



Delivery Plan and Pipeline

February 2019

VP Securities



- The purpose of the document is to give a consolidated overview of the planned deliveries from VP – both committed deliveries within a 2-year timeframe and a pipeline plan of deliveries.
- Besides giving an overview of deliveries, the plan includes an overview of future legislation and regulation affecting VP's core services and customers.
- The target group for this document is Business and IT Department Managers at VP's customers.
- The list of confirmed deliveries contains details of when formats and guidelines are to be published, as well as when the implementation will take place in both Demo and Production environments.
- Each delivery is followed by a “one-pager” with details of the individual delivery, exact dates and contact information.
- The Delivery Pipeline shows the timeframe for deliveries. This is followed by brief information concerning the individual delivery.
- All planned release dates from VP, SWIFT and T2S will be announced in the delivery plan.
- Deliveries that require action from all participants are marked “Mandatory”.
- Questions concerning the plan should be addressed to Head of Customer Projects Bo Nielsen, e-mail: bon@vp.dk



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 2. New Subscription System
 3. Settlement in NOK
 4. Link to Norway and Finland
 5. T2S Settlement in non-T2S markets
 6. Continuous Settlement

1. Legislation and regulation affecting VP's core services and/or customers



Brexit

Deadline: March 2019

Based on the premise of a “soft Brexit”, the identified needed changes regarding license to operate in UK and licenses from our UK-based customers in an expected transition period are already underway.

At present we have no knowledge of further required changes.

Shareholder Rights Directive (SRD) & Implementing Regulation (IR)

**Deadline: SRD June 2019
IR Sept 2020**

The Implementing Regulation to the SRD sets out format requirements for the mandatory communication between the intermediaries. Development will be needed for new and/or adjusted messages according to the tables 1-8 in the implementing regulation.

At present, ISO formats through SWIFT are discussed in SRD working groups as a possible solution.

Presumably there will be changes or additions to the VP Rule Book concerning our customers' responsibilities according to the SRD, as our customers will be next in the chain of intermediaries.

1. Legislation and regulation affecting VP's core services and/or customers



Settlement Discipline

Deadline: Sept 2020

The CSDR settlement discipline regime introduces penalty fees for failing transactions, mandatory buy-ins within a certain time period after the intended settlement date and procedures to suspend a participant.

The CSDR regulatory technical standards (RTS) concerning settlement discipline was published 13 September 2018 with a 2-year implementation period.

The settlement discipline requirements will require system development and updates to the VP Rule Book and Guidelines accordingly. The project is underway.

CSDR Review

Deadline: Unknown

According to article 75 of the CSDR, the European Commission is obligated to present a report on CSDR and in particular any identified obstacles to the competition between CSD's for the services regulated by CSDR or the need for further measures to limit the consequences of CSD's lack of compliance with the CSDR requirements.

At present it is uncertain what the Commission's report will bring forth.

2. Deliveries since September 2018



T2S DKK 2018

- ✓ VP launched the T2S solution 29 October 2018 for settlement in DKK. With the launch, clients achieve streamlined settlement in both EUR and DKK on T2S together with a broad distribution network to European investors.

Clearing Settlement Formats

- ✓ As part of the T2S DKK launch, the Clearing & Settlement formats were updated. VP made communication in ISO 20022 available, and alongside ISO 150022, clients are now able to communicate with VP in a harmonized and standardized manner. Besides VP has updated both ISO 150022 and the VP proprietary format, offering new features such as Hold/Release.

Structured Investment Products – additional functionality

- ✓ This minor release gave Issuer and Issuing Agents the option to register, issue and close multiple instruments via a semi-automated or full automated solution.

Aktiesparekonto: Share savings Account

- ✓ A new securities account type (05) and a new dividend code (ASK) were delivered 2 January 2019 to support the new 'Aktiesparekonto'. VP ensures correct withholding of dividend tax as well as tax reporting to the Danish tax authorities.

Year-end tax reporting

- ✓ Year-end tax reporting for income year 2018 and annual statements have been delivered.

