or reputational damage), even if the NBB has been informed of such loss, damages or expenses;
- a loss resulting from the non-compliance by any Participant with the rules and procedures provided for in these Terms and conditions.

The global amount of the reimbursement and/or indemnification to be paid by the NBB to the Participant for all damages occurred during a given civil year shall under no circumstance exceed 50% of the global amount of the fees charged by the NBB to the Participant during the same civil year.

The NBB shall not be liable in case of *force majeure* or any other reasons or external events beyond its reasonable control, including - but not limited to - fire, explosions, flood, earthquake and storm, pandemic or epidemic disease, riot, war, civil commotion, strikes (including strikes by its own staff), lock-out, mobilisation shortages of power, fuel, raw materials or other commodities, requisition, evacuation of the premises ordered by the public authority, absence of transport facilities, the unavailability of an external IT Platform, system or application having operational interdependencies with the NBB-SSS (such as T2S, TARGET2 or the “European System of Central Banks – Public Key Infrastructure” operated by the Banco de España on behalf of the Eurosystem), the unavailability or failure of a means of communication as referred to in Article 6.2.1, electricity outage, network, hardware or software disruption or accident or breakdown of a plant or machinery, which is not imputable to the NBB, malicious damage caused by third parties, new imperative law or regulation.

The burden of proof of the alleged NBB’s fault or negligence, its qualification with regard to the liability regime defined in this Article, and the reality and amount of the invoked damage rests with the Participant.

7.4 Rights and duties of the Participants

7.4.1 Representations and warranties

Each Participant represents and warrants to the NBB that

- It has the authority under its corporate charter and documents and under any applicable law to enter into the adhesion agreement with the NBB-SSS, to hold securities with the NBB-SSS and to participate to the system;
- It is fully aware of and has reviewed all the contractual documentation related to the aforementioned adhesion agreement and complies with all its obligations under these Terms and Conditions;
- It complies with any applicable law or regulation which relates to anti money laundering and terrorism financing requirements or fraud;
- It complies with all its obligations under and pursuant to the CSDR, in relation to settlement discipline;
- All applicable legal, tax or regulatory requirements for disclosure or reporting on holding, control and legal or beneficial ownership with respect to securities held by the Participants with the NBB-SSS are complied with and that at all times it is compliant with FATCA requirements;
- All information concerning it provided by it to the NBB-SSS at any time was or will be when provided and, unless the NBB-SSS has been notified to the contrary, remains or will remain correct.

7.4.2 Duties of the Participants

Any Participant shall comply with any law, decree, regulation or order of any government body or international regulatory authority (including any court or tribunal) applicable to him or to his participation in the NBB-SSS.

Any Participant shall comply with all its obligations under these Terms and Conditions.

The NBB-SSS shall, on an ongoing basis, identify, monitor, and manage the operational risks that it faces from Participants. For this purpose, the NBB-SSS may request any relevant information including information about participants' clients. The Participants agree to comply with any request for such information.

The Participant shall notify by secured e-mail to the NBB-SSS of the occurrence of any event that may lead to Insolvency proceedings or the default of the Participant. The operational procedure is described under Annex 28.

In accordance with Article 3, §4 of the Settlement Finality Law, notwithstanding the opening of insolvency proceedings, the NBB-SSS may, in the event of failure or delay by a Participant to fulfil its commitments, use funds or securities available on the accounts of the defaulting Participant, including funds or securities held on behalf of its clients in the cases where said commitments are related to its clients or the provision of services to its clients.

7.4.3 Right of use of the NBB-SSS platform

Any Participant is granted a non-exclusive, personal, and non-transferable right to use the NBB-SSS, but only in connection with the processing of the Instructions and settlement of securities transactions. To this aim, the NBB shall to the extent legally feasible grant to each Participant comprehensive licenses and privileges for all

rights related to the T2S and NBB-SSS software and application which are necessary to ensure to the Participant the above mentioned right of use of T2S and of the NBB-SSS.

7.4.4 Connection and adaptation to the NBB-SSS and to T2S

Each ICP Participant is solely responsible for:

- adjusting its internal procedures, audit methods, systems and interfaces to the specifications of the NBB-SSS and ensuring the smooth migration of its processes to the NBB-SSS,
- setting up the necessary IT-connections between its own head office, branches, disaster recovery centre and any other location deemed necessary or useful, and the first network access location at the NBB's head office in Brussels through which the NBB's IT infrastructure can be reached via telecommunication network;
- subscribing to the "NBB-Net" service set up by the NBB, as referred to in Article 6.2.1.1.2.;
- setting up and maintaining the necessary infrastructure allowing each Participant to establish the connections mentioned in the former indents and providing for a technical roundabout in order to restore as quickly as possible the connection with the NBB-SSS Infrastructure and to resume the performance of the processing of Instructions and settlement of securities transactions even in case of breakdown or of important disruption of the connections mentioned in the former indents.

Each DCP Participant is solely responsible for.

- adjusting its internal procedures, audit methods, systems and interfaces to the specifications of T2S and ensuring the smooth migration of its processes to T2S,
- setting up the necessary IT-connections between its own head office, branches, disaster recovery centre and any other location deemed necessary or useful, and the T2S single platform through a Value- Added Network Service Provider (VANSP), *i.e.* SWIFT or SIA/Colt;
- subscribing to the T2S service at the VANSP;
- providing access rights and privileges to its users;
- obtaining the ECB Certification which certifies that the DCP can connect to T2S and does not harm T2S;
- setting up and maintaining the necessary infrastructure allowing each Participant to establish the connections mentioned in the former indents and providing for a technical roundabout in order to restore as quickly as possible the connection with T2S and to resume the performance of the processing of Instructions and settlement of securities transactions even in case of breakdown or of important disruption of the connections mentioned in the former indents.

