

# BVI Fund Operations Konferenz

2 April 2019

clearstream | DEUTSCHE BÖRSE  
GROUP

Investment Funds Admission to Collective Safe Custody

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# I. Introduction

## II. Process & Technology

## III. Instrument coverage

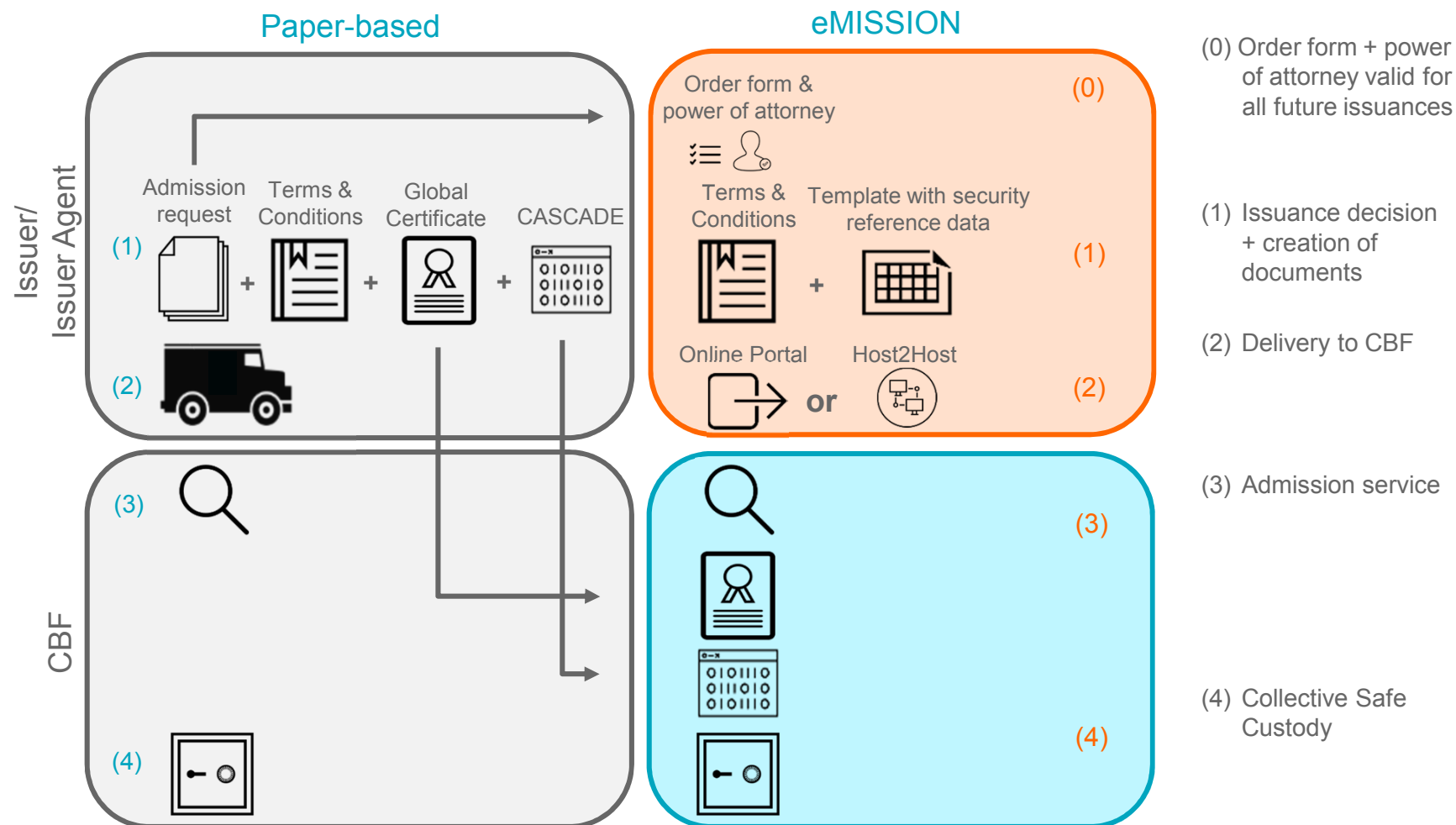
## IV. eMISSION for Investment Funds

## V. Wrap-up



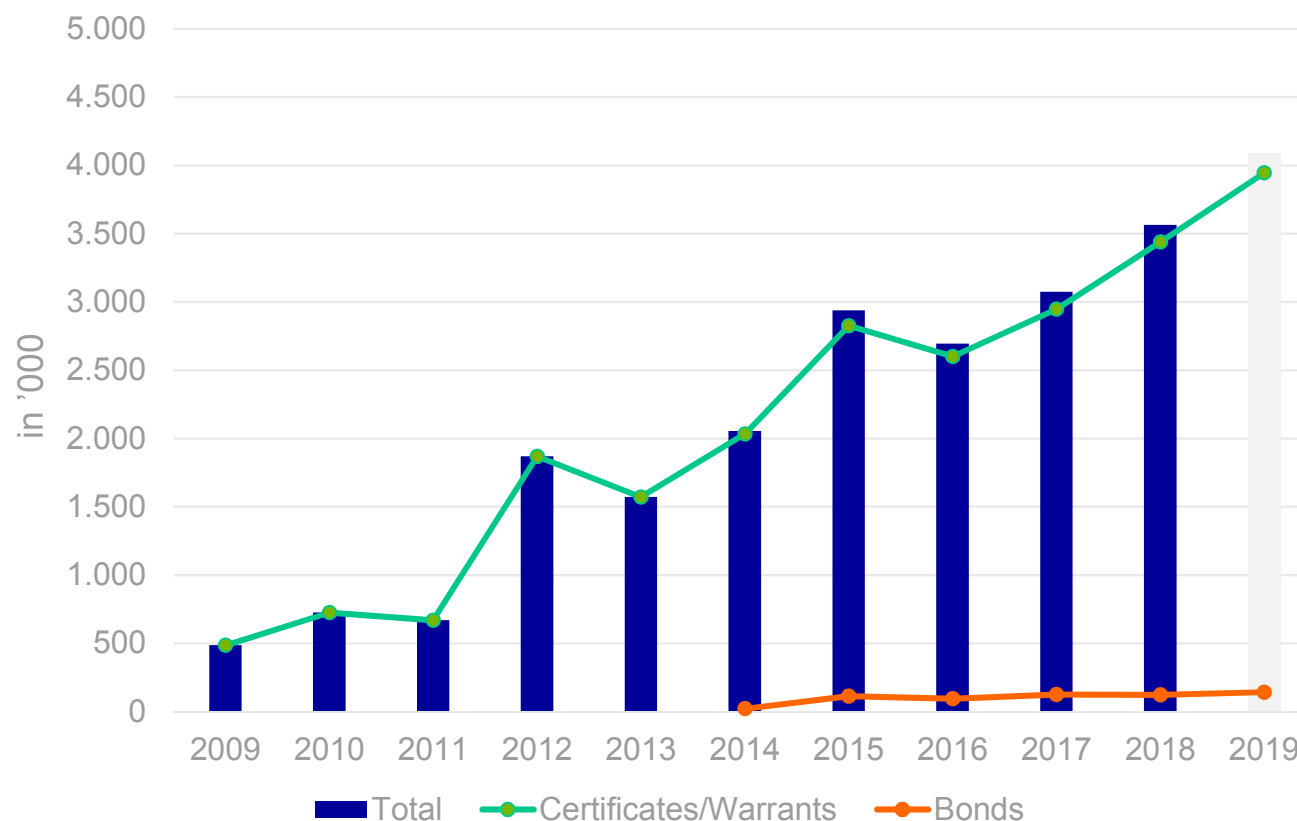
# I. Paper-based issuance vs. eMISSION

eMISSION simplifies issuance



# I. Electronic issuance available since 2009

Evolution driven by high-volume C&W business

