Information materials relating to changes in the processing of corporate events
Project: Implementation of the T+1 settlement cycle

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I INTRODUCTION

This document sets out the scope of changes to KDPW's IT systems relating to the processing of corporate events in connection with the shortening of the settlement cycle to T+1.

The proposed changes have been drawn up on the basis of the recommendations and guidelines of the EU T+1 Industry Committee and Ami-SeCo CEG concerning the processing of corporate events under a shortened settlement cycle.[1]

EU T+1 Industry Committee:

[1] Due to the specific nature of the Polish capital market and the constraints arising from current regulations and the organisation of market processes, some of the solutions have been designed differently from the AMI-SeCo CEG recommendations. The derogations have been discussed and approved by Stream 3 at the UKNF, which deals with corporate events as part of the T+1 cycle implementation project.

High-Level Roadmap to T+1 Securities Settlement in the EU – 30 June 2025

EU T+1 Securities Settlement Handbook – 3 February 2026

AMI-SeCo CEG (The Advisory Group on Market Infrastructures for Securities and Collateral. Corporate Events Group): T+1 – Corporate Events Harmonised Implementation Guide June 2026

This specification sets out the scope of changes to the KDPW systems and changes to message schemas whose implementation is considered necessary in view of the implementation of the T+1 cycle. The scope of the changes covers the following areas:

1) changes to the handling of key dates used in corporate events processes, including modifications to the rules for determining selected dates, the implementation of support for new dates, and the adaptation of notification schemas for their transmission to participants;
2) changes to settlement instruction schemas and the status of settlement instructions aimed at aligning them with the guidelines on transformations and market claims;
3) changes to the handling of market claims.

The versions of ISO 20022 messages used for corporate event processing remain unchanged.

The effective date of the system changes is **11 October 2027;** however, the implementation of changes to the handling of market claims is contingent upon the entry into force of the expected amendment to Article 7(2), second sentence, of the Act on Trading in Financial Instruments, which introduces a clear rule that proceeds from securities accrue to the buyer on the payment date – to the extent that such securities are recorded in the buyer's securities account as a result of the settlement of a transaction carried out prior to that date. In particular, the date for the implementation of the change will be set to coincide with the date on which the amended provision comes into force.

Glossary:

This glossary is intended to standardise the terminology used in the specification and to ensure a consistent understanding of concepts relating to the processing of corporate events. The definitions have been drawn up on the basis of international standards, taking into account how they are interpreted and applied in the domestic market.

Key dates relating to the processing of corporate events:

Ex-Date – the date from which the underlying security is traded without the right to dividends attached to it.

Record Date – the date on which the right to participate in a corporate event is determined.

Payment Date – the date on which dividends are paid or the event is executed.

Last Trading Date (the last day of trading) is the last day on which securities are traded together with the right attached to participate in a corporate event involving the reorganisation of securities.

Guaranteed Participation Date (the last day guaranteeing participation in the right) is the last day on which the security with the right attached to participate in a corporate event may be bought or transferred.

Buyer Protection Deadline Date is the last date and time for the buyer to instruct the seller in order to receive their choice from among the options available under the corporate event.

Market Deadline Date – date and time set by the issuer, the offeror or the issuer's central securities depository as the deadline to send instructions for participation in the corporate event. On the Polish market, this deadline will be the same date as the last day for accepting subscriptions.

Response Deadline – the final deadline for sending instructions to KDPW.

Terms relating to Transaction Management *(i.e. the processing of corporate events in relation to pending transactions):*

Market claims – a process for the payment of proceeds (such as dividend or interest) or the distribution of rights attached to securities which ensures the reallocation of the distributed benefit or right in accordance with the terms of the transaction which, as a result of a settlement fail, was settled after the Record Date.

Transformations – a process for corporate events involving the reorganisation of securities by which transactions which remain pending settlement are cancelled in the system and replaced by a resulting transaction, restructured in accordance with the terms of the corporate event. At KDPW, the process for enriching pending instructions is currently the equivalent of transformations.