All participants, whether ICP or DCP, shall implement adequate security controls to protect their systems from unauthorised access and use. Participants shall be exclusively responsible for the adequate protection of the confidentiality, integrity and availability of their systems.

Participants shall inform the NBB-SSS of any security-related incidents that may have an impact on other participants, on the NBB-SSS or on the T2S platform. The NBB-SSS may request further information about the incident and request that the participant takes appropriate measures to prevent a reoccurrence of such an incident.

The NBB-SSS may impose additional security requirements on all participants.

7.4.5 Statements - Reconciliation

The NBB-SSS shall send to the participant daily statements, specifying for each Securities Account and for each issuance:

- (a) the aggregated position of a Securities Account at the beginning of the Business day;
- (b) the individual transfers of securities in or from a Securities Account during the Business day;
- (c) the aggregated position of a Securities Account at the end of the Business day.

Participants shall reconcile their records with the statements received from the NBB-SSS on a daily basis, through SWIFT messages or the standing NBB-SSS mailings. Participants shall keep the evidence of the reconciliation process. Participants shall inform the NBB-SSS by the end of the Business Day following receipt of any such statement of any error or omission in the received information with respect to any Securities Account. In case of error or omission identified by the Participant or the NBB-SSS, the Participant shall inform the NBB-SSS and communicate data on the ISINs, the Securities Accounts, the date and the positions recorded in their books in order to allow the NBB-SSS to verify this information with the positions recorded by T2S.

Failure to react shall be evidence of the approval by the Participant of such statement. Reconciliation of information relating to a DCA shall be made in accordance with the rules applicable to the DCA.

7.4.6 Participants' clients

The participant shall not use for any purpose securities that belong to its clients unless the participant obtained the client's prior express consent in accordance with applicable law.

7.4.7 Self-certification

Participants must provide a self-certification statement upon request from the NBB-SSS in order to ensure the security and operational reliability of the participants' infrastructures and their interfaces with the NBB-SSS and with the T2S platform.

The self-certification statement assesses whether the participant has reliable and effective contingency and business continuity arrangements in place, and whether the participant has implemented reliable and effective information security measures. The self-certification template holds requirements and criteria which are based upon the ISO/IEC 27002 standard and pre-defined by the NBB-SSS.

The self-certification statement must be renewed on an annual basis and the respective form must be signed by i) senior executives from the business side and from the IT side, or ii) external or internal auditors of the participant.

7.5 Change and release management

Changes in the RAMSES application may be introduced for various reasons, e.g. imposed by law or other applicable regulation, imposed from T2S compliance, requested by the NBB-SSS Participants, technological developments, defects or incident resolution. These changes need to be translated through a Change and Release Management process (CRM) in a timely and consistent way into functional, legal, operational or technical specifications.

Furthermore, the CRM process tracks and manages changes in order to mitigate the risks associated with the implementation of any change, related to the service's availability or integrity.

Participants may be part of the CRM process as initiator, tester and/or implementer of change requests.

The objectives of the CRM process are:

- to respond to the changing legal, business and technological requirements while maximising value and minimising the risk of change related incidents;
- to maintain the RAMSES application including fixing errors and bugs in the software system which produce an incorrect or unexpected result or cause RAMSES to behave in unintended ways, e.g. fixing errors in coding, design or detailed specification;
- to set the exact release content and plan the successful rollout of a release into the production environment;
- to ensure that all changes are traceable, secure and that only correct, authorised and tested versions are installed on the RAMSES production environment;
- to ensure that Change Requests are managed in an efficient and controlled manner from the initiation until implementation (recorded and then evaluated, authorized, and that the resulting changes are prioritized, planned, tested, implemented, documented and reviewed in a controlled manner);
- to ensure that Change Requests falling within the scope of this document are communicated to all participants.

Technical changes to hardware/infrastructure components, *i.e.* non-functional changes, under the control of the NBB that are necessary to sustain the daily operation of RAMSES are not subject to the CRM process.

The roles of the NBB-SSS in the CRM process are:

- being the entry point for all Change Requests;
- keeping a register of all Change Requests;
- initiating the cost and feasibility assessment;
- assessing the impact stemming from requests for new functionalities or technical enhancements from a technical, functional and operational point of view (feasibility, planning, budget);
- assessing the impact on the system security and provide a security impact assessment;
- monitoring the release definition and its implementation, tracking progress and issues that may influence decision-making and reporting them to the NBB-SSS Management Committee and NBB-SSS User Committee;
- proposing the time-frame for implementing a change or a release;
- building, configuring and delivering the release into production;
- managing the processing of Change requests and their monitoring during their entire lifecycle, from the initiation until they have reached their end status (*i.e.* authorization or rejection).

According to its level of urgency, a change falls under one of the following categories:

- Normal changes: changes that can be planned without time constraints and will go through the CRM process before being implemented into the production environment.
- Fast-track Changes: changes that are imposed by Legal and Regulatory Requirements, or by NBB-SSS assessment related to risk management requirements, or critical system/infrastructure stability driven requirements or by Central Bank decisions related to safeguarding the currency or related to crisis management measures to ensure financial stability and that, owing to the time constraints, have to be implemented in a shorter timeframe than normal, which will be decided on an ad-hoc basis. These changes will go through the CRM process. However, the length of the different process steps will be shortened on an ad-hoc, particularly for preliminary and detailed assessment.

An indication of the cost impact of the change on the fees – if any- shall be provided by the NBB-SSS during the assessment phase. Following the full cost recovery principle, the full investment and running costs may need to be charged to the participants.

