

Interessefællesskaber



Release of activated *interessefællesskaber* in T2S

10. june 2019

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Interessefællesskaber

Interessefællesskaber is a facility that VP provides for mortgage institutes for the handling of contingency situations.

Interessefællesskaber is only available for bonds and is an issuer's grouping of securities that must be managed in a uniform way with respect to corporate action payments.

When an *Interessefællesskab* is activated, all future payment instructions for all securities in that particular *interessefællesskab* are sent to T2S with the status hold.

If a contingency situation arises for a mortgage institution, where there can be doubts as to whether interest – and/or redemption payments can be made, the payment instructions can be set "on hold" when activating one or more *interessefællesskaber*.

When it is possible to make the payments, the issuer must release the *interessefællesskab* after which the payments will be attempted on T2S.

The activation of an *interessefællesskab* has no impact on the updating of changes in holdings due to redemption.

For the sake of VP's handling of Corporate Action settlement, including the creation of payment instructions for T2S, the activation of an *interessefællesskab* must take place before 17:00 on the record date for an interest- and/or redemption process (see also section 'Correlation between Corporate Actions settlement in VP and in T2S by activated *interessefællesskab* on page 6).

No announcements (proprietary and/or ISO) are sent to the issuer or other participants, by activating an *interessefællesskab*, but the issuer can, via vp.ONLINE, see the activated *interessefællesskaber*, with associated ISINs where payment transactions are "on hold".

Handling of interest and redemption for an activated *interessefællesskab*

VP carries out the interest and redemption calculations in the VP system in the normal way, that is, updates of all holdings on all securities accounts in the VP system, both on the T2S accounts and on the VP accounts, in the affected ISINs.

Once the interest and redemption process have been completed, VP creates retail information to Securities Account Controller, and creates information for liquidity management, posting basis and reconciliation lists, to Cash Account Controller and issuer, respectively.

For all holding movements that originate from the redemption process and which must be updated in T2S, VP creates and sends settlement instructions for settlement in T2S. Holding movements are settled as FOP instructions (Free of Payment).

Creation of payment instructions

Payment instructions for interest and redemption for ISINs under an activated *interessefællesskab* are created according to the following guidelines:

Payments for interest and redemption, respectively, are formed in each payment instruction (PFOD) per ISIN per T2S account (ie not summed up to a total payment, irrespective of whether the payments originate from the same ISIN and have the same payment date). This applies both to payments relating to T2S accounts and payments relating to VP accounts. Payments relating to VP accounts will, however, be summed up per Cash Account Controller.

Both interest payment instructions and redemption payment instructions will be created in status "hold".

Interest payment instructions and redemption payment instructions, respectively, are "linked" in each of their All-Or-None pr. ISIN.

For each of the payment instructions there will be created a proprietary message TI20746v Posting basis for CA-payment transactions settled via T2S. No notice is sent to the participants that payments have been created in status "hold".

Release of payment instructions

Release of payment instructions under an activated *Interessefællesskab* takes place via vp.ONLINE "Maintain *Interessefællesskab*"

T2S.SETTLEMENT | ISIN | fondsportalen.dk | Fondsregister | vp.FUND HUB | Cash Account | CA | Kunde | Depot |

Vedligehold interessefællesskab

Interessefællesskab information

Udsteder: 00123

Interessefællesskab navn: HHO - Interessefællesskab - 00123

Gyldighedsperiode fra: 20022019 Til: 31122019

Corporate Action betalingskode: FREE HOLD

Bemærkninger: PRA's udsteder - Nyt interessefællesskab 2019

Release information

Release Type: Alt Rente Udtrækning

Interessefællesskabets ISIN(s)