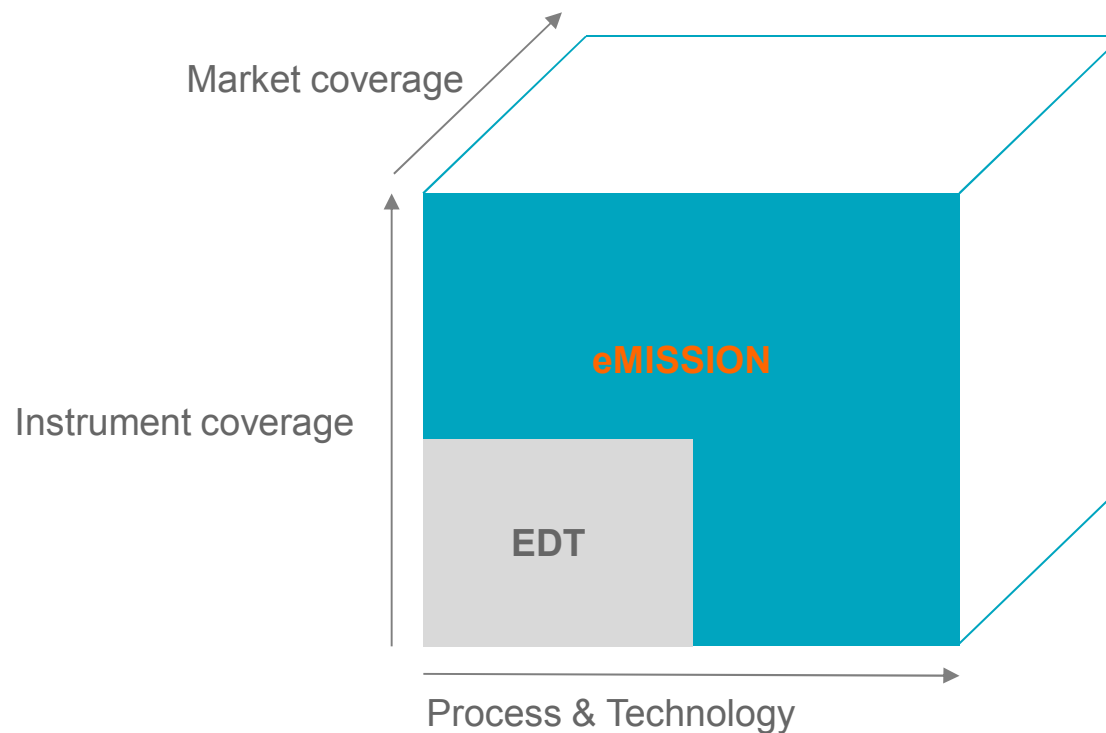


- process efficiency is a pre-requisite for high volume business
- however electronic issuance is equally interesting for occasional issuance as it reduces time-to-market and cost
- issuance process to CSC<sup>(1)</sup> applies T+1

(1) CSC: Collective Safe Custody

# I. Roadmap of Issuance Services

Multidimensional roadmap to bring securities issuance to the next level



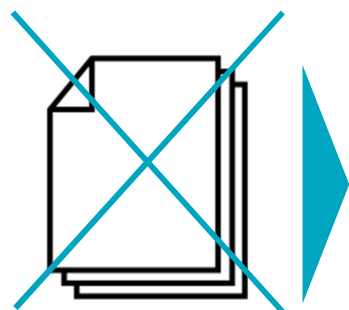
- Competitive EDT Service is nucleus of future issuance services
- Development builds on roughly 10 years of experience in automated admission

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



## II. Simplification of the issuance process

Single one-time order form versus admission request for each individual issuance



### Two steps to get started or adjust existing set-up

1. Single order form to select different services per account 
2. Power of attorney from issuers serviced by account holder\* 

Standardized service description,  
format specification, terms and  
conditions.