A Participant may initiate a Change Request by submitting to the NBB-SSS the standard form attached in annex 24 and supplying key information such as the title of the requested change, its description (changes in the existing features and functionalities, new features and functionalities in RAMSES), its business motivation (including the legal/regulatory requirement), the urgency of the change, the categorisation of change, the date of the request) and any other supporting information that may be useful.

Upon receipt of the Change Request, the NBB-SSS shall assess whether the proposed Change Request is complete and unambiguous. In such case, the NBB-SSS shall register the Change Request in a log and confirm its registration back to the initiator of the change request. Upon registration, the Change Request receives a unique identifier.

After the registration, the NBB-SSS shall preliminary assess the Change Request on feasibility and cost. This preliminary assessment will result in three possible outcomes:

- accepted for NBB-SSS development and/or for submitting to T2S change release management;
- to be submitted to the NBB-SSS User Committee for consultation;
- rejected.

The NBB-SSS will motivate the outcome of the preliminary assessment to the initiator of the Change Request and to the NBB-SSS User Committee.

If the Change Request is accepted or receives support from the NBB-SSS User Committee, then the NBB-SSS shall fully address the way forward towards its deployment including a detailed impact analysis which contains:

- functional, technical, service level, legal and risk assessment;
- categorization into functional/non-functional, normal/fast track;
- cost indication (high – medium – low);
- proposal for deployment path.

The NBB-SSS authorizes or refuses the Change request and its cost recovery method, based on the detailed impact analysis. Once authorised, the Change Request shall become part of the list of authorised changes, hence, becomes eligible for implementation in one of the next RAMSES releases. The term “Release” is used to describe a collection of authorised changes which consist of enhancements to the RAMSES service, i.e. new and/or changed software required and any new or changed hardware needed for the implementation of the changes) and defect resolutions which are implemented into the production environment. The goal of the change and release management process is to ensure that authorised changes and the defect resolutions that have been agreed as part of a release are secure and traceable, and that only correct, tested and authorised versions are installed into the production environment.

A post implementation review shall take place periodically in order to evaluate the change/release performance and to verify the effectiveness of the change/release package implementation.

8. Financial regime

8.1 Fees

The following fees shall be charged by the NBB for the use of the NBB-SSS services.

8.1.1 Membership fee

A fixed fee of 550 EUR per Participant BIC11 and per started civil month shall be charged to cover the right to participate in the NBB-SSS.

8.1.2 Instruction fees

A basic fee shall be charged for each Instruction submitted by the Participant, the general flat rate of which is 0,95 EUR.

Some instruction types are charged differently:

- 5,00 EUR for Instructions that are partialled:
 - The fee is not charged for the parameter but for the actual processing of the instruction, i.e. for the original partialled instruction and not for each resulting partial instruction.
- 0,50 EUR for Instructions relating to:
 - Central bank autocollateralisation and client autocollateralisation;
 - realignment cross-CSD instructions.
- DVP in Foreign currencies: 5,00 EUR per Instruction
- A recycled Instruction will be charged at the regular Instruction fee of 0,95 EUR at every business day on which the Instruction is revalidated.
- Instructions relating to withholding taxes are free of charge.

An additional fee shall be charged in the following cases:

- for intra-position movements (Article 6.2.2.7.): 0,15 EUR per Instruction.
- for hold and release Instructions (Article 6.2.2.6): 0,05 EUR per hold Instruction.
- for stripping and reconstitutions (MKUP and MKDN): 5,00 EUR per Instruction
- for market claims and transformations; 5,00 EUR per Instruction

8.1.3 Message fees

Participants may opt to receive certain payable SWIFT messages. The following fee shall be charged per message:

- 0,15 EUR for the following messages:
 - Securities creation, modification and deletion,
 - Status of the Settlement Day.
- 0,25 EUR for the following messages:
 - Statement of Instruction,
 - Statement of account,
 - Statement of pending Instructions,
 - Allegements,

- 0,50 EUR for the following messages
 - Announcement of a corporate action,
- 0,50 EUR for the following messages
 - Confirmation of a corporate action.
 - Cash forecast.

The translation service from ISO 15022 to the T2S standard ISO 20022 and back is free of charge until 1 November 2020. Starting 1 November 2020 each translation will be charged at 0,05 EUR. From 1 November 2021 onwards, *i.e.* the deadline for Participants to migrate to ISO 20022, the translation will be charged at 0,10 EUR per translation

At End Of Day the NBB-SSS provides reporting to the participants free of charge on their fails and their individual settlement efficiency compared with the NBB-SSS overall settlement efficiency. The RAMSES GUI provides dashboard information on unmatched and unsettled instructions with dedicated functions with access to resolving the fails.

The costs charged by SWIFT to the Participant for such messages and, more generally, for the right to use the SWIFT network, are exclusively borne by the Participant.

8.1.4 RAMSES GUI fees

- The basic right to use the RAMSES GUI is included in the membership fee as referred to in Article 8.1.1;
- Although the prior subscription to the NBB-Net VPN infrastructure is mandatory in order to access the RAMSES GUI, this connection via internet is not part of the present Terms and conditions and shall be charged on an independent way by the NBB, in accordance with Article 6.2.1.1.2;
- In order to access the RAMSES GUI, Participants must use a token with electronic certificate provided by the NBB-SSS that remains valid for a period of maximum three years. A fee of 200 EUR per token is charged for the issuance of such token, which covers the costs of issuance, maintenance and support of the said token and certificate during the validity period. The same fee of 200 EUR per token is charged for each consecutive renewal of the validity period.

If the end user does not download the certificate during the validity period for downloading within three months after generation of the certificate, the NBB-SSS shall generate another new certificate on request. The end user's Participant will be charged an extra 200 EUR.

