

## T2S harmonisation activities: Euroclear Finland

| Activity                                   | Sub-activity                              | Compliance<br><small>Indicates level of compliance with the relevant standards/rules</small> | Status<br><small>Green (G), yellow (Y), red (R), blue (B)</small> | Type of implementation gap<br><small>If the standards/rules are not yet implemented, please specify what the type of gap is</small> | Implementation plan/date<br><small>If standards/rules are not fulfilled, please provide the timetable and various milestones/dates in the implementation plan.</small> |   | Implementation actor(s)<br><small>Relevant national actors for implementation</small> | Further comments and source of information  |
|--|---|--|---|---|--|---|---|---|
|  |   |  |   |   | Ready for T2S testing  | Fully operational according to the T2S standard |   |   |
| <b>Priority 1</b>                          |   |  |   |   |  |   |   |   |
| T2S messages                               | 1. T2S ISO 20022 messages                 | Fully compliant  | B   | Compliant   | NA   | NA  | NA  | Info source: NUG response 2015. T2S version of ISO20022 message standard is already implemented in production environment from 2 Feb 2015. The Finnish  |
|  | 2. T2S matching fields                    | Fully compliant  | B   | Compliant   | NA   | NA  | NA  | Info source: NUG response 2015. T2S mandatory matching fields are already implemented in production environment from 2 February 2015. The Finnish market is already using the T2S matching fields.  |
|  | 3. Interaction for registration           | Fully compliant  | B   | Compliant   | NA   | NA  | NA  | Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer registration information  |
|  | 4. Interaction for tax info               | Fully compliant  | B   | Compliant   | NA   | NA  | NA  | Info source: T2S HSG surveys 2013. Settlement messages are not used to transfer tax information   |
| 5. T2S schedule of settlement day          |   | Not compliant  | G   | Straight forward to implement   | Ready for T2S testing  | Nov 2022  | Euroclear Finland and CSD participants  | Info source: Compliance monitoring update May 2020. T2S schedule of settlement day will be applied when joining T2S.  |
| 6. Corporate actions T2S CA standards (59) | Market claims (28 standards)              | 93%  | Red   | Major technical change  | Transformations detection period will be implemented when EFi joins T2S in Nov 2022.<br>Market claims after Nov 2022   | After Nov 2022                                  | MIG and Euroclear Finland   | CASG gap analys 2019: Functionalities for market claims are in place but not supported for dividend payments since dividends are not paid in CeBM. Implementing CeBM payments for dividends requires major technical changes and will happen after November 2022. In transformations only the rule of 20 detection days is missing which will be implemented when Efi joins T2S. Buyer protection is planned to be implemented between participants in 2020. It requires a change in the market practice. |
|  | Transformations (13 standards)            | 92%  |   |   |  |   |   |   |
|  | Buyer protection (18 standards)           | 0%   |   |   |  |   |   |   |
|  | 7. Settlement finality I: moment of entry | Fully compliant  | B   | Compliant   | NA   | NA  | NA  | Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. Already implemented (Sept 2012)   |

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|------------------------|---|-----------------|--------|-------------------------------|---|---------------|-------------------------|--|
| Legal harmonisation    | 8. Settlement Finality II: irrevocability and enforceability transfer order | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Info source: T2S NUGs surveys 2011 and 2012, SP2 and bilateral input. Already implemented (Sept 2012)  |
|                        | 9. Settlement Finality III: irrevocability of securities transfers.         | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Compliance monitoring update May 2020. Already implemented (Sept 2012)   |
|                        | 10. Outsourcing IT (Settlement ) services                                   | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Info source: 2014 HSG survey on IT outsourcing.  |
| 12. Settlement cycles  |   | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Info source: Bilateral confirmation from NUG. Fully compliant since 6 October 2014.  |
| CSD account structures | 13. Availability of omnibus accounts  | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Info source: T2S NUGs survey and bilateral input.  |
|                        | 14. Restrictions on omnibus accounts  | Not compliant   | Y      | Regulatory/legislative change | Ready for T2S testing   | Not available | National legislator     | Info source: Compliance monitoring update May 2020. According to applicable EU and national level legislation, participants are required to offer both segregated and nominee accounts for their clients. Finnish investors are obliged to maintain their Finnish securities' holdings in a segregated account ((Finnish Act on the book-entry system and settlement operations (348/2017) and Finnish Act on Book-Entry Accounts (827/1991)). In compliance with the legal requirements, participants in the Finnish CSD need to be able to operate both account types, in addition to being obliged to comply with other relevant rules in the finance sector, including but not limited to tax laws, companies legislation, settlement finality and proprietary laws. The participation requirement is same and equal to all participants regardless of their nationality. We do not foresee a law change prior Finland joining T2S (Nov 2022). All securities accounts (incl. the owner accounts) will be T2S eligible and thus, the requirements set forth in the Finnish legislation will not impact Finnish market's migration to T2S or production usage of T2S. |
| T2S accounts numbering | 15. Securities account numbering  | Fully compliant | B      | Compliant                     | NA  | NA            | NA                      | Info source: NUG response 2015. Fully operational since 2 February 2015  |
|                        | 16. Dedicated cash account numbering  | Not compliant   | G      | Straight forward to implement | Ready for T2S testing   | Nov 2022      | NCBs                    | Info source: Compliance monitoring update May 2020. The DCA linkages will be applied when joining T2S.   |

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| <b>Priority 2</b>                 |                          |  |   |  |   |   |   |   |
| 18. Corporate actions             | CA market standards (68) | Cash distributions<br>91,67 %<br>Securities distributions<br>95,45 %                         | <b>G</b>  | Major Technical Change   | Ready for T2S testing   | After Nov 2022                                  | Euroclear Finland   | Percentages are based on the latest EMIG gap analysis in 2019. Dividends in CeBM, manual reversal processes and buyer protection are major gaps with different reasons and implementation timetables. |
| 23. Securities amount static data |                          | Fully compliant  | <b>B</b>  | Compliant  | NA  | NA  | NA  | Info source: NUG response 2015. Fully operational since 2 February 2015   |