\*Required only for customers issuing on behalf of others (Fremdemissionen).



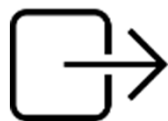
## II. Technology focussed on customer needs

Technology upgrade to increase service standards

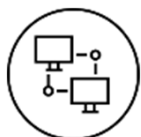
### Connectivity

#### Online Portal

Intuitive interface  
for flexible upload



or



#### Host2Host access

Full automation for  
high volume  
issuers (sftp- protocol)

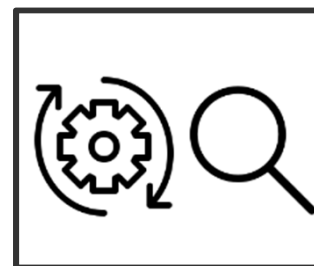
### User management



#### Member portal

- Self-managed user administration
- Authorization for employees or customers' service providers

### Securities admission



#### eMISSION - Platform

- Real-time delivery of admission requests
- Transparency on issuance process
- Ensures data excellence through automated validations

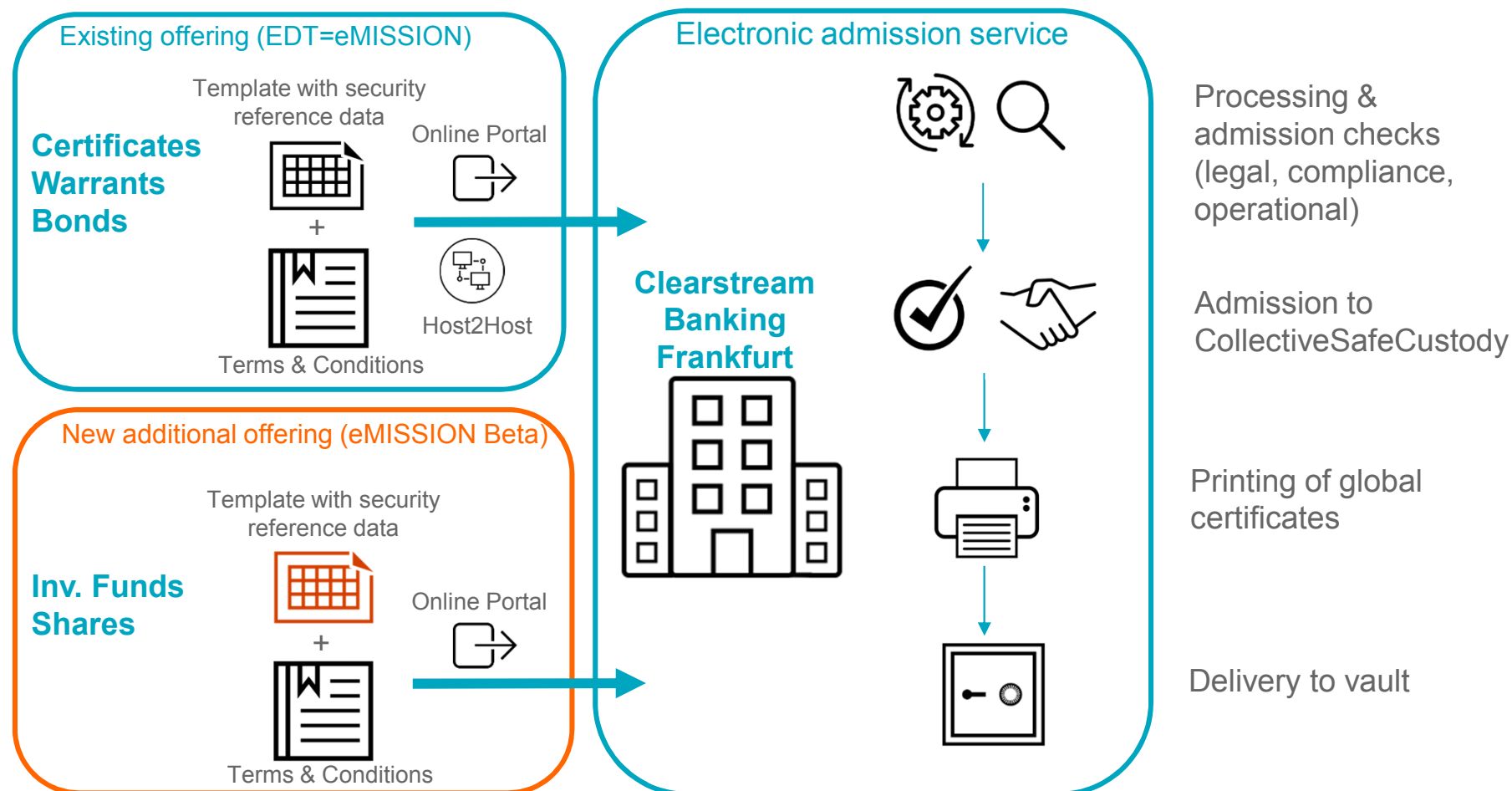


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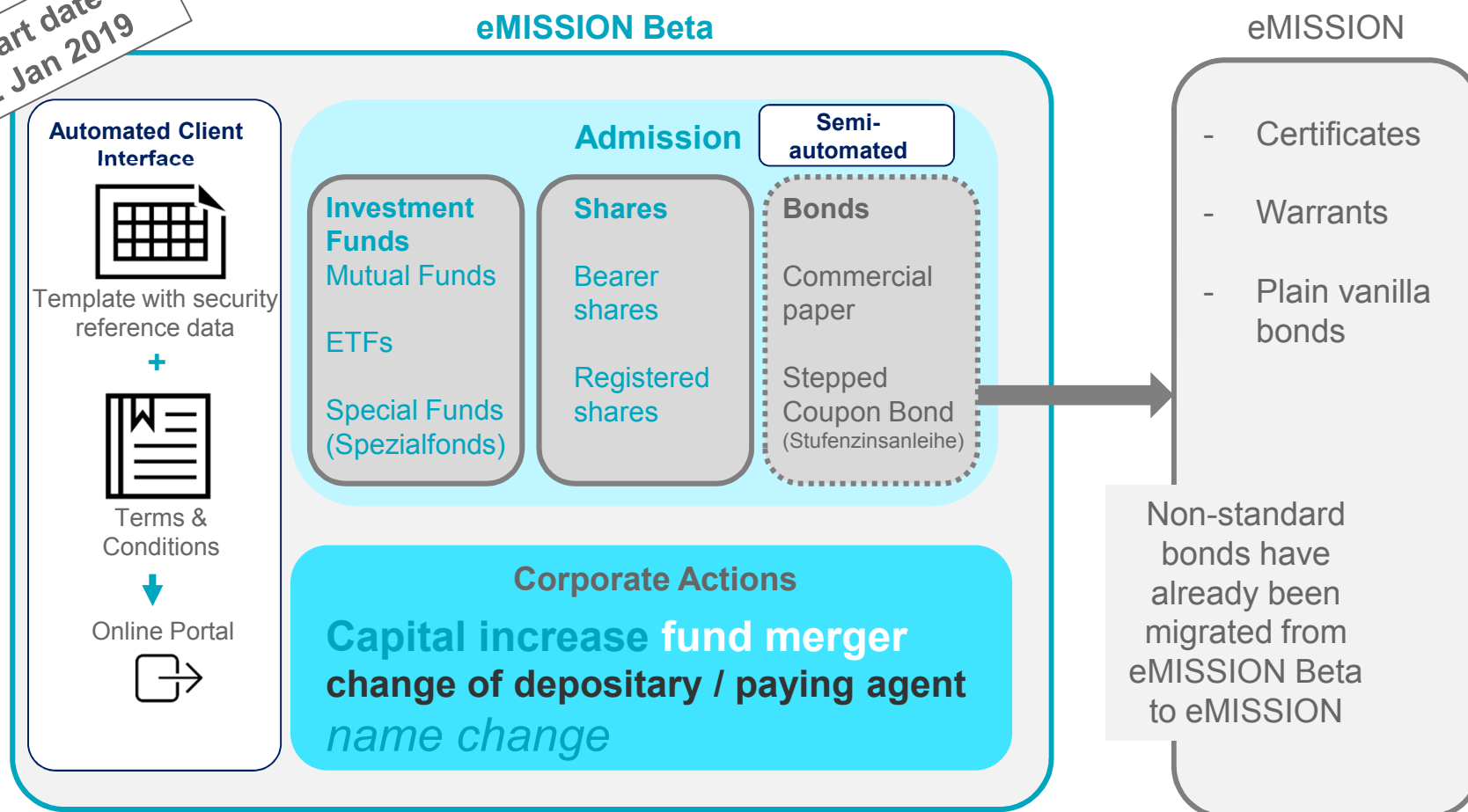
# III. Electronic issuance for all asset classes