In case of revocation of the certificate, in case of loss or theft of the token or in case of damage brought to the token making it unfit for use, a new token/certificate must be issued, which shall be charged at the same fee of 200 EUR and shall be valid for a new period of three years, without any refunding or deduction "*pro rata temporis*" of the fee paid for the issuance or renewal of the revoked certificate or of the lost, stolen or damaged token;

- In principle, the tokens must be collected at the premises of the NBB-SSS by the Trusted Agent appointed by the Participant and confirmed by the NBB-SSS. If the Participant requests to ship the tokens, the NBB-SSS charges 100 EUR as shipping costs to the Participant.
- Costs paid by the Participant to its internet provider are exclusively borne by the Participant.

8.1.5 Custody fee

A custody fee shall be charged to the Participant per civil month by the NBB, the tariff of which is calculated in accordance with the following cumulative scales:

average adjusted nominal amount	Tariff of the concerned layer
0 euro $\leq x <$ 5 billion euro	0,00008%
5 billion euro $\leq x <$ 10 billion euro	0,00007%
10 billion euro $\leq x <$ 50 billion euro	0,000065%
50 billion euro $\leq x <$ 150 billion euro	0,00006%
150 billion euro $\leq x$	0,000055%

For the calculation of the applicable custody fee in accordance with the abovementioned table, the following rules apply:

- the adjusted nominal amounts of the securities held under a Participant's BIC at the end of each Business day of the concerned civil month shall be aggregated and the outcome shall be divided by the number of Business days of the concerned civil month. The custody fee applicable for the said civil month is calculated by aggregation of the tariffs applied per layers of the average adjusted nominal account for the concerned civil month;
- For the purpose of this calculation, «adjusted nominal amount» means:
 - in the case of split OLOs, the nominal amount multiplied by the last known price on the concerned Business day;
 - in the case of securitised securities, the nominal amount multiplied by the Bond factor on the concerned Business day;
 - for all other securities, their nominal amount;
 - each time the adjusted nominal amount as described in the preceding bullet points is denominated in a Foreign currency, the equivalent in euro shall be calculated as follows:
 - for the former monetary units of the Member States which adopted the euro: by applying the conversion rules specified by Council Regulation (EC) no 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro;
 - for other Foreign currencies: by converting in euro the indicative price of the concerned unit as published in accordance with Article 212 § 2 of the law of 4 December 1990 concerning the financial operations and the financial markets for the concerned Business day.

8.1.6 Issuance fees

Unless otherwise specified in these Terms and conditions, the fees payable in the framework of a «service agreement» relating to the issuance of commercial papers and certificates of deposit issued in accordance with the law of 22 July 1991, other than Belgian State Treasury bills, as referred to in Article 5.1.1.3, or of other debt securities as referred to in Article 5.1.1.5 are laid down in Annex 19.1.

In case the Participant requests a review of the terms and conditions of a running issuance program, e.g. on a yearly basis as a regulatory requirement, the NBB-SSS may charge a fee of 250 EUR, except if the review is justified in the context of a new issuance under the program.

In case the Participant requests a cap increase of an existing Issuance Program, the NBB-SSS charges a fee of 250 EUR, regardless whether the Service contract for the issuance of fixed income securities (Annex 19.2) needs to be renewed or not.

Green, Social and Sustainability Bonds are any type of bond instrument where the proceeds will be exclusively applied to eligible environmental and/or social projects. They are regulated instruments subject to the same capital market and financial regulation as other listed fixed income securities. These bonds will not be subject to any issuance charges as laid down in Annex 19.1.

8.1.7 Various fees

The NBB will charge an additional fee in the following cases:

- A fee of 50 EUR per Instruction shall be charged in case of manual input of Instructions in the system by the NBB-SSS at the request of a Participant, in contingency situation as referred to in Article.6.2.1.2.
- A fee of 50 EUR per man-hour shall be charged in case of customised searches, statements or statistics carried out at the Participant's request.

Each fraction of an hour shall be counted as a complete hour for the application of these fees;

- A fee of 250 EUR per man-hour shall be charged in case of an exceptional intervention in the NBB-SSS on behalf of a Participant. Each fraction of an hour shall be counted as a complete hour for the application of this fee;
- A fee of 250 EUR shall be charged in case of a request for account and end user data for audit reports as Participants can query this information themselves through the RAMSES GUI. Any request by an external auditor appointed by the Participant is subject to a prior approval of the appointment of the external auditor issued from the Participant to the NBB-SSS.

8.2 Fines

Fines are incurred automatically and without prior notice by the Participant in order to cover the NBB-SSS extra administrative expenses incurred as a result of the following shortcomings to these Terms and conditions.

Fines are not subject to VAT.

In case a Participant considers that its lack of securities is caused by the non-delivery of the securities by another Participant, the Fines may only be reclaimed outside NBB-SSS upon discretion of the Participant. The NBB-SSS is not involved in such claims financially nor at administrative level which can only be dealt with entirely between the concerned Participants. The Terms and conditions do not impose any obligation on the Participants regarding submitting or meeting such claims.

8.2.1 Fines for shortages

8.2.1.1 Fines for shortage of securities

In the event of a shortage of securities at the end of relevant cut-off time (DVP or FOP, T2S settlement currency or Foreign settlement currency) on the settlement day, the Participant shall be liable of a Fine of 100 euro per default in securities to the NBB-SSS.

In the case of repeated shortcomings of that type, the Participant may be excluded from the NBB-SSS, without prejudice to the application of Article 10.1.2.2.

