

Introduction of T+2 standard settlement cycle



Bourse de
Luxembourg

1. Purpose

The Luxembourg Stock Exchange announces the shortening of the standard settlement cycle from T+3 to T+2 for all securities traded on its markets (BdL Market and Euro MTF) from Monday 6 October 2014. This reduction in the standard settlement period is in accordance with the future Central Securities Depository European Regulation (CSDR), which notably aims to harmonise EU securities settlement cycles.

1.1 Details of the change

- Migration to the T+2 settlement lifecycle is planned to take place on Monday 6 October 2014.
- Trades made **before or on Friday 3 October 2014** will be settled following a T+3 settlement lifecycle
- Trades made **as from Monday 6 October 2014** will be settled following a T+2 settlement lifecycle

1.2 Transitional arrangements for the period during which the standard moves from T+3 to T+2

Trade date	Settlement date
Thursday 2 October	Tuesday 7 October
Friday 3 October	Wednesday 8 October
Monday 6 October	Wednesday 8 October
Tuesday 7 October	Thursday 9 October

Trades executed on Friday 3 October and trades executed on Monday 6 October will have the same intended settlement date of 8 October. Please note that the resulting positions will be netted by LCH.Clearnet S.A. on Wednesday 8 October and transferred to Clearstream International/Euroclear Bank for settlement.

1.3 Scope

Where standard settlement is currently T+3, it will become T+2 for:

- Securities in **BdL Market** trading groups
- Securities in **Euro-MTF** trading groups

2. Schedule

The dates of the migration for testing and implementation are as follows:

Migration to T+2 on EUA¹ test platform: **Friday 4 July 2014**

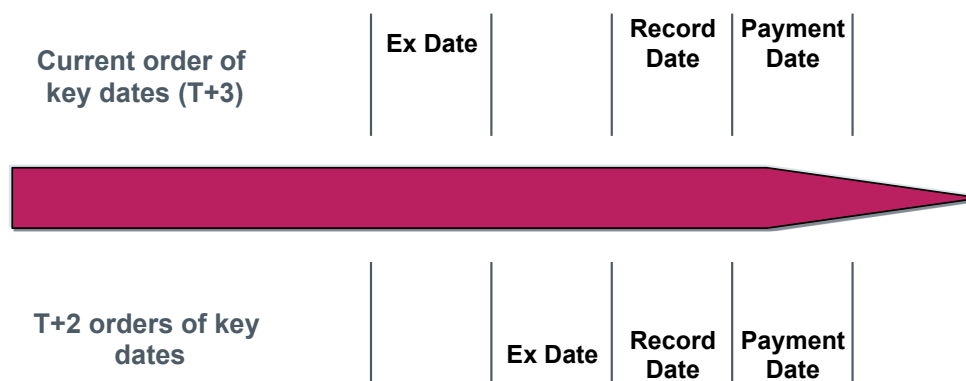
Planned go-live date for the migration to T+2: **Friday 3 October 2014**

¹ External User Acceptance

3. Specific impacts for corporate actions for trading purposes

The order of key dates related to corporate actions is derived from the settlement lifecycle. The migration of the T+2 settlement cycle will therefore have an impact on the positioning of dates for different types of corporate actions.

The position of the ex-date for cash distributions (e.g. dividends, interest payments, etc ...) and stock distributions (allotment rights, bonus issue, dividends, subscription rights etc ...), will move from 2 business days before the record date to 1 business day before the record date, as follows:



The transition to the new order of dates will be achieved as follows:

- Until 2 business days after the implementation date, the ex-date will be positioned according to the T+3 lifecycle. As of the 3rd business day after the implementation date, the ex-date will be positioned according to the T+2 lifecycle.
- As a consequence, there will be 1 business day (the implementation date) with no ex-date.

	T-5	T-4	T-3	T-2	T-1	Week-end Migration	T+2 Implemen- tation (T)	T+1	T+2	T+3	T+4	
Case 1	Ex-date		Record	Payment								
Case 2		Ex-date		Record	Payment							
Case 3			Ex-date		Record			Payment				
Case 4				Ex-date				Record	Payment			
Case 5					Ex-date				Record	Payment		
Case 5								Ex-date	Record	Payment		

Furthermore, the Luxembourg Stock Exchange will move the suspension date of the debt securities and warrants, from 3 business days prior to maturity date, to 2 business days prior to maturity date.



4. Contacts

Should you require further information, do not hesitate to contact one of the following teams:

Markets and Surveillance:

Weymeschkirch Guy gwe@bourse.lu +352 47 79 36-236

Rotzoll Kenji kro@bourse.lu +352 47 79 36-295

Listing and Corporate Actions:

Picco Alex api@bourse.lu +352 47 79 36-261

Messineo Claudia cme@bourse.lu +352 47 79 36-202

About the Luxembourg Stock Exchange (LuxSE)

The Luxembourg Stock Exchange is the leading exchange for the listing of international securities. It offers a high quality and efficient listing service that meets the needs of international capital markets and their participants.

The long experience of the LuxSE in international securities combined with its established listing procedures attract a very wide range of issuers and financial instruments. Currently, the Luxembourg Stock Exchange has around 40,000 quotation lines, including some 26,500 related to bonds. These come from 3,000 issuers in 100 countries.

The Luxembourg Stock Exchange operates two markets: an EU regulated market, called the "Bourse de Luxembourg" market, and the Euro MTF, an exchange-regulated market. All securities are tradable on NYSE Euronext's UTP platform.

The LuxSE also operates a specialist subsidiary, Fundsquare (www.fundsquare.net) that provides services to substantially support and standardise cross-border distribution of investment funds.

For more information: www.bourse.lu