KDPW plans to adapt its transformation processing model to comply with the above definition no earlier than 2029.

Buyer Protection (a process safeguarding the buyer's rights) – a process whereby the buyer instructs the seller to receive their choice of options available in the context of a corporate event. The process applies where the settlement of the transaction has not occurred on or before the deadline by which participants may send instructions regarding their chosen option for the execution of the event.

II Scope of changes

The following is a list of changes to KDPW's IT systems:

II.1. Key dates

The rules for determining key dates where KDPW acts as the primary depository are set out below. Where KDPW acts as a secondary depository, these dates are provided in accordance with information received from the entity higher up in the intermediary chain.

II.1.1. Change to the rules for determining the Ex-date

- The change to the method of determining the Ex-date applies to the following events:
  - DVCA_MAND_UNIT Mandatory cash dividend payment;
  - CAPG_MAND_UNIT Mandatory distribution of income from a closed-end fund (FIZ) without the redemption of investment certificates;
  - DECR_MAND_UNIT_Cash Mandatory reduction in the nominal value of shares with a cash payment;
  - RHDI_MAND_UNIT Mandatory distribution of rights attached to shares (e.g. distribution of individual subscription rights attached to shares);
  - INTR_MAND_UNIT – Payment of interest on structured certificates.

- The Ex-date will be determined as the same date as the Record Date, provided that the Record Date falls on a trading day. Where the Record Date falls on a day that is not a trading day, the Ex-date will be determined as the last trading day preceding the Record Date.[2]

- The Ex-date will be communicated in a notification (message seev.031) to participants via the following path: /Document/CorpActnNtfctn/CorpActnDtls/DtDtls/ExDvddDt.

Transition period:

For companies for which KDPW is the primary depository, the following rules will apply to corporate events for which an Ex-Date is determined:

1) For events where the Record Date falls on or before 11 October 2027, the Ex-Date is determined in accordance with the rules applicable to the T+2 cycle, i.e. as the trading day preceding the Record Date.
2) For events where the Record Date falls on or after 12 October 2027, the Ex-Date is determined in accordance with the rules applicable to the T+1 cycle, i.e. as the day coinciding with the Record Date (if the Record Date falls on a trading day).
3) Consequently:
   - If the Record Date falls on Monday 11 October 2027, then the Ex-Date = Friday 8 October 2027;
   - If the Record Date falls on Tuesday 12 October 2027, then the Ex-Date = Tuesday 12 October 2027 (the first day on which T+1 applies to the Ex-Date);
   - No Ex-Date is set for Monday 11 October 2027.[3]

II.1.2. Implementation of the Last Trading Date functionality

- The implementation of Last Trading Date (LTD) functionality applies to the following events:

  - MCAL_MAND_FAMT Full mandatory early redemption of bonds and covered bonds;
  - MCAL_MAND_UNIT Full mandatory early redemption of structured certificates;
  - REDM_MAND_FAMT Redemption of debt securities – in full at maturity;
  - REDM_MAND_UNIT Full mandatory redemption of structured certificates at maturity;
  - CONV_MAND_UNIT/FAMT Mandatory conversion of all securities marked with a given code;
  - EXOF_MAND_UNIT Mandatory withdrawal of securities from KDPW with distribution of cash (e.g. withdrawal of rights to shares where the withdrawal is accompanied by a cash payment);
  - PARI_MAND_UNIT/FAMT Assimilation of all securities marked with a given ISIN code;
  - SPLF_MAND_UNIT Split of securities;
  - SPLR_MAND_UNIT Reverse split of securities;

- The Last Trading Date (LTD) will be determined for traded securities as the actual last trading date for the instrument, provided that it does not fall later than the Record Date.[4] The rules for determining the LTD for individual event groups are described below.