8.2.1.2 Fines for shortage of liquidity on the DCA

In the event of a shortage of liquidity on the DCA at the end of the DVP cut-off on the settlement day, the Participant shall be liable of a Fine of 100 euro per default in cash to the NBB-SSS. The Fine will apply regardless the status "Hold" or "Released" of the eligible Instruction. In case the Participant has opted for auto-collateralisation for the Instruction whether instructed in the Instruction itself or as default option at SAC level, the modalities of the auto-collateralisation feature will apply and upon successful auto-collateralisation no Fine will be charged (Article 6.3.1).

In the case of repeated shortcomings of that type, the Participant may be excluded from the NBB-SSS, without prejudice to the application of Article 10.1.2.2.

8.2.1.3 Fines for shortage of liquidity on the FCA

In the event of a shortage of liquidity on the FCA at the end of the DVP cut-off on the settlement day, the Participant shall be liable of a Fine of 100 euro per default in cash to the NBB-SSS. A shortage of liquidity on the FCA is to be considered each occasion that a confirmation of debit message (MT900 or camt.054) did not reach NBB-SSS before T2S FOP cut-off whereas there was a securities position before that currency's DVP cut-off. The Fine will apply regardless the status "Hold" or "Released" of the eligible Instruction.

In the case of repeated shortcomings of this type, the Participant may be excluded from the NBB-SSS, without prejudice to the application of Article 10.1.2.2.

8.2.1.4 Fines for non-released Instructions

In the event of a non-released Instruction as described in Article 6.2.2.6. at the end of relevant cut-off time (DVP or FOP) on the settlement day, the Participant shall be liable of a Fine of 100 euro per non-released Instruction.

Only the Fine for late Instructions shall be applied if non-released Instructions are submitted late in accordance with Article 8.2.2.1.

In the case of repeated shortcomings of that type, the Participant may be excluded from the NBB-SSS, without prejudice to the application of Article 10.1.2.2.

8.2.2 Other Fines

8.2.2.1 Fines for late Instructions

If the NBB-SSS accepts Instructions for same-day value DVP securities transactions communicated after the deadline of 16:00 CET, Instruction for same-day value FOP transactions communicated after the deadline of 18.00 CET or Instructions for DVP or FOP securities transactions with an intended settlement date in the past. The Participant who issued such Instruction shall be liable of a Fine of 200 euro.

However, this Fine shall be applied neither on franco transfers regarding monetary policy, credit operations of the ESCB nor on other Instructions that are directly connected with such franco transfers and Bilaterally Agreed Treasury Management operations flagged as "ADEA" (Accepted After Regular Settlement Deadline) sent prior to the ADEA cut-off of 17:40 CET through the RAMSES GUI or SWIFT ISO20022 (Article 6.1.2).

A Fine of 200 euro per Instruction shall be payable by any Participant who does not fulfill the obligation incumbent upon him under Article 5.1.1.3.

8.2.2.2 Fines for rectification

A Fine of 250 euro shall be payable by a Participant each time the NBB-SSS must, on the Participant's explicit request, rectify the data communicated by the Participant which have already been entered into the NBB-SSS database, irrespectively of whether the rectification occurs before or after the contractual or regulatory deadline for the supply of the relevant data to the NBB-SSS.

A Fine of 250 euro shall be payable to the NBB for each Instruction concerning the characteristics of an issue which is sent after the contractual deadline for the supply of the relevant data to the NBB by a Participant in its capacity of Paying Agent within the framework of a «service agreement».

8.2.2.3 Fine for forced reimbursement

When auto-collateralisation is granted intraday, the Settlement Bank must reimburse the auto-collateralisation by 16:30 CET at the latest. In case the DCA does not show a sufficient balance at the moment of the automated reimbursement at 16:30 CET to reimburse the intraday credit, T2S shall execute the “forced reimbursement”. The forced reimbursement will trigger liquidity rebalancing between DCAs of the same Settlement Bank or, if insufficient, relocate collateral (see Art. 6.3.1). A forced reimbursement shall be charged at a Fine of 1.000 EUR (see Art. 6.3.1).

8.3 Changes to the fee structure

The fee structure as described in Article 8.1 may be unilaterally adjusted at any time by the NBB-SSS, however subject to:

- the prior, non-binding, consultation of the NBB-SSS User Committee about the proposal of the new fee structure; and
- sending of a prior notice to all Participants at least three months before the entry into force of the new fees.

Adjustments to the fee structure can be incurred by changes in the T2S fee structure, by investment or running costs by the NBB-SSS, by a significant change in participants’ behaviour which would have a relevant impact on the NBB-SSS revenues, by necessary changes in architecture, or other.

8.4 Invoicing and payments

The amount of all fees and Fines due by a Participant for any civil month shall in principle be charged by the NBB-SSS at the beginning of the following month¹⁶ by debiting the RTGS account in TARGET2 which the Participant has duly mandated the NBB-SSS for by means of a Direct Debit Mandate on the RTGS Account. The participant must arrange for a direct debit mandate on the RTGS account for which the maximum amount should be sufficiently high in order to cover the NBB-SSS invoices.

For practical reasons, the NBB-SSS may decide to aggregate successive civil months and debit the total amount of the fees and Fines due for the considered period at a later date. Participants shall be notified of such debiting at least five business days in advance on the accompanying invoice. Participants can also query the invoice details through the RAMSES GUI. In addition, the NBB-SSS also provides the detailed invoice in paper form by postal service. The NBB-SSS may decide to send the invoice by secured e-mail.

As an exception to the rule described in the first paragraph, the tokens and certificates issued to participants during a given civil year in order to access the RAMSES GUI are invoiced in January of the next civil year.

In case of delayed payment due to a lack of available funds on the Participant’s mandated RTGS or on its Settlement bank’s RTGS, delay interests and compensations are due in accordance with the Belgian law of 2 August 2002 regarding the fight against belated payments of commercial transactions.