3. Confirmed deliveries 2019 - 2020



	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
3.1 Post T2S DKK-releases	■▲	■▲						
3.2 Sign-In		▲						
3.3 Link to Euroclear Sweden				■				
3.4 Settlement Discipline/CSDR						■	▲	
3.5 Dividend in VP for shares issued by Finnish issuers	▲							
3.6 Change of Business Days	▲							
3.7 Tax Reporting					▲			
3.8 SWIFT Releases				▲				▲
3.9 T2S Releases		▲				▲		
3.10 VP Releases	▲	▲	▲	▲	▲	▲	▲	▲

Deliveries in **bold** are mandatory

■ Available in DEMO ▲ Implementation

3.1 Post T2S DKK–releases - Mandatory



Content

On 29 October 2018, DKK joined T2S and at the same time VP implemented the full T2S solution, as agreed with the market.

Together with our customers, we are looking into updating various features to ensure an efficient settlement taking the learnings of the first months on T2S with DKK into account.

The features we are looking into optimizing includes among other:

- Linking functionality
- Match principles for T2S settlement
- Transaction Management (market claims and transformations)

As soon as the changes are fully identified and agreed upon, the market will be informed and the guidelines will be updated. We expect to have the needed overview for the next update of this Delivery and Pipeline Plan.

For now (25 February), as part of the linking functionality, VP will deliver the possibility to submit links on T2S Transfers.

T2S settlement via VP provides direct access to European Investors and Issuers.

Customer Value/driver

Formats published	N/A
Guidelines published	11 February 2019
Next releases: Available in DEMO	18 February 2019 & End of May 2019
Available in Production	25 February 2019 & 10 June 2019
Sector Test	N/A
Links to additional information	

Contact Product Manager Kristoffer Kjelsø Sønderlev, e-mail kks@vp.dk, phone +45 4358 8851

3.2 Sign-In



Content

Due to Microsoft's announcement that it will stop supporting Java applets in the future, thereby making IE11 the last supporting browser, VP will need a new sign-in solution handling authorization and authentication for frontend systems in VP

Customer value/driver

Ensuring users of vp.ONLINE access to the system

Formats published	N/A
Guidelines published	User guideline for migration to new sign-in solution will be available in both video format and written.
Available in DEMO Available in Production	10 May 2019 10 June 2019
Sector Test	N/A
Links to additional information	
Contact	Product Manager Helen Sørensen, e-mail hes@vp.dk phone +45 2969 2802

3.3 Link to Euroclear Sweden



Content

In order to cater for securities issued in Euroclear Sweden, VP has started a project to establish a link to the Swedish CSD. The goal is to offer Corporate Actions handling, Safekeeping and Clearing & Settlement of trades of securities issued by Euroclear Sweden.

The project will build on VP's Investor CSD functionality and will handle cash clearing via Riksbanken. The construction and testing are in progress and VP has commenced the account opening process with Euroclear Sweden.

Customer value/driver

Streamlining the settlement processes for securities issued in the Swedish market within the existing scalable CSD platform reduces transactional and operational costs. Registration of the end-investors ensures investor protection, creating transparency and harmonized tax reporting and supports compliance and regulatory requirements. The reuse of the existing infrastructure enables customers to profit from scale benefits and reducing safekeeping cost. Central handling of Corporate Actions lowers administration costs and reduces operational risks.

Formats published	Only a few format changes – 31 August 2017
Guidelines published	31 August 2017
Available in DEMO Available in Production	Due to reallocating development resources to the T2S-project, the Link Project is on hold and the planned pilot is postponed to Q4 2019.
Sector Test	N/A
Links to additional information	
Contact	Product Manager Nicolai Nielsen, e-mail nni@vp.dk , phone +45 4358 8721

3.4 Settlement Discipline - Mandatory



Content

Settlement Discipline Rules enter into force, including

- Transactional data
 - Type of transaction
 - Place of trading
 - Place of clearing
- Functionalities to prevent settlement fails
- Penalty mechanism
- Mandatory partial settlement & buy-in
- Suspension of participant

The Regulatory Technical Standards on Settlement Discipline was endorsed by the European Commission in May 2018. CSDR foresees a deferred implementation of 24 months, thus establishing the deadline for full compliance to 13 September 2020.