Existing offering extended to offer full coverage



# III. eMISSION user experience ahead of full digitisation (Beta)

Start date  
02 Jan 2019



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# Templates for security reference data

## Structure of eMISSION data file

Funds (max. 36 columns)

Wertpapierstammdaten													
Urkundendaten													
CASCADE													
Zulassungsantrag													
Wertpapier Art (Produktgruppe)	ISIN	WKN	Emissionsdatum	Ertragsverwendung	Beginn des Geschäfts jahres	Ende des Geschäfts jahres	CBF Kto.Nr. der Zahlstelle	Produktname/Bezeichnung (vollständiger Name des Fonds, inkl. Anteilsklasse)	Verbriefungsart (Verwahrmöglichkeit)	kleinste übertragbare Einheit	Fälligkeit	Währung Erträge	Inhaber- /Namens papier

- Securities reference data can be uploaded in **XLS format** or **CSV file format**
- One file** can contain **one or multiple securities** in the same file
- Each line** in the data file represents **one security**
- Data contains all necessary information to
  - + Make securities **CBF & T2S eligible**
  - + **Create** the **Global Note**,
  - + **Book securities** with good value into issuance account

## IV. eMISSION service offering for funds

### Current scope, outlook & items to be clarified

- Eligible Investment Fund **products**
    - + Funds open to general public (Publikumsfonds)
    - + Specialized Funds (Spezial-AIF)
    - + ETFs
  
  - Eligible **Governing laws**
    - + Jan 2019: DE law
    - + Jul 2019: Non-DE law
  
  - Assessment of best way to support the **control function** of the depository bank is still ongoing. CBF is in contact with the market in order to understand the needs of the depository banks to support their control function in the best way. It has to be assessed
    - + If signature authority for the global certificate can be transferred to CBF by the depository bank for all admission requests concerning the depository bank via PoA<sup>(1)</sup> or
    - + If individual signature authority for a global certificate of the depository bank is required for each and every admission request.
- **Next step:** Discuss legal view with depository banks; CBF's view is that signature authority via PoA can be granted

(1) PoA: Power of Attorney

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## V. eMISSION customer benefits

Significant efficiency gains along the value chain

- Order form is **required once** per account
  - + no (manual) effort to fill admission request for each issue
  - + **no collection of signatures** for each issue
- Global certificate is printed and effectuated by Clearstream
  - + electronic submission reduces **time to market**
  - + **no cost for secure shipping**
  - + no collection of signatures
- Cascade instruction (Einlieferungsbeleg) is created by Clearstream
  - + **no manual creation of instruction**
- Electronic exchange of security reference data in a structured format
  - + **no errors** due to manual data collection
  - + **data collection** can be handled **at source**

## V. Questions & Answers



# Thank you!

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