Any tax and right applicable to the NBB-SSS services in accordance with the national law of any of the parties, including the VAT, shall be exclusively borne by the Participant or its Settlement bank.

¹⁶ In principle on the 7th of the month.

Each Participant shall exclusively bear its own costs for its preparation of and migration to the NBB-SSS or to the T2S single platform as well as later changes in the NBB-SSS and the T2S single platform.

If a Participant does not agree with the invoice, the Participant may introduce a claim according to Article 11.9.

In such case, the Participant shall send to the NBB-SSS a letter or an e-signed e-mail within 10 business days of the date of the invoice, describing the grounds of its claim and providing sufficient information for the NBB-SSS to assess the claim. The NBB-SSS shall notify the Participant, by letter or by e-signed e-mail within 10 days of receiving the claim, of whether it accepts or rejects the claim.

In the meantime, the invoiced amount shall be debited from the Participant's RTGS account by direct debit mandate. If the NBB-SSS accepts the claim, a credit note shall be issued and the invoiced amount shall be credited on the Participant's RTGS account.

9. Protection of confidential information and sensitive data

9.1 Protection of confidential information

For the purpose of this Article, confidential information shall mean any information regarding or related to the characteristics, setting up and operation of the NBB-SSS (including but not limited to functional or technical data, documentation and analysis, financially or technically valuable information, technical know-how, object code and source code, training, educational material, information on the NBB-SSS team site), whether such information is of a commercial, financial, regulatory, technical or other nature, belonging to the NBB or another Participant, which has not been publicly disclosed without breach of any confidentiality obligation, but explicitly excluding:

- information available to third parties on the dedicated website of the NBB-SSS without any access restriction, or
- documents providing generic information about NBB-SSS.

The Participants shall only be entitled to use confidential information concerning the NBB-SSS with a view to the operation, maintenance, further evolution, assistance to implementation and training services related to the NBB-SSS. As a rule, the Participants shall not disclose confidential information to any third party or to any other person than their staff members, affiliates, contractors or any other person who strictly must have access to it for the proper operation of the NBB-SSS, except with the express prior written consent of the owner of the said confidential information. The Participants shall take reasonable technical measures in order to limit the access to confidential information to the persons allowed to have such access and shall ensure that their staff members, affiliates, contractors or any other person who receive or shall receive Confidential information in accordance with the rules defined in this Article shall themselves act in full compliance with these rules.

All Instructions given by Participants, all transactions settled by the NBB-SSS and all financial movements on the Participants' DCA, whether in their own name or on behalf of their client, as well as all data related hereto, shall only be made accessible to the concerned Participant and its counterparty for the sole purpose of the proper settlement of the transaction.

The duties of confidentiality under this Article do not apply where disclosure is required:

- for the defence in court proceedings, arbitration or similar legal proceedings of the legitimate interests of the NBB or of a Participant, or
- under the applicable national legislation or mandatory regulation, but only in the strict limits imposed by such national legislation or mandatory regulation.

The confidentiality obligations provided for in this Article shall survive for an unlimited period of time after the date of withdrawal or exclusion of a Participant or termination of the participation in the NBB-SSS.

9.2 Protection of personal data

The NBB and the Participant shall comply with the applicable data protection legislation with regard to any processing of personal data in the framework of this agreement, including the processing or hosting of personal data in the NBB-SSS.

The Participant shall inform the NBB without undue delay of any change relating to the personal data it has communicated in the framework of this agreement.

The Participant acknowledges and agrees that the NBB (in its capacity of Registration authority) and the Banco de España (in its capacity of Certification authority) shall process some Participants' data, including personal data, with the aim of providing electronic certificates services in the ESCB-PKI infrastructure on behalf of the Eurosystem supporting the Participant's VPN connection with the RAMSES GUI (Article 6.2.1).

10. Duration and termination

10.1 End of the operation of the NBB-SSS by the NBB

These Terms and Conditions shall be terminated as by operation of law and without prior intervention of a court at any time upon unilateral decision of the NBB to stop the operation of the NBB-SSS, subject to a notice period of twelve (12) civil months sent to each Participant in accordance with Article 11.1. The end of the operation of the NBB-SSS by the NBB shall take effect on the first Business day of the civil month following the expiration of the termination notice period.

The end of the operation of the NBB-SSS shall not entail for the NBB any indemnification or reimbursement to the Participants.

10.2 Termination of the adherence of the Participant to the NBB-SSS

The Participant's adherence to the NBB-SSS is for an undefined period of time and can be terminated upon initiative either of the Participant (withdrawal) or of the NBB (exclusion) in accordance with the following provisions.

The confidentiality obligations provided for in Article 9 shall survive for an unlimited period of time after the date of withdrawal or exclusion of a Participant or termination of the participation in the NBB-SSS.

10.2.1 Withdrawal upon initiative of the Participant

Any Participant may withdraw at any time from the NBB-SSS by sending a withdrawal notice to the NBB in accordance with Article 11.1 subject to a notice period of at least one month.

The withdrawal shall take effect on the first Business day of the civil month following the expiration of the withdrawal notice period or, by way of exception, if the NBB-SSS has given notice of amendment of the Terms and Conditions, any Participant may terminate its participation with effect at the time on which the amendment become effective.

The withdrawal may never take effect before the final settlement or cancellation of all Instructions initiated by the concerned Participant, in accordance with either Article 6.3.1 or Article 6.2.2.5 and clearance of all Securities Accounts held by the Participant, in accordance with Article 3.1.2.