2 KD1: the ex-date (which begins at the start of the day) must be on the same date as the record date (which is a snapshot taken at the end of the day);
[3]Assumptions for the transition period based on: T+1 Corporate Events Harmonised Implementation Guide, Key dates for corporate events announced before, but settling after the transition to T+1, p. 7.
[4] **KD3**: The last trading date should be one business day before the record date.

1. The Last Trading Date will be determined as the business day preceding the Record Date (LTD = RD – 1RBD).

- MCAL_MAND_FAMT Full mandatory early redemption of bonds and covered bonds;
- REDM_MAND_FAMT Redemption of debt securities – in full at maturity;
- EXOF_MAND_UNIT Mandatory withdrawal of securities from KDPW with distribution of cash (e.g. withdrawal of rights to shares where the withdrawal is accompanied by a cash payment);

2. The Last Trading Date will be determined as the same date as the Record Date (LTD = RD), provided that the Record Date falls on a trading day. Where the Record Date falls on a non-trading day, the Last Trading Date will be determined as the last trading day preceding the Record Date.

- CONV_MAND_UNIT/FAMT Mandatory conversion of all securities marked with a given ISIN code;
- PARI_MAND_UNIT/FAMT Assimilation of all securities marked with a given ISIN code;
- SPLF_MAND_UNIT Split of securities.

3. The Last Trading Date will be determined as 3 business days before the Record Date (LTD = RD – 3 RBD)

- SPLR_MAND_UNIT Reverse split of securities.

- The Last Trading Date will be communicated in a notification (message seev.031) to participants via the following path: /Document/CorpActnNtfctn/CorpActnOptnDtls/SctiesMvmntDtls/DtDtls/LastTradgDt, relevant to the debited instrument.

II.1.3. Implementation of the Guaranteed Participation Date and the Buyer Protection Deadline functionality and a change to the rules for determining the Market Deadline

The implementation of the Guaranteed Participation Date and the Buyer Protection Deadline (Election To Counterparty Market Deadline, Election To Counterparty Response Deadline) functionality, as well as the change to the rules for determining the Market Deadline, applies to the following events:

- BIDS_VOLU_FAMT Partial voluntary redemption of debt securities.
- BIDS_VOLU_UNIT Partial voluntary redemption of closed-end fund (FIZ) investment certificates.
- EXRI_CHOS_UNIT Optional subscription for shares in a new issue, made in exercise of the pre-emptive right to such shares, on the basis of a unit pre-emptive right.

The **Guaranteed Participation Date** (the last day guaranteeing participation in the right) will be determined as the business day one business day before the last day for accepting subscriptions, provided that it does not fall later than the Market Deadline.[5]

[5] **KD5**: The guaranteed participation date should be at least one business day before the buyer protection deadline. **KD6**: The guaranteed participation date should be at least one business day before the market deadline.

The Guaranteed Participation Date will be communicated in a notification (message seev.031) to KDPW participants via the following path:
<CorpActnNtfctn><CorpActnDtls><DtDtls><GrntedPrtcptnDt><Dt><Dt>.

Buyer Protection Deadline:

- The **Election To Counterparty Market Deadline**[6] (the final deadline for buyer protection) will be determined as the last day for accepting subscriptions at 11:00.
  The Election To Counterparty Market Deadline date will be communicated in a notification (message seev.031) to KDPW participants via the following path: <CorpActnNtfctn><CorpActnDtls><DtDtls><ElctnToCtrPtyMktDdln><Dt><DtTm>.

- Until the automatic Buyer Protection process is implemented, the **Election To Counterparty Response Deadline** (buyer protection deadline) will neither be determined nor communicated in notifications to KDPW participants, regardless of whether KDPW acts as a primary or secondary depository.

The **Market Deadline** will be determined as the same date as the last day for accepting subscriptions.

At the same time, **the Response Deadline** will continue to be determined as the last day on which KDPW accepts instructions from participants. Consequently, the Response Deadline may fall after the Market Deadline.