Customer value/driver

Regulatory regime to ensure efficient settlement.

Customer value/driver

Contact: Business Analyst, Sussie Nyholm, email sny@vp.dk, phone +45 4358 8959

Formats published	Q4 2019
Guidelines published	Q4 2019
Available in DEMO	Q2 2020
Available in Production	13 September 2020
Sector Test	Q2 2020
Links to additional information	
Contact	Business Analyst, Sussie Nyholm, email sny@vp.dk , phone +45 4358 8959

3.5 Dividend in VP for shares issued by Finnish issuers



Content

VP will develop a relief at source model for shares issued in Finland and dual-registered with VP.

The relief at source model is going to be similar to the model known from model that covers Swedish issued companies dual-registered with VP.

The solution is the is voluntary for the account controllers and their investors. The relief at source model is for end-investor accounts (solo or dual-owned) and the calculation is based on the registration of investor information performed in the VP system by the account controller (investors' bank).

The investor must document to the account controller that he/she is a Danish taxpayer and is obliged to notify of any tax related changes

For a Danish taxpayer with a VP end-investor account set up to participate in the scheme, VP will calculate and withhold 15 percent dividend tax (the current double taxation rate). For all other VP accounts, VP will calculate and withhold 30 percent dividend tax.

This is an effective and easy alternative to a cumbersome reclaim process.

Customer value/driver

Formats published	Early to medio March
Guidelines published	Early to medio March
Available in DEMO Available in Production	N/A 1 April 2019
Sector Test	N/A
Links to additional information	N/A
Contact	Senior Product Manager Morten Skanning, e-mail mss@vp.dk , phone +45 6122 2749

3.6 Change of Business Days



Contents

As of 1 January 2019 there will be a change in VPs Business Days, due to changes in T2S, aligning T2S opening days with those of T2.

Consequently, Good Friday and Easter Monday will not be Business Days and 1 May will not be open for settlement of trades (all types) in EUR.

Customer value/driver

Harmonisation to the T2 calendar based on T2S community feed back.

Formats published	No changes
Guidelines published	No changes
Available in DEMO	N/A
Available in Production	1 January 2019
Sector Test	N/A
Links to additional information	Announcement published 6 February 2018 – link .
Contact	Deputy, Post Trade Products Thomas Bo Christensen, e-mail tbc@vp.dk , phone +45 4358 873

3.7 Tax reporting - Mandatory



Content

VP's Tax Reporting product consists of ongoing monthly reports to Skattestyrelsen concerning dividends.

A year-end project ensures reporting on holdings to Skattestyrelsen concerning all of VP's safekeeping accounts. The year-end project also reports all interest payments and redemptions that have been executed during the tax income year.

The Tax Reporting product also delivers annual statements to all account owners via the data centres or the securities account controllers.

Every year, Skattestyrelsen and the market participants decide on which changes to make to the yearly reporting to Skattestyrelsen. For some years this requires new data formats.

Status: Format changes with regard to 2019 year-end tax reporting are expected due to new tax legislation – e.g. a new value for 'rentenydere'. Implementation of the new legislation is currently being discussed with Skattestyrelsen.

Next step: Publication of format changes.

Customer value/driver

Unified tax reporting to the Danish tax authorities on behalf of end investors. Provides added value by minimizing reporting costs for the banks.

Formats published	Format changes for 2019 are expected
Guidelines published	Guidelines changes in 2019 are expected
Available in DEMO Available in Production	N/A
Sector Test	Start November – mid-December 2019 – Voluntary, but highly recommended
Links to additional information	Technical information
Contact	Product Manager Rasmus Hansen, e-mail rhn@vp.dk , phone +45 4358 8922

3.8 SWIFT releases - Mandatory



Content

Standard Release will be abbreviated as SR on this page.