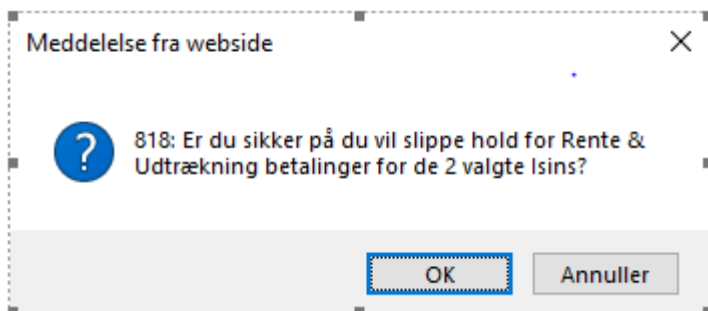
ISIN	Papirnavn	Status	Valgt
DK0025186199	11,12% 00123 UDTR-OK1 2024	Registreret	<input checked="" type="checkbox"/>
DK0025201170	5,00% 00123 PRA 1711 2027	Registreret	<input checked="" type="checkbox"/>
DK0025269805	3,00% 00123 2011/ 2028	Registreret	<input checked="" type="checkbox"/>

For each activated *interessefællesskab*, the issuer (or update related to the issuer) can, with a single "click" release payment instructions, either for

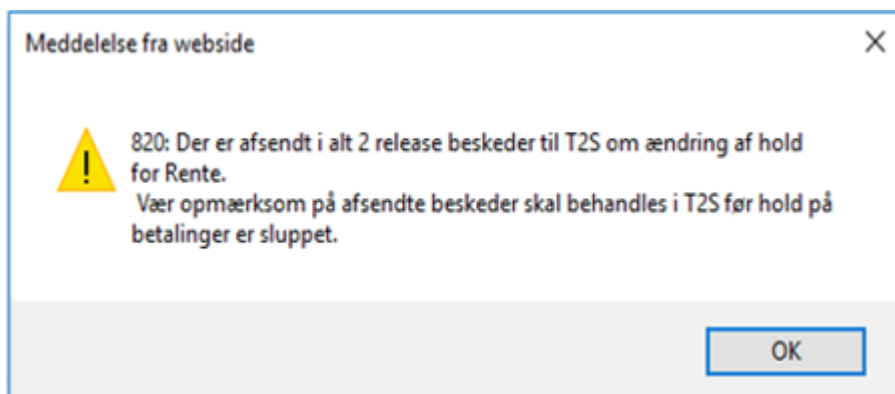
- All payment instructions at once (both interest - and redemption instructions)
- All interest instructions at once
- All redemption instructions at once

The issuer (or the issuer-related update) may choose to "release" this choice immediately, or the issuer may opt out of specific ISINs who, however, should not 'release' this time.

By "release", a message is given (you are sure you want to release?), after which the issuer must confirm his choice by clicking "OK". When the choice is finally "confirmed", "releases" of the selected payment instructions for all ISINs in the selected interest community are immediately sent to T2S for release of the payments.



When "OK" is pressed and the request has been processed, another message is given



Before clicking the "release" of the above, the issuer (or update related to the issuer) may opt-out of one or more ISINs in the current *interessefællesskab*, which should not be released anyway. Opt-out is done by clicking on the specific ISINs in the list of ISINs associated with the current *interessefællesskab*, after which clicking on "release"

When the election is finally "confirmed", "release" of the selected payment instructions is sent to T2S, for those ISINs of the community of interest who were not waived for the release of the payments.

Subsequently, the issuer can "release" the payments that are still "on hold". Once the payments are "released" they will no longer be selectable on the screen.

No separate messages (proprietary and/or ISO) are sent to the participants when payment instructions are released in T2S.

Once all payments have been released, the status of the community of interest must be changed to 'FREE', which will result in future payments being created in status 'released'.

Release of payment instructions to be settled via T2S in the current settlement day must be registered with VP before 15:45 (deadline for release in VP), so release and settlement in T2S can be completed before T2S DVP cut-off at 16:00 (see also Correlation between CA settlement in VP and on T2S, by activated community of interests on page 6).

Handling of payments that have not been "released" before the deadline

Payment instructions that have not been "released" before the deadline will recycle to the next settlement day in T2S. The instructions will continue to be "on hold" and will recycle in T2S until the issuer releases the transactions, or agrees with other manual processing with VP.

The issuer may request VP to issue 'fund assets' for the interest and/or redemption payments that were not settled, cf. Contingency Plan for Withdraw of interest -and redemption proceeds, respectively, as described in VP's System Guide.

Correlation between Corporate Actions settlement in VP and in T2S, by activated *interessefællesskab*