II.2. Changes to the settlement instruction and the status message for the settlement instruction

II.2.1 Settlement instruction sese.ins.001.xx

The following changes will be made to the settlement instruction schema:

- The SettlementDetails/OptOutTrfCd field will be removed from the schema.[7]
- The ExCumCd indicator will be removed from the schema.[8]

A code value "NOMC" (No Automated Market Claim) will be defined in the existing SettlementDetails/OptOutClmCd field in order to exclude instructions from the market claims and transformations process. Business support for the NOMC indicator, which allows to opt out of the process for the netting of benefits or transformations, is planned for split events and for cross-system transfers with a T+1 implementation date. The business use of the NOMC indicator will be described in the materials for participants concerning the proposed changes to KDPW's IT systems as part of the following projects: "Cross-system transfers with foreign CSDs" and "Splits and reverse-splits in accordance with international standards".

II.2.2. Status of settlement instruction sese.sts.001.xx

The following changes will be made to the status message schema:

- The SettlementDetails/OptOutTrfCd field will be removed from the schema.

[6] **BP3**: The buyer protection deadline should follow the guaranteed participation date by at least one settlement cycle. **BP4:** The buyer protection deadline should be at 11:00 am on the market deadline date.
[7] The ISO 20022 standard provides for a single opt-out indicator to exclude both market claims and transformations.
[8] MC2 *Note: The 'ex' and 'cum' indicators must no longer be taken into account for identifying and creating market claims and are therefore excluded from MC2 and Table 1.*

- The ExCumCd indicator will be removed from the schema.
- A new optional field, SttlmTxCond, will be added.

A code value "TRAN" will be defined in the status message schema sent following the enrichment of pending documents, in the new SttlmTxCond (Settlement Transaction Condition Code) field, in order to confirm that the transformation has been carried out. Business support for the code value "TRAN" is scheduled to be implemented at the T+1 implementation deadline for splits in the "Splits and reverse-splits in accordance with international standards" project. Additionally, a field will be completed in the status message following the completion of a transformation to indicate the reference to the corporate event giving rise to the transformation (CARef).

II.3. Changes to the handling of Market Claims (CLAI operations)[9]

Currently, CLAI operations[10] executed pursuant to Article 86 of the KDPW Rules are settled simultaneously with the settlement of the underlying transaction. The aim of the change is to enable the settlement of a CLAI operation after the settlement of the underlying transaction, while maintaining the principle that a market claim may be settled no earlier than on the Payment Date. Consequently, the settlement of a market claim should take place on the Payment Date, provided that the underlying transaction has been settled by that date, or after the Payment Date, if the settlement of the underlying transaction takes place later.

Scope of the planned changes regarding the content and statuses of the settlement instruction for CLAI operations:

1) planned settlement date for CLAI operations = Payment Date,
2) Trade Date for CLAI operations = Trade Date for the underlying transaction,
3) the instruction for CLAI operations remains linked to the instruction for the underlying transaction in such a way that the CLAI operation can only be settled after the underlying transaction has been settled,
4) CLAI operations are not subject to partial settlement,
5) the status of a CLAI instruction = HOLD from the moment it is generated,
6) actual settlement of CLAI operations may only take place after full settlement of the underlying transaction and after confirmation of the payment of proceeds,
7) the status of a CLAI instruction changes from HOLD to RELEASE automatically once the settlement conditions have been met, i.e. full settlement of the underlying transaction and the actual payment of proceeds,
8) the sese.sts status message for a CLAI operation contains a reference to the underlying transaction and a CARef reference, enabling the unambiguous linking of the market claim to the transaction on which it is based and to the corporate event to which the market claim relates.

[9] The entry into force of the changes described in this section, concerning the method of settlement for CLAI instructions, is conditional upon the entry into force of amendments to Article 7(2) of the Act on Trading in Financial Instruments.
[10] A cash transfer operation in connection with the settlement of a transaction executed pursuant to Article 86 of the Rules, operation type = CLAI.