10.2.2 Exclusion upon initiative of the NBB

The adherence of a Participant to the NBB-SSS shall be automatically terminated with immediate effect, as by operation of law and without prior intervention of a court, in the following cases:

- the Participant decides to move into voluntary legal settlement;
- the approval of the Participant as a credit institution or investment enterprise is suspended or withdrawn;

The adherence of a Participant to the NBB-SSS may be terminated upon unilateral decision of the NBB without prior intervention of a court at any time, in the following cases:

- if the Participant persists to infringe or refuses to comply with a substantial obligation resulting from these Terms and Conditions, within a time period of 30 calendar days after the date of the default notice or injunction order issued by the NBB. Shall, inter alia, be considered to be an infringement for the purpose of this provision:
 - leaving invoices sent by the NBB unpaid (infringement of Article 8.3) for more than two complete civil months, or
- if the Participant is sued into the commercial Court for bankruptcy, judicial settlement, suspension of payment, collective debt settlement or appointment of a judicial administrator, cautionary or executory seizure of assets, or any other legal act having a similar effect in Belgian or foreign law;
- if the suspension or withdrawal of the Participant's approval as a credit institution or investment enterprise is requested to the competent public authority;
- if the Resolution Authority decides that the conditions for resolution are met,
- if any change in the Participant's economic or financial situation may give allowance to the Participant's insolvency or cessation of its payments; or
- in general, when any event occurs that may impair the NBB's trust in the Participant or in the reality, value or liquidity of the guarantees covering the Participant's commitments toward the NBB.

Notwithstanding Article 11.1 the Participant shall be notified of the unilateral termination by the NBB of its adherence to the NBB-SSS by secured e-mail. The unilateral termination shall be formally confirmed by registered letter sent to the Participant.

The said termination shall take effect from the sending date of the secured e-mail and shall result in the cancellation of all pending settlement Instructions in which the Participant is involved as issuer or as counterparty.

The said termination implies that both the Securities Accounts and Dedicated Cash Accounts opened by the excluded Participant, either in its own name or on behalf of its clients, are blocked until they may be definitely closed after transfer of the remaining securities and funds.

The NBB shall incur no liability whatsoever vis-à-vis the concerned Participant, the Participant's clients or any other Participant or Participant's client or third party in case of the exercise of the exclusion right or in case of abstention to exercise such right.

10.2.3 Common rules applicable in case of withdrawal or exclusion

In case of withdrawal or exclusion, the NBB is entitled to revoke with immediate effect the electronic certificates used by the Participant in the ESCB-PKI infrastructure supporting the Participant's VPN-connection with the RAMSES GUI.

The NBB shall transfer as quickly as possible the securities recorded in the Securities Account of the excluded or withdrawing Participant to the Securities Account indicated by the concerned former Participant to the NBB, however without prejudice to:

- the guarantees granted to the NBB in accordance with Article 11.9;
- the rights of other Participants, including the NBB itself, following from a pledge in accordance with Article 5.2.7.

The withdrawal by or exclusion of a Participant shall not entail any indemnification or reimbursement by the NBB vis-à-vis the concerned Participant, its clients or any other Participant or Participant's client.

When the withdrawal by or the exclusion of the Participant is effective, the NBB shall, upon explicit request from the concerned Participant and within ten days of that request, deliver to the latter the complete collection of all data relating to transactions that are still stored in the NBB-SSS on behalf of the Participant or of its clients. These data shall be completely and irrecoverably erased in a secure way by the NBB-SSS as soon as the Participant has confirmed to the NBB that it is in the possession of the retrieved data or, if the Participant did not request the deliverance of the said data, twenty days at the latest after the said withdrawal or exclusion became effective.

The NBB shall inform all Participants of the withdrawal or exclusion of the concerned Participant by any means of communication (secured e-mail, letter, publication on the team site), without specifying which party initiated the withdrawal or exclusion.

The confidentiality obligations provided for in Article 9.1 shall survive for an unlimited period of time after the date of withdrawal or exclusion of a Participant or termination of the participation in the NBB-SSS.

10.3 Suspension and disconnection of the Participant

To the extent permitted by applicable law and without prior intervention of a court, the NBB-SSS may suspend the adherence or the access of a Participant at any time upon unilateral decision with immediate effect, if

(i) the Participant is in breach of any material provisions of the Terms and conditions or, in reasonable opinion of the NBB-SSS, any such breach is likely to occur or if the Participant appears not to own the operational and technical capacity required for participation to the NBB-SSS (in particular as regards its IT and telecommunications systems, e.g. bug, hacking, etc.) or if in the reasonable opinion of the NBB-SSS, the technical connection of the Participant to the system represents a major threat to the security or integrity of the system. In such case, the NBB can block the use of the Participant's Securities Accounts as referred to in Article 4.1, which implies that the NBB is entitled to refuse new Instructions relating to transactions, and to cancel all pending settlement transactions, to be carried out by blocking, debiting or crediting the said accounts, or blocking the Participant's connection to the NBB-SSS or to T2S, until the successful outcome of new tests show that the Participant has gained a sufficient ownership of the operational and technical capacity required for participation to the NBB-SSS. Meanwhile, the NBB can exceptionally decide, at its own discretion, to deviate from this general rule and to accept some Instructions and/or settle some transactions deemed necessary or useful for the proper working of the NBB-SSS;

(ii) the Participant is in breach of any provisions of the Terms and conditions and fails to remedy such breach within the time reasonably allocated by the NBB-SSS;

(iii) in the reasonable opinion of the NBB-SSS circumstances have arisen which represent a threat to the security, integrity or reputation of the NBB-SSS or the NBB.

The NBB shall incur no liability toward the suspended Participant, the Participant's clients, or any other Participant or Participant's client in case of exercise of the suspension/disconnection right or, instead, in case of abstinence to exert such right.