SR2019

16 May 2019 – VP formats and guidelines were published
Start of November 2019 – SR 2019 is expected to be available for testing in VP’s DEMO system
18 November 2019 - SR2019 is expected to be launched in PRODUCTION

Customer value/driver

Infrastructural: Keeping VP’s participants aligned and updated on the future implemented changes of ISO standards used by VP.
The SR is equivalent to VP’s future guidelines on proprietary communication with VP, regarding ISO communication – therefore it is important to notify participants in due time.

Formats published	16 May 2019
Guidelines published	16 May 2019
Available in DEMO Available in Production	Start of November 2019 18 November 2019
Sector Test	N/A
Links to additional information	
Contact	Product Manager Helen Sørensen, e-mail hes@vp.dk phone +45 2969 2802

3.9 T2S releases - Major



Content

T2S Release 2019 (3.0)

The Release 3.0 includes a number of changes to support settlement discipline.

T2S participant can expect an optional possibility for minimum amount for T2S Auto-Collateral. The DCPs should expect changes in the communication messages to T2S as well.

Customer value/driver

Alignment of market practice and adherence to regulatory changes from T2S. Changes should contribute to optimizing the T2S platform.

Formats published	N/A
Guidelines published	To be published end of January
Available in DEMO Available in Production	22 March 2019 10 June 2019 Major releases: every year in June and November. Minor releases: every year in February and September
Sector Test	T2S Release 3.0: Ready in UTEST 22 March 2019
Links to additional information	To be published end of January
Contact	Product Manager Kristoffer Kjelsø Sønderlev, e-mail kks@vp.dk , phone +45 4358 8851

3.10 VP releases



Content

- VP has 4 annual major releases:
- February
 - June (aligned with T2S and SWIFT releases)
 - September
 - November (aligned with T2S and SWIFT releases)

Customer value/driver

Ensuring predictability for VP-customers.

Formats published	<ul style="list-style-type: none">• Mandatory format changes are published no later than 6 months ahead of the release in Production• The deadline for format changes regarding new products, which are voluntary, will be published in alignment with customers and stakeholders
Guidelines published	Guidelines for mandatory changes are published no later than 6 months ahead of the release in Production (February Release 20 October 2017)
Available in DEMO Available in Production	No later than 4 weeks ahead of the release 25 February 2019 10 June 2019 (incl. two new data fields regarding market makers on investment funds) 23 September 2019 12 November 2019
Sector Test	-
Links to additional information	
Contact	Head of Release Management Thomas Niels Larsen, e-mail tnl@vp.dk , phone +45 4358 8923

4. Delivery Pipeline 2019-2021 - Not Committed



	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
4.1 ISO Account Management						-----	-----					
4.2 New Subscription system			-----	-----	-----							
4.3 Settlement in NOK				-----	-----							
4.4 Link to Norway and Finland					-----	-----	-----	-----				
4.5 T2S settlement in non-T2S markets							-----	-----	-----	-----		
4.6 Continuous Settlement				-----	-----	-----						

Deliveries in bold are mandatory

----- Delivery expected within this timeframe

4. Pipeline Deliveries 2019-2021 – Not Committed



4.1 ISO Account Management

VP intends to offer a full suite of ISO 20022 messages to support all of its business processes. This will include the business areas of Account Management, Liquidity and Payments, as well as Static data. VP has published a guideline to its implementation process [on their homepage](#).

ISO Account Management

An analysis of customer interest and requirements has been conducted. The result of the analysis has helped VP to prioritise the development task in accordance with our customers' needs.

Today, account administration in VP is only available via proprietary format. ISO 20022 is the first ISO format to have account administration functionality.

Scoping of the business requirements have been done in cooperation with our customer. At the moment the project is in the initiation stage exploring three different solution scenarios.

Customer value/driver

Harmonisation of communication methods and streamlining of account management processes.

Contact: Product Manager Helen Sørensen, email hes@vp.dk, phone + 45 4358 8975

4.2 New Subscription system

New Subscription system

Over the last couple of years there have been requests from our customers for smaller solutions designed specifically for their wishes. VP has been able to support them, but has also acknowledged that the real solution is to change the subscription system, which is the system that handles the distribution of VP information from the VP system. The new subscription system will:

- Make it possible for our customers to receive information from VP in a format of their choice
- Support the transition towards ISO communication and the decommission of the proprietary message
- Act as the foundation for a successful ISO strategy fulfillment

The project is being revised and updated in a new Planning Stage.

Customer value/driver

Harmonisation of communication methods.

Contact: Product Manager Helen Sørensen, e-mail hes@vp.dk, phone + 45 4358 8975

4. Pipeline Deliveries 2019-2021 – Not Committed



4.3 Settlement in NOK

In order to cater for our pan-Nordic issuers, VP will integrate with Norges Bank and thereby enable its customers to settle in Central Bank Money in NOK. Issuers will be able to issue all securities types in NOK, settle their transactions in Central Bank Money, and perform Corporate actions such as interest payments, dividends and redemptions.

VP has started up initial talks with Norges Bank to find a solution for how to connect to Norges Bank.

Customer value/driver

NOK settlement in Norges Bank will enable customers to settle payments in NOK in a safe and efficient manner for securities issued in VP. Hence it will be much more attractive for current as well as new issuers to issue securities – bonds, structured investment products, investment funds as well as shares – denominated in NOK in VP. This will also finally enable issuers to gather all Nordic issuance at one CSD.

Contact: Senior Business Analyst Parvinder Singh Randhawa, e-mail: psr@vp.dk, phone +45 4358 8746

4.4 Link to Norway and Finland

VP intends to establish links to both the Norwegian and Finnish CSDs. The timing of the establishment of the links will be closely coordinated with our clients.

Please note that the product 'Investor CSD' (foreign securities on VP accounts) is a voluntary product and therefore there is no requirement to develop and test the Link to Norway and/or Finland, unless the product is expected to be used.

Customer value/driver

VP wishes to offer our clients the possibility to keep and settle securities issued by the CSDs in the Nordic countries on VP accounts.

Contact: Product Manager Nicolai Nielsen, email nni@vp.dk, phone +45 4358 8721

4. Pipeline Deliveries 2019-2021 – Not Committed



4.5 T2S settlement in non-T2S markets

VP is currently working on establishing a link to the Swedish CSD and intends to establish a link to the Norwegian CSD – neither of which are on T2S. VP would like to offer its customers holding securities issued in these markets settlement of the securities side directly in T2S, thereby benefiting from the T2S opportunities, while still settling the cash side at either Riksbanken or Norges Bank.

Customer value/driver

Harmonization of settlement processes to T2S settlement regime.

Contact: Product Manager Kristoffer Kjelsø Sønderlev, email kks@vp.dk, phone +45 4358 8851

4.6 Continuous Settlement

VP settlement will be changed into a set-up with continuous settlement at daylight for all supported currencies.

A multi-currency continuous settlement set-up offers a higher degree of flexibility for customers and is VP's choice in order to fulfil the CSDR requirements for either RTS settlement or at least 3 settlement blocks per currency for each settlement day.

The idea is to offer block settlement at night for all currencies (requires access to Central Bank Money) and continuous settlement during the remaining settlement day, with DvP cut-off based on the set-up per central bank, and FoP cut-off at the end of the settlement day. DVP settlement per currency will be offered on VP opening days that are also opening days for the currency in question. FoP will be offered on all VP opening days.

Settlement transactions that are pending after NTS block settlement, as well as new same-day settlement transactions, will be settled as part of RTS settlement if the required resources (holdings/cash) are available.

Customer value/driver

Aligning settlement processes with European market practice.

Contact: Deputy, Post Trade Products Thomas Bo Christensen, e-mail tbc@vp.dk, phone +45 4358 873



**Thank you for
your attention**



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