The NBB shall inform the Participant at the latest when the suspension/disconnection become effective, as to which functionalities and services the suspension relates. To the extent possible, the disconnection shall be limited to the NBB-SSS' services that are relevant to the cause of the disconnection.

The NBB may inform all Participants of the suspension of the concerned Participant by means of a notice sent in accordance with Article 11.1.

11. Miscellaneous provisions

11.1 Communication

As a rule, any communication and notice between the Parties shall be in English and in written form, in accordance with the rules described in these terms and conditions.

The NBB-SSS provides general information on its public website¹⁷.

In addition, for the closed group of Participants, the NBB-SSS also provides information on its restricted NBB-SSS team site¹⁸. This site is only made accessible to Participants through a user-ID and password which can be shared at Participant level.

The Participants are requested to provide to the NBB-SSS a single point of contact (SPOC) within their organisation where they can be reached by e-mail for any communication regarding the NBB-SSS made for administrative purposes.

Notices shall be sent either by secured e-mail or by letter addressed to the head office either of the NBB or of the Participant.

11.2 Evidence, maintenance of records

Without prejudice to any mandatory rule of law and absent manifest error and except if explicitly provided otherwise in these Terms and Conditions, the NBB-SSS's books and records (whether kept on paper, microfilm, microfiche, by electronic or magnetic recording, in any other mechanically reproducible form or otherwise) shall be accepted as a means of evidence of any obligations of the Participant and of any facts and events that the parties rely upon and shall be admissible as evidence in any court.

¹⁷ Address : <http://www.nbbsss.be>. This location is subject to change at any time and without prior warning. In such case, the new location shall be timely communicated by the NBB-SSS to each participant.

¹⁸ Address : <https://t2s.nbb.be/Participants/SitePages/Home.aspx>. This location is subject to change at any time and without prior warning. In such case, the new location shall be timely communicated by the NBB-SSS to each participant.

The NBB-SSS shall maintain records with respect to Instructions received or transactions carried out up to ten years from the time such Instructions were received or transactions carried out.

11.3 No assignment

The Participant shall not have the right to assign, procure or otherwise transfer as a whole or in part its rights and obligations arising from these Terms and conditions to any third Party without the prior, explicit and written consent of the NBB.

11.4 Waiver

A failure or delay in exercising any right or remedy under these Terms and conditions shall not operate as a waiver of that right or remedy, and accordingly not preclude or limit any future exercise of it.

11.5 Severability and survival

Should a provision of these Terms and conditions be or become invalid, illegal or unenforceable, the other provisions of these Terms and conditions shall remain fully valid, legal and enforceable. The NBB shall replace as soon as possible the invalid, illegal or unenforceable provision by a valid, legal and enforceable one, the legal effect of which being as close as possible to the intent of the invalid, illegal or unenforceable provision.

11.6 Revision of the Terms and conditions

Without prejudice to the application of Article 8.1.8, the NBB has the right to unilaterally amend at any time the provisions of these Terms and conditions, upon notice sent to each Participant at least eight business days before the entry into force of the amendment, except in case of evidenced urgency imposing a shorter delay. Notwithstanding Article 11.1, the notice of such amendments shall be sent to the Participants by e-signed e-mail. However, any amendment to these Terms and conditions that substantially modifies the rights and obligations of the Participants shall be submitted to prior, not binding consultation with the NBB-SSS User Committee.

The latest version of the Terms and conditions and its annexes are published on the NBB-SSS website.

11.7 Order of precedence of the contractual documents

The following precedence rules shall apply in case of discrepancy between the main body of these Terms and conditions and one of its Annexes or sub-Annexes or between two Annexes or sub-Annexes:

- the main body of these Terms and conditions shall overrule the Annexes and sub-Annexes,
- the Annexes shall overrule the sub-Annexes,
- In case of discrepancy between two Annexes or between two sub-Annexes, the NBB shall decide which Annex or sub-Annex overrules the other one.

11.8 Applicable law

These Terms and Conditions, as well as the transactions settled on their basis and all dispute arising thereunder or in connection therewith, shall be governed by and construed in accordance with the laws of Belgium.

11.9 Claim, dispute resolution and competent jurisdiction

The Participant may lodge a complaint related to the interpretation or execution of these Terms and conditions or related to any service provided by the NBB-SSS.

In the event of a claim relating to services provided by the NBB-SSS, the Participant shall send by letter or by e-signed e-mail, the grounds of its claim and provide sufficient information for the NBB-SSS to assess the claim. The NBB-SSS shall notify the Participant, by letter or by e-signed e-mail without undue delay of whether it accepts or rejects the claim and, in this latter case, the NBB-SSS shall indicate the reasons of the rejection.

In the event of any dispute arising in connection with the interpretation or execution of these Terms and conditions, the NBB and the Participant shall in good faith use all reasonable efforts to reach a settlement within 30 Business Days of the dispute arising, before entitled to start legal proceedings.

If the Parties do not succeed in finding a solution or reaching an amicable settlement, the most diligent Party may submit the dispute to the jurisdiction of the Courts of Brussels.

11.10 Statutory lien of the NBB-SSS

Pursuant to Article 31 of the Belgian law of 2 August 2002, relating to the supervision of the financial sector and financial services, and without prejudice to this Terms and Conditions, the NBB has a statutory lien on all the financial instruments, currencies and other rights it holds on account as own assets of any Participant. The statutory lien guarantees any claim of the NBB on the Participant arising in connection with the settlement of transactions through, or in connection with the operation of the NBB-SSS.

The NBB hereby waives the statutory lien on all the financial instruments, currencies and other rights it holds on Securities Accounts separately and expressly identified as client assets of